

**UNEEG Medical A/S**

Borupvang 2  
3450 Allerød  
CVR No. 29140774

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## Entity details

### Entity

UNEEG Medical A/S  
Borupvang 2  
3450Allerød

Business Registration No.: 29140774  
Registered office: Allerød  
Financial year: 01.10.2024- 30.09.2025

### Board of Directors

Lars Nørgaard  
Søren Erik Westermann  
Richard Tøpholm  
Henrik Skak Bender  
Andreas Brock Midtgaard

### Executive Board

Martin Dal Stenfeldt

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
2300 Copenhagen S

## Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of UNEEG Medical A/S for the financial year 01.10.2024 - 30.09.2025.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2025 and of the results of its operations for the financial year 01.10.2024 - 30.09.2025.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Lynge, 26.02.2026

### Executive Board

**Martin Dal Stenfeldt**

### Board of Directors

**Lars Nørgaard**

**Søren Erik Westermann**

**Richard Tøpholm**

**Henrik Skak Bender**

**Andreas Brock Midtgaard**

# Independent auditor's report

## To the shareholders of UNEEG Medical A/S

### Opinion

We have audited the financial statements of UNEEG Medical A/S for the financial year 01.10.2024 - 30.09.2025, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2025 and of the results of its operations for the financial year 01.10.2024 - 30.09.2025 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

Without qualifying our opinion, we refer to note 2 to the financial statements which describe the significant uncertainties related to the valuation of the Company's capitalised development projects.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of

users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit of the financial statements to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with

the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 26.02.2026

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Nikolaj Thomsen**

State Authorised Public Accountant  
Identification No (MNE) mne33276

## Management commentary

### Financial highlights

	2024/25 DKK'000	2023/24 DKK'000	2022/23 DKK'000	2021/22 DKK'000	2020/21 DKK'000
<b>Key figures</b>					
Gross profit/loss	(74,287)	(49,863)	(57,765)	(50,467)	(32,542)
Operating profit/loss	(141,307)	(135,568)	(165,289)	(135,265)	(95,809)
Net financials	(19,808)	(12,944)	(4,901)	(5,070)	(16,868)
Profit/loss for the year	(224,410)	(111,103)	(140,678)	(111,566)	(88,602)
Total assets	214,707	314,398	272,548	211,074	165,875
Investments in property, plant and equipment	102	120	3,053	5,529	4,407
Equity	(123,483)	100,411	38,417	179,054	131,257
<b>Ratios</b>					
Equity ratio (%)	(57.51)	31.94	14.10	84.83	79.13

Financial highlights are defined and calculated in accordance with the current version of "Recommendations & Ratios" issued by the CFA Society Denmark.

#### Equity ratio (%):

$\frac{\text{Equity} * 100}{\text{Total assets}}$

Total assets

**Primary activities**

UNEEG Medical A/S catalyzes brain health therapy with real-world data. The Company develops and commercializes EpiSight®; a remote patient monitoring system of real-world EEG data consisting of an implantable device, a recorder with a secure data transmission and an AI-powered analytical platform. The company initially targets the epilepsy population of 20 million people worldwide living with uncontrollable seizures.

**Development in activities and finances**

In 2024/25, UNEEG Medical advanced its early commercialization in Europe, targeting leading clinics with high volumes of patients suffering from uncontrolled seizures in selected markets. To date, more than 325 EpiSight devices have been implanted, capturing over 10.000 unique seizures delivering unprecedented objective insights to clinicians helping them optimize treatment and quality of life for their patients. Alongside achieving EU MDR approval, UNEEG Medical is actively pursuing FDA clearance to bring EpiSight to the U.S. market.

Our research collaborations with top-tier hospitals in the U.S. and Europe have expanded to 13 clinical studies, validating the system's performance and reinforcing its clinical value and documenting health economics. Beyond supporting physicians in optimizing epilepsy treatment, the growing pool of real-world data and our algorithms are unlocking new opportunities with commercial discussions with pharma companies eager to leverage EpiSight for enhancing clinical trials and improving documentation.

**Profit/loss for the year in relation to expected developments**

In 2024/25, UNEEG Medical had an operating loss of DKK 141,3 million (versus a loss of DKK 135,6 million in 2023/24). Costs related to clinical trials rose significantly due to accelerated patient inflow, but the effect was partly outweighed by financial discipline and adjustments to ensure a leaner organizational setup. Net loss of DKK 224,4 million (against a loss of DKK 111,1 million in 2023/24) is higher than initially budgeted, but due to changes in group taxation, the result is negatively affected by adjustments to deferred taxes.

**Outlook**

With national reimbursement and insurance approvals key to adoption, UNEEG Medical will continue leveraging insurance schemes, grants, and hospital research funding. Investments in regulatory compliance, clinical trials, and commercialization will continue. Following an organizational adjustment in February 2025 and a shift to focus on European commercialization and FDA clearance for the US market, UNEEG Medical expects a reduced profit before tax in the range of DKK -105 to -120 million in 2025/26.

