

UNEEG Medical A/S

Borupvang 2
3450 Allerød
CVR No. 29140774

Annual report 01.10.2023 - 30.09.2024

The Annual General Meeting adopted the
annual report on 28.03.2025

Søren Erik Westermann
Chairman of the General Meeting

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Entity details

Entity

UNEEG Medical A/S

Borupvang 2

3450 Allerød

Business Registration No.: 29140774

Registered office: Allerød

Financial year: 01.10.2023 - 30.09.2024

Board of Directors

Lars Nørgaard

Peter Willems-Alnøe

Søren Erik Westermann

Richard Tøpholm

Henning Kirketerp Beck-Nielsen

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 01.10.2023 - 30.09.2024.

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 30.09.2024 and of the results of its operations for the financial year 01.10.2023 - 30.09.2024.

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, 28.03.2025

Executive Board

Martin Dal Stenfeldt

Board of Directors

Lars Nørgaard

Peter Willems-Alnøe

Søren Erik Westermann

Richard Tøpholm

Henning Kirketerp Beck-Nielsen

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 01.10.2023 - 30.09.2024, 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 30.09.2024 and of the results of its operations for the financial year 01.10.2023 - 30.09.2024 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.

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.

Statement on the management commentary

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, 28.03.2025

Deloitte

Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Nikolaj Thomsen

State Authorised Public Accountant
Identification No (MNE) mne33276

Management commentary

Financial highlights

	2023/24	2022/23	2021/22	2020/21	2019/20
	DKK'000	DKK'000	DKK'000	DKK'000	DKK'000
Key figures					
Gross profit/loss	(49,863)	(57,765)	(50,467)	(32,542)	(34,067)
Operating profit/loss	(135,568)	(165,289)	(135,265)	(95,809)	(79,890)
Net financials	(12,944)	(4,901)	(5,070)	(16,868)	(11,577)
Profit/loss for the year	(111,103)	(140,678)	(111,566)	(88,602)	(68,500)
Total assets	314,398	272,548	211,074	165,875	157,579
Investments in property, plant and equipment	120	3,053	5,529	4,407	672
Equity	100,411	38,417	179,054	131,257	(128,141)
Ratios					
Equity ratio (%)	31.94	14.10	84.83	79.13	(81.32)

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 provides data-based solutions for epilepsy patient care. The company develops and commercializes implantable Class III devices and EEG/neurological solutions. The flagship product, UNEEG 24/7 EEG™ SubQ, was CE-marked in 2019 and enables continuous EEG monitoring for up to 15 months, providing objective seizure data. The system includes an implantable chip, external recorder, and analytics software for automated seizure detection. The company's ultra-long-term EEG recorder, UNEEG EpiSight™, supports clinical decision-making and won the "RedDot Design Award 2024".

Development in activities and finances

In 2023/24, UNEEG medical advanced early commercialization while developing its next-generation platform and achieving EU MDR compliance. Early commercialization efforts secured recurring Swiss and German insurance reimbursements and multiple European hospital contracts. Grants from UK and Italian health organizations continue to fund real-world evidence studies, including a new GBP 500,000 grant for epilepsy research from the UK Small Business Research Initiative (SBRI).

Profit/loss for the year in relation to expected developments

UNEEG medical reduced its gross loss to DKK 49.9 million (from DKK 57.8 million in 2022/23). Costs related to technology development and MDR compliance increased, but the effect was outweighed by financial discipline and adjustments to ensure a leaner organizational setup. On this background, the net loss of DKK 111.1 million (against a loss of DKK 140.7 million in 2022/23) was lower than initially budgeted.

Uncertainty relating to recognition and measurement

Capitalised development projects amount to DKK 175,0 million. The valuation of the development projects is highly dependent on approvals from external 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 is significant uncertainty related to the approval process and subsequent sales and as such also to the valuation of the capitalised development projects.

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 lower net loss of DKK 60-80 million in 2024/25. Financing for the calendar year 2025 has been secured.

Research and development activities

The 2nd generation UNEEG solution utilizing the brand-new wireless recorder received MDR approval, launching scientifically in September 2024, followed by commercial rollout in early FY 2024/25 with new iOS/Android software updates. Focus is now on fully supporting the roll-out and optimization of the new 2nd generation solution.

Statutory report on data ethics policy

UNEEG medical abides by all laws and regulations concerning the handling of collected data in a respectful manner. The company has a written policy for IT Security, which also secures purchased external data. The company does not have a written policy on data ethics because access to personal data is not comprised in the company's tasks, and commonly acquired data is only used internally within the group. The company also introduced a Whistleblower Policy and maintains a focused on GDPR compliance.

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 November 2024, UNEEG medical received FDA Breakthrough Device Designation, providing key regulatory advantages.

In February 2025, Martin Stenfeldt replaced Torben Sandgren as CEO.

Income statement for 2023/24

	Notes	2023/24 DKK'000	2022/23 DKK'000
Gross profit/loss		(49,863)	(57,765)
Staff costs	3	(80,912)	(74,893)
Depreciation, amortisation and impairment losses		(4,793)	(32,631)
Operating profit/loss		(135,568)	(165,289)
Income from investments in group enterprises		1,458	(11,202)
Other financial income	4	173	270
Other financial expenses	5	(13,117)	(5,171)
Profit/loss before tax		(147,054)	(181,392)
Tax on profit/loss for the year	6	35,951	40,714
Profit/loss for the year	7	(111,103)	(140,678)

