

Annual report for the period 2 September 2022 to 31 December 2023

Droplet IV ApS
Ole Maaløes Vej 3, 2200 København N
CVR no. 43 48 85 62

Adopted at the annual general meeting on 11 July
2024

Marcus Bech
chairman

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Statement by management on the annual report

The supervisory board and executive board have today discussed and approved the annual report of Droplet IV ApS for the financial year 2 September 2022 - 31 December 2023.

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's financial position at 31 December 2023 and of the results of the company's operations for the financial year 2 September 2022 - 31 December 2023.

In our opinion, management's review includes a fair review of the matters dealt with in the management's review.

The financial statements have not been audited. Management considers the criteria for not auditing the financial statements to be met.

Management recommends that the annual report should be approved by the company in general meeting.

Copenhagen, 7 July 2024

Executive board

Tore Victor Chrom Allerup
Director

Marcus Borum Mølskov Bech
CEO

Supervisory board

Marcus Borum Mølskov Bech
chairman

Rasmus Fält

Mette Dahl

Tore Victor Chrom Allerup

Auditor's report on compilation of the financial statements

To the shareholder of Droplet IV ApS

We have compiled the financial statements of Droplet IV ApS for the financial year 2 September 2022 - 31 December 2023 based on the company's bookkeeping records and other information made available by enterprise.

The financial statements comprises a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes.

We performed the engagement in accordance with ISRS 4410, Compilation Engagements.

We have applied our professional expertise to assist the enterprise in the preparation and presentation of the financial statements in accordance with the Danish Financial Statements Act. We complied with the relevant provisions of the Danish Act on Approved Auditors and with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), including principles relating to integrity, objectivity, professional competence and due care.

The financial statements and the accuracy and completeness of the information used to compile the financial statements are the enterprise's responsibility.

As a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information provided by enterprise for our compilation of the financial statements. Accordingly, we do not express an audit or a review conclusion on whether the financial statements have been prepared in accordance with the Danish Financial Statements Act.

Birkerød, 7 July 2024

ECO-team
statsautoriseret revisionsanpartsselskab
CVR no. 27 96 66 75

Peter Lind
statsautoriseret revisor
mne10900

Company details

The company

Droplet IV ApS
Ole Maaløes Vej 3
2200 København N

CVR no.: 43 48 85 62

Reporting period: 2 September 2022 - 31 December 2023

Domicile: Copenhagen

Supervisory board

Marcus Borum Mølskov Bech, chairman
Rasmus Fält
Mette Dahl
Tore Victor Chrom Allerup

Executive board

Tore Victor Chrom Allerup, director
Marcus Borum Mølskov Bech, CEO

Auditors

ECO-team
statsautoriseret revisionsanpartsselskab
Blokken 90
3460 Birkerød

Management's review

Business review

Droplet IV aims to develop and deliver innovative medical devices and aids that enhance patients' and healthcare workers' quality of life. Droplet IV strives to provide advanced, reliable, and user-friendly solutions that meet the highest standards and promote global health and well-being.

Financial review

The company's income statement for the year ended 31 December 2023 shows a profit of DKK 184.202, and the balance sheet at 31 December 2023 shows equity of DKK 224.202.

Significant events occurring after the end of the financial year

No events have occurred after the balance sheet date which could significantly affect the company's financial position.

Accounting policies

The annual report of Droplet IV ApS for 2022/23 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to enterprises of reporting class B, as well as provisions applying to reporting class C entities.

The accounting policies applied are consistent with those of last year.

The annual report for 2022/23 is presented in DKK

Basis of recognition and measurement

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the annual report is presented and which confirm or invalidate matters existing at the balance sheet date.

Income statement

Gross profit

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods and work in progress and other operating income less costs of raw materials and consumables and other external expenses.

Revenue

Revenue is measured at the fair value of the agreed consideration, excluding VAT and other indirect taxes. Revenue is net of all types of discounts granted.

Other external expenses

Other external expenses include expenses related to distribution, sale, advertising, administration, premises, bad debts etc.

Accounting policies

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees.

Financial income and expenses

Financial income and expenses are recognised in the income statement at the amounts that relate to the financial year. Net financials include interest income and expenses.