Financing for the fiscal year 2025/26 has been secured.

**Events after the balance sheet date**

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

In October 2025, an employee share program was implemented for a three-year period.

At an annual general meeting in February 2026, it will be proposed to restore equity by debt conversion.

## Income statement for 2024/25

	Notes	2024/25 DKK'000	2023/24 DKK'000
<b>Gross profit/loss</b>		<b>(74,287)</b>	<b>(49,863)</b>
Staff costs	3	(57,872)	(80,912)
Depreciation, amortisation and impairment losses		(9,148)	(4,793)
<b>Operating profit/loss</b>		<b>(141,307)</b>	<b>(135,568)</b>
Income from investments in group enterprises		815	1,458
Other financial income	4	262	173
Other financial expenses	5	(20,070)	(13,117)
<b>Profit/loss before tax</b>		<b>(160,300)</b>	<b>(147,054)</b>
Tax on profit/loss for the year	6	(64,110)	35,951
<b>Profit/loss for the year</b>	7	<b>(224,410)</b>	<b>(111,103)</b>

## Balance sheet at 30.09.2025

### Assets

	Notes	2024/25 DKK'000	2023/24 DKK'000
Completed development projects		174,323	0
Acquired intangible assets		81	152
Development projects in progress	9	0	175,029
<b>Intangible assets</b>	8	<b>174,404</b>	<b>175,181</b>
Other fixtures and fittings, tools and equipment		3,634	5,422
Leasehold improvements		286	979
Leased assets		843	2,866
<b>Property, plant and equipment</b>	10	<b>4,763</b>	<b>9,267</b>
Investments in group enterprises		5,922	4,590
<b>Financial assets</b>	11	<b>5,922</b>	<b>4,590</b>
<b>Fixed assets</b>		<b>185,089</b>	<b>189,038</b>
Raw materials and consumables		2,532	4,337
Manufactured goods and goods for resale		10,796	19,714
<b>Inventories</b>		<b>13,328</b>	<b>24,051</b>
Trade receivables		1,015	495

Receivables from group enterprises		645	912
Deferred tax	12	0	69,512
Other receivables		556	1,563
Tax receivable		5,401	15,112
Prepayments	13	1,209	1,030
<b>Receivables</b>		<b>8,826</b>	<b>88,624</b>
<b>Cash</b>		<b>7,464</b>	<b>12,685</b>
<b>Current assets</b>		<b>29,618</b>	<b>125,360</b>
<b>Assets</b>		<b>214,707</b>	<b>314,398</b>

UNEEG Medical A/S | Balance sheet at 30.09.2025

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#### Equity and liabilities

	Notes	2024/25 DKK'000	2023/24 DKK'000
Contributed capital		2,388	2,388
Reserve for development expenditure		135,972	136,523
Retained earnings		(261,843)	(38,500)
<b>Equity</b>		<b>(123,483)</b>	<b>100,411</b>
Lease liabilities		0	1,228
Payables to group enterprises		126,700	131,997
Payables to shareholders and management		187,151	59,639
<b>Non-current liabilities other than provisions</b>	14	<b>313,851</b>	<b>192,864</b>
Lease liabilities		1,228	2,352
Prepayments received from customers		1,228	0
Trade payables		9,732	7,446
Payables to group enterprises		1,987	5,249
Other payables		10,164	6,076
<b>Current liabilities other than provisions</b>		<b>24,339</b>	<b>21,123</b>
<b>Liabilities other than provisions</b>		<b>338,190</b>	<b>213,987</b>
<b>Equity and liabilities</b>		<b>214,707</b>	<b>314,398</b>

Judgements regarding going concern

1

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## Statement of changes in equity for 2024/25

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,388	136,523	(38,500)	100,411
Exchange rate adjustments	0	0	516	516
Transfer to reserves	0	(551)	551	0
Profit/loss for the year	0	0	(224,410)	(224,410)
<b>Equity end of year</b>	<b>2,388</b>	<b>135,972</b>	<b>(261,843)</b>	<b>(123,483)</b>

## Notes

### 1 Judgements regarding going concern

As of 30 September 2025, more than 50% of the Company's share capital was lost. The Share capital has been reestablished after the balance sheet date by tax free contribution from the Parent and capital increase (debt conversion) from new direct shareholder entering the ownership.

Letters of support have been obtained securing the necessary financial support to the Company for the next 12 months. Consequently, the financial statements have been prepared on a going concern basis.

