

Natus Medical Denmark ApS

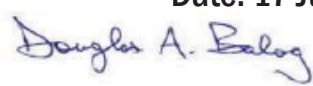
Hørskættens 9, DK-2630 Taastrup

CVR-no. 25 38 46 87

Annual report 2024

Approved at the annual general meeting

Date: 17 June 2025

Chairman: 
Douglas Allan Balog

Contents

Statement by Management on the annual report	2
Independent auditor's report	3
Management's review	5
Company details	5
Financial highlights	6
Management commentary	7
Financial statements 1 January – 31 December	11
Income statement	11
Balance sheet	12
Statement of changes in equity	14
Notes	15

Statement by Management on the annual report

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Natus Medical Denmark ApS for the financial year 1 January – 31 December 2024.

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

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 2024.

Further, in our opinion, the Management's commentary contains a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

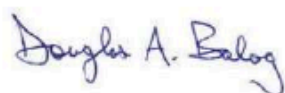
We recommend that the annual report be approved at the annual general meeting.

Taastrup, 17 June 2025
Executive Board:



Mary Martha Kennedy
CEO

Board of Directors:



Douglas Allan Balog (Chairman)



Mary Martha Kennedy



Uwe Schwendler

Signed by:

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Jens Bo Hesselberg Larsen

Morten Koimaru Skaarup

Independent auditor's report

To the shareholder of Natus Medical Denmark ApS

Opinion

We have audited the financial statements of Natus Medical Denmark ApS for the financial year 1 January – 31 December 2024 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 31 December 2024 and of the results of the Company's operations for the financial year 1 January – 31 December 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 the 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 our report.

We are independent of the Company 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 responsibility 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, that 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit for the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made 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 company 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 Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent auditor's report

Auditor's responsibilities for the audit of the financial statements *(continued)*

- 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 Company'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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.


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

Copenhagen, 18 June 2025

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98

Signed by:

F64564CAF1BC48B...
Simon Vinberg Andersen
State Authorised
Public Accountant
mne35458

Management's review

Company details

Company	Natus Medical Denmark ApS Hørskættens 9 Klovtofte DK-2630 Taastrup
Phone	45 755 555
Webpage:	www.natus.com
E-mail:	otoinfo@natus.com
CVR.no.:	25 38 46 87
Started:	20 May 2000
Location:	Høje-Taastrup
Accounting year	1 January – 31 December

Board of Directors	Douglas Allan Balog (Chairman) Mary Martha Kennedy Uwe Schwendler Jens Bo Hesselberg Larsen Morten Koimaru Skaarup
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Executive management	Mary Martha Kennedy
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Auditor	KPMG Statsautoriseret Revisionspartnerselskab Dampfærgevej 28 DK-2100 Copenhagen Ø
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Ownership	The Company is 100% owned by Natus Sensory Holding Ireland Limited, IDA Business Park, Gort, Co Galway, Ireland
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Management's review**Financial highlights**

In DKK'000	2024	2023	2022	2021	2020
Key figures					
Revenue	189,839	175,361	268,178	327,936	382,146
Ordinary operating profit/loss	-71,180	-100,241	-163,784	-169,496	-138,704
Profit/loss from financial income and expenses	-76,513	18,386	-65,742	-78,180	56,463
Profit/loss for the year	-155,352	-81,934	-239,378	-194,226	-62,923
Non-current assets	106,480	101,475	102,526	196,118	205,189
Current assets	17,374	34,686	20,519	131,966	333,119
Total assets	123,854	136,161	123,045	328,084	538,308
Equity	-341,789	-186,437	-660,077	-420,699	-226,473
Non-current liabilities (includes provisions)	6,132	6,535	6,677	8,547	35,059
Current liabilities	459,511	316,063	776,445	740,236	729,722
Investment in property, plant & equipment	1,473	3,075	1,035	331	724
Financial ratios					
Operating margin	-41.5%	-57.2%	-61.1%	-51.7%	-36.3%
Return on investment	-59.9%	-73.6%	-133.1%	-51.7%	-25.8%
Gross margin	-65.7%	-63.4%	61.0%	37.2%	31.3%
Current ratio	3.8%	11.0%	2.6%	18.0%	45.7%
Equity ratio	-254.3%	-136.9%	-536.5%	-128.2%	-42.1%
Return on equity	59.7%	19.4%	44.3%	60.0%	32.3%
Average number of full-time employees	70	68	62	88	110

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios, "Recommendations and Ratios". For terms and definitions, please see the accounting policies.