Tax on profit/loss for the year

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

Balance sheet

Intangible assets

Development projects, patents and licences

Development costs comprise costs, wages/salaries and amortisation losses that are directly and indirectly attributable to the company's development activities.

Patents and licences are measured at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over the remaining patent period, and licences are amortised over the term of the licence, however not more than 8 years.

Impairment of fixed assets

The carrying amount of intangible assets, is tested annually for impairment, other than what is reflected through normal amortisation and depreciation.

Receivables

Receivables are measured at amortised cost.

Equity

Reserve for development costs

An amount corresponding to capitalised development costs is recognised in the reserve. The reserve is reduced as development costs are amortised.

Dividends

Proposed dividends are disclosed as a separate item under equity. Dividends are recognised as a liability when declared by the annual general meeting of shareholders.

Accounting policies

Income tax and deferred tax

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax adjustments resulting from changes in tax rates are recognised in the income statement, with the exception of items taken directly to equity.

Liabilities

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method. Accordingly, the difference between the net proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

Income statement 2 September - 31 December

	<u>Note</u>	<u>2022/23</u> DKK
Gross profit		1.243.197
Staff costs	1	<u>-1.532.662</u>
Financial costs	2	<u>-5.595</u>
Profit/loss before tax		-295.060
Tax on profit/loss for the year	3	<u>479.262</u>
Profit/loss for the year		<u>184.202</u>
Transfer for the year to other reserves		1.573.335
Retained earnings		<u>-1.389.133</u>
		<u>184.202</u>

Balance sheet 31 December

	<u>Note</u>	<u>2022/23</u> DKK
Assets		
Development projects in progress		<u>2.017.096</u>
Intangible assets		<u>2.017.096</u>
Total non-current assets		<u>2.017.096</u>
Other receivables		196.256
Corporation tax		479.262
VAT and duties receivables		<u>164.449</u>
Receivables		<u>839.967</u>
Cash at bank and in hand		<u>1.712.214</u>
Total current assets		<u>2.552.181</u>
Total assets		<u><u>4.569.277</u></u>

Balance sheet 31 December

	<u>Note</u>	<u>2022/23</u> DKK
Equity and liabilities		
Share capital		40.000
Other reserves		1.573.335
Retained earnings		<u>-1.389.133</u>
Equity		<u>224.202</u>
Convertible and profit-yielding instruments of debt		<u>4.000.000</u>
Total non-current liabilities	4	<u>4.000.000</u>
Trade payables		87.646
Payables to associates		27.757
Other payables		<u>229.672</u>
Total current liabilities		<u>345.075</u>
Total liabilities		<u>4.345.075</u>
Total equity and liabilities		<u><u>4.569.277</u></u>

Statement of changes in equity

	Share capital	Other reserves	Retained earnings	Total
Equity at 2 September 2022	40.000	0	0	40.000
Net profit/loss for the year	0	1.573.335	-1.389.133	184.202
Equity at 31 December 2023	40.000	1.573.335	-1.389.133	224.202

Notes

	<u>2022/23</u>			
	DKK			
1 Staff costs				
Wages and salaries				1.461.487
Pensions				50.000
Other social security costs				<u>21.175</u>
				<u>1.532.662</u>
Number of fulltime employees on average				<u>3</u>
2 Financial costs				
Other financial costs				<u>5.595</u>
				<u>5.595</u>
3 Tax on profit/loss for the year				
Current tax for the year				<u>-479.262</u>
				<u>-479.262</u>
4 Long term debt				
	Debt at 2 September 2022	Debt at 31 December 2023	Instalment next year	Debt outstanding after 5 years
Convertible and profit-yielding instruments of debt	<u>0</u>	<u>4.000.000</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>4.000.000</u>	<u>0</u>	<u>0</u>

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Rasmus Fält

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Marcus Borum Mølskov Bech

Direktør

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Marcus Borum Mølskov Bech

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Tore Victor Chrom Allerup

Direktør

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Mette Dahl

Mette Dahl MD ApS CVR: 43480146

Bestyrelsesmedlem

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Peter Begtrup Lind

Statsautoriseret revisor

På vegne af: ECO-Team statsautoriseret revisionsanpa...

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Marcus Borum Mølskov Bech

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