### 2 Uncertainty relating to recognition and measurement

Capitalised development projects amount to DKK 178,0 million. The valuation of the development projects is highly dependent on approvals from authorities and subsequent sales. The Company has ensured financial support to finalise the projects and believe that the necessary approvals will be obtained. However, there are significant uncertainties related to the approval process and subsequent sales and as such also to the valuation of the capitalised development projects.

### 3 Staff costs

	2024/25 DKK'000	2023/24 DKK'000
Wages and salaries	52,525	71,854
Pension costs	4,816	8,252
Other social security costs	531	806
	<b>57,872</b>	<b>80,912</b>

Average number of full-time employees 58 104

In accordance with the Danish Financial Statement Act § 98 b, 3 the remuneration of Management for the current financial statement period has not been disclosed.

**4 Other financial income**

	2024/25 DKK'000	2023/24 DKK'000
Other interest income	262	173
	<b>262</b>	<b>173</b>

**5 Other financial expenses**

	2024/25 DKK'000	2023/24 DKK'000
Financial expenses from group enterprises	19,826	12,648
Other interest expenses	244	463
Exchange rate adjustments	0	6
	<b>20,070</b>	<b>13,117</b>

**6 Tax on profit/loss for the year**

	2024/25 DKK'000	2023/24 DKK'000
Change in deferred tax	69,512	(56,567)
Adjustment concerning previous years	(5,402)	20,616
	<b>64,110</b>	<b>(35,951)</b>

**7 Proposed distribution of profit and loss**

	2024/25 DKK'000	2023/24 DKK'000
Retained earnings	(224,410)	(111,103)
	<b>(224,410)</b>	<b>(111,103)</b>

**8 Intangible assets**

	Completed development projects DKK'000	Acquired intangible assets DKK'000	Development projects in progress DKK'000
Cost beginning of year	86,129	3,845	175,029
Transfers	178,793	0	(178,793)
Additions	0	0	3,764
<b>Cost end of year</b>	<b>264,922</b>	<b>3,845</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(86,129)	(3,693)	0

Amortisation for the year	(4,470)	(71)	0
<b>Amortisation and impairment losses end of year</b>	<b>(90,599)</b>	<b>(3,764)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>174,323</b>	<b>81</b>	<b>0</b>

### 9 Development projects

Development projects relate to the development of products for monitoring of Epilepsy patients. The costs of the development projects comprise salaries, external consultant costs and other external costs that are directly and indirectly attributable to the development projects. The recognition of development costs is based on the actual progress of the projects, measured based on internal time registrations and achieved milestones.

### 10 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leasehold improvements DKK'000	Leased assets DKK'000
Cost beginning of year	9,130	3,104	9,106
Additions	102	0	0
<b>Cost end of year</b>	<b>9,232</b>	<b>3,104</b>	<b>9,106</b>
Depreciation and impairment losses beginning of year	(3,708)	(2,125)	(6,240)
Depreciation for the year	(1,890)	(693)	(2,023)
<b>Depreciation and impairment losses end of year</b>	<b>(5,598)</b>	<b>(2,818)</b>	<b>(8,263)</b>
<b>Carrying amount end of year</b>	<b>3,634</b>	<b>286</b>	<b>843</b>

### 11 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	18,221
Exchange rate adjustments	517
<b>Cost end of year</b>	<b>18,738</b>

Impairment losses beginning of year	(13,631)
Share of profit/loss for the year	815
<b>Impairment losses end of year</b>	<b>(12,816)</b>
<b>Carrying amount end of year</b>	<b>5,922</b>

<b>Investments in subsidiaries</b>	<b>Registered in</b>	<b>Equity interest %</b>
UNEEG Medical DE GmbH	Germany	100.00
UNEEG Medical US Inc	USA	100.00
UNEEG Medical UK Ltd.	England	100.00
UNEEG AT GmbH	Austria	100.00

### 12 Deferred tax

	<b>2024/25</b>	<b>2023/24</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Intangible assets	0	3,401
Property, plant and equipment	0	105
Financial assets	0	157
Tax losses carried forward	0	65,849
<b>Deferred tax</b>	<b>0</b>	<b>69,512</b>

<b>Changes during the year</b>	<b>2024/25</b>	<b>2023/24</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Beginning of year	69,512	12,945
Recognised in the income statement	(69,512)	56,567
<b>End of year</b>	<b>0</b>	<b>69,512</b>

Based on a reassessment of utilization of the Company's tax loss carry forward, the deferred tax asset has been written down to DKK 0.

### 13 Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

### 14 Non-current liabilities other than provisions

	<b>Due after more than 12 months</b>
	<b>2024/25</b>
	<b>DKK'000</b>
Payables to group enterprises	126,700

**15 Contingent assets**

The Company has significant tax loss carry forward for potential future utilization.

**16 Contingent liabilities**

The Company participates in a Danish joint taxation arrangement where T&W Medical A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Entity is therefore secondarily liable for income taxes etc for the jointly taxed entities, which is limited to the equity interest by which the entity participates in the Group, as well as for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's financial statements.