Balance sheet at 30.09.2024

Assets

	Notes	2023/24 DKK'000	2022/23 DKK'000
Completed development projects	9	0	0
Acquired intangible assets		152	300
Development projects in progress	9	175,029	154,616
Intangible assets	8	175,181	154,916
Other fixtures and fittings, tools and equipment		5,422	7,206
Leasehold improvements		979	1,668
Leased assets		2,866	4,981
Property, plant and equipment	10	9,267	13,855
Investments in group enterprises		4,590	2,353
Financial assets	11	4,590	2,353
Fixed assets		189,038	171,124
Raw materials and consumables		4,337	3,685
Manufactured goods and goods for resale		19,714	11,302
Inventories		24,051	14,987
Trade receivables		495	2,345
Receivables from group enterprises		912	3,611
Deferred tax	12	69,512	12,945
Other receivables		1,563	200
Tax receivable		15,112	62,012
Prepayments	13	1,030	1,043
Receivables		88,624	82,156
Cash		12,685	4,281
Current assets		125,360	101,424
Assets		314,398	272,548

Equity and liabilities

	Notes	2023/24 DKK'000	2022/23 DKK'000
Contributed capital		2,388	2,388
Reserve for development expenditure		136,523	120,601
Retained earnings		(38,500)	(84,572)
Equity		100,411	38,417
Lease liabilities		1,228	3,599
Payables to group enterprises		131,997	194,448
Payables to shareholders and management		59,639	0
Other payables		0	2,257
Non-current liabilities other than provisions	14	192,864	200,304
Lease liabilities		2,352	2,245
Trade payables		7,446	5,806
Payables to group enterprises		5,249	698
Other payables		6,076	25,078
Current liabilities other than provisions		21,123	33,827
Liabilities other than provisions		213,987	234,131
Equity and liabilities		314,398	272,548
Uncertainty related to going concern	1		
Uncertainty relating to recognition and measurement	2		
Contingent liabilities	15		
Group relations	16		

Statement of changes in equity for 2023/24

	Contributed capital DKK'000	Reserve for development expenditure DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	2,388	120,601	(84,572)	38,417
Exchange rate adjustments	0	0	(77)	(77)
Group contributions etc	0	0	173,174	173,174
Transfer to reserves	0	15,922	(15,922)	0
Profit/loss for the year	0	0	(111,103)	(111,103)
Equity end of year	2,388	136,523	(38,500)	100,411

Notes

1 Uncertainty related to going concern

A letter of support has 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 175,0 million. The valuation of the development projects is highly dependent on approvals from external 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 is significant uncertainty related to the approval process and subsequent sales and as such also to the valuation of the capitalised development projects.

3 Staff costs

	2023/24	2022/23
	DKK'000	DKK'000
Wages and salaries	71,854	65,727
Pension costs	8,252	8,367
Other social security costs	806	799
	80,912	74,893
Average number of full-time employees	104	107

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

	2023/24	2022/23
	DKK'000	DKK'000
Financial income from group enterprises	0	42
Other interest income	173	99
Exchange rate adjustments	0	129
	173	270

5 Other financial expenses

	2023/24	2022/23
	DKK'000	DKK'000
Financial expenses from group enterprises	12,648	4,563
Other interest expenses	463	608
Exchange rate adjustments	6	0
	13,117	5,171

6 Tax on profit/loss for the year

	2023/24	2022/23
	DKK'000	DKK'000
Current tax	0	(35,206)
Change in deferred tax	(56,567)	(5,508)
Adjustment concerning previous years	20,616	0
	(35,951)	(40,714)

7 Proposed distribution of profit and loss

	2023/24	2022/23
	DKK'000	DKK'000
Retained earnings	(111,103)	(140,678)
	(111,103)	(140,678)

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	154,616
Additions	0	0	20,413
Cost end of year	86,129	3,845	175,029
Amortisation and impairment losses beginning of year	(86,129)	(3,545)	0
Amortisation for the year	0	(148)	0
Amortisation and impairment losses end of year	(86,129)	(3,693)	0
Carrying amount end of year	0	152	175,029

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. The development projects are progressing as planned.

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	9,730	3,104	9,644
Additions	120	0	0
Disposals	(720)	0	(538)
Cost end of year	9,130	3,104	9,106
Depreciation and impairment losses beginning of year	(2,524)	(1,436)	(4,663)
Depreciation for the year	(1,184)	(689)	(1,577)
Depreciation and impairment losses end of year	(3,708)	(2,125)	(6,240)
Carrying amount end of year	5,422	979	2,866

11 Financial assets

	Investments in group enterprises DKK'000
Cost beginning of year	16,298
Exchange rate adjustments	129
Additions	1,794
Cost end of year	18,221
Impairment losses beginning of year	(13,945)
Exchange rate adjustments	(118)
Share of profit/loss for the year	1,458
Reversal of impairment losses	(1,026)
Impairment losses end of year	(13,631)
Carrying amount end of year	4,590

Investments in subsidiaries	Registered in	Equity interest %
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

	2023/24	2022/23
	DKK'000	DKK'000
Intangible assets	3,401	8,173
Property, plant and equipment	105	(260)
Financial assets	157	190
Tax losses carried forward	65,849	4,842
Deferred tax	69,512	12,945

	2023/24	2022/23
	DKK'000	DKK'000
Changes during the year		
Beginning of year	12,945	7,437
Recognised in the income statement	56,567	5,508
End of year	69,512	12,945

Deferred tax assets

Deferred tax assets is recognized based on tax loss carry forward, which can be utilized within the Danish Joint Taxation with T&W Medical A/S.

13 Prepayments

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

14 Non-current liabilities other than provisions

	Due after more than 12 months 2023/24 DKK'000
Lease liabilities	1,228
Payables to group enterprises	131,997
Payables to shareholders and management	59,639
	192,864

15 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.

16 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 Lyngø

Accounting policies

Reporting class

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 3-5 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.

	Useful life
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 writedowns 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.

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.