Management's review

Management commentary

Main activities

Natus Medical Denmark ApS develops, manufactures and markets computer-based audiological, otoneurologic, vestibular instrumentation and sound rooms to hearing and balance care professionals in more than 80 countries under the OTOMETRIC, MADSEN, AURICAL, HORTMANN and ICS brand names.

In 2024, Natus Medical Denmark ApS was a part of Natus Medical Inc. group. On January 1st, 2025, Natus Medical Denmark ApS sold its IP to Natus Manufacturing Limited & Natus Medical Inc for settlement of the respective intercompany payable balances as at 31st December 2024 & going forward will become a routine research and development, sales and marketing, and distribution service provider. As a service provider, Natus Denmark will be compensated by the IP owners at cost plus a markup.

Activities and financials

Annual result

Revenue was 189,839 kDKK against 175,361 kDKK last year. The increase in revenue is primarily due to increase in intercompany sales due to the last time inventory build in 2024 and changes to the distribution network and structure of the overall Natus group.

Operating loss was 71,180 kDKK against a loss of 100,241 kDKK last year. The operating loss was mainly due to significant cost allocations from the parent company, including R&D expense allocations, as well as significant amortization costs related to intangible assets, including patents, rights and completed development projects.

Loss after tax was 155,352 kDKK against 81,934 kDKK last year.

The company has lost more than 50% of the equity and as a result is covered by the provisions of the Companies Act on capital loss. Management expects re-establishment of the company's equity through its sale of IP for consideration of intercompany payables balances owing at 31st December 2024 & its own earnings in 2025.

At the time of filing the annual report, the company has received a letter of support from its direct parent company in Ireland which will ensure the company has sufficient liquidity for its operations until the annual general meeting in 2026 when the annual report for the year ended 31 December 2025 will be approved. On this basis the financial statements have been prepared on a going concern basis of accounting.

Investments

Investments in tangible and intangible fixed assets was 14,462 kDKK. This includes investment in a new product development project. This is expected to contribute to future growth for the Hearing and Balance product segment and has been highly prioritized by the global R&D team.

Risks

General risks

Natus Medical Denmark's main operating risk is the ability to stay positioned in the main markets. Further, it is important that the company is at the forefront of technological development in audiological diagnostic and fitting equipment, which is the key business area of Natus Medical Denmark.

Management's review

Management commentary (continued)

Financial risks

Natus Medical Denmark ApS is part of the Natus Medical Inc. Group and will consequently be primarily funded through the groups parent company. The main financial risks are:

Currency risk

Natus Medical Denmark's currency exposure is through commercial transactions. The primary sales currencies are EUR and USD. Natus Medical Denmark does not obtain external loan nor invests in foreign currency. Internal loans are affected by the development in the USD currency exchange rate.

Interest risk

Natus Medical Denmark's interest risk is primarily connected to intercompany loans within the group.

CSR cf. Danish Financial Statements Act §99a

In October 2021, Natus Medical, Incorporated developed an Environmental, Social & Governance ("ESG") committee (the "Committee") to enhance Natus' efforts with respect to this subject. Since that time Natus was acquired by ArchiMed Group, which has enhanced the ESG efforts, including undertaking a +100 point evaluation of current efforts and targeting ongoing goals. One of the key topics addressed by both ArchiMed and the Committee is to ensure that Natus is committed to encouraging and developing a culture of diversity, equity and inclusion (DEI). To that end, Natus regularly assesses and drives continuous improvement in DEI relative to our