**17 Group relations**

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
T&W Medical A/S, Nymøllevej 6, 3450 Lynge

## Accounting policies

**Basis for financial statements**

This annual report has been prepared in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (medium).

The accounting policies applied to these financial statements are consistent with those applied last year.

**Consolidated financial statements**

Referring to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared.

**Recognition and measurement**

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

#### **Income statement**

##### **Gross profit or loss**

Gross profit or loss comprises revenue and external expenses.

##### **Revenue**

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer.

##### **Other operating income**

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including grants received, income from cost allocation etc.

##### **Cost of sales**

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

##### **Other external expenses**

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for distribution, premises and administration

##### **Staff costs**

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

##### **Depreciation, amortisation and impairment losses**

Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

##### **Income from investments in group enterprises**

Income from investments in group enterprises comprises the pro rata share of the individual enterprises' profit/loss after full elimination of intra-group profits or losses.

##### **Other financial income**

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on payables and transactions in foreign currencies, amortisation of financial assets as well as tax relief under the Danish Tax Prepayment Scheme etc.

**Other financial expenses**

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on securities, payables and transactions in foreign currencies, amortisation of financial liabilities as well as tax surcharge under the Danish Tax Prepayment Scheme etc.

**Tax on profit/loss for the year**

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

**Balance sheet**

**Intellectual property rights etc**

Intellectual property rights etc comprise acquired intellectual property rights.

Development projects on clearly defined and identifiable products and processes, for which the technical rate of utilisation, adequate resources and a potential future market or development opportunity in the enterprise can be established, and where the intention is to manufacture, market or apply the product or process in question, are recognised as intangible assets. Other development costs are recognised as costs in the income statement as incurred. When recognising development projects as intangible assets, an amount equalling the costs incurred is taken to equity under Reserve for development costs that is reduced as the development projects are amortised and written down.

The costs incurred less deferred tax is taken to equity in the reserve for development costs that is reduced

as the development projects are amortised and written down.

The cost of development projects comprises costs such as salaries and amortisation that are directly and indirectly attributable to the development projects.

Completed development projects are amortised on a straight-line basis using their estimated useful lives which are determined based on a specific assessment of each development project. If the useful life cannot be estimated reliably, it is fixed at 10 years. For development projects protected by intellectual property rights, the maximum period of amortisation is the remaining duration of the relevant rights. The amortisation periods used are 3 to 10 years.

Intellectual property rights acquired are measured at cost less accumulated amortisation. Patents are mortised over their remaining duration, and licences are amortised over the term of the agreement.

Intellectual property rights etc are written down to the lower of recoverable amount and carrying amount.

**Property, plant and equipment**

Other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and

impairment losses.

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets.

	<b>Useful life</b>
Other fixtures and fittings, tools and equipment	3 - 5 years

Estimated useful lives and residual values are reassessed annually.

Items of property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

#### **Investments in group enterprises**

Investments in group enterprises are recognised and measured according to the equity method. This means that investments are measured at the pro rata share of the enterprises' equity value.

Group enterprises with negative equity value are measured at DKK 0. Any receivables from these enterprises are written down to net realisable value based on a specific assessment. If the Parent has a legal or constructive obligation to cover the liabilities of the relevant enterprise, and it is probable that such obligation will involve a loss, a provision is recognised that is measured at present value of the costs necessary to settle the obligations at the balance sheet date.

Upon distribution of profit or loss, net revaluation of investments in group enterprises is transferred to the reserve for net revaluation according to the equity method in equity. Investments in group enterprises are written

down to the lower of recoverable amount and carrying amount.

#### **Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value. Cost consists of purchase price plus delivery costs. Cost of manufactured goods consists of costs of raw materials.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

#### **Receivables**

Receivables are measured at amortised cost, usually equalling nominal value less write-downs for bad and doubtful debts

#### **Deferred tax**

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

**Tax payable or receivable**

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

**Prepayments**

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

**Cash**

Cash comprises cash in hand and bank deposits.

**Lease liabilities**

Lease liabilities relating to assets held under finance leases are recognised in the balance sheet as liabilities other than provisions, and, at the time of inception of the lease, measured at the present value of future lease payments. Subsequent to initial recognition, lease liabilities are measured at amortised cost. The difference between present value and nominal amount of the lease payments is recognised in the income statement as a financial expense over the term of the leases.

**Other financial liabilities**

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

**Prepayments received from customers**

Prepayments received from customers comprise amounts received from customers prior to delivery of the goods agreed or completion of the service agreed.

**Cash flow statement**

Referring to section 86(4) of the Danish Financial Statements Act, the Entity has prepared no cash flow statement as such statement is included in the consolidated cash flow statement of T&W Medical A/S, Business Reg. No. 28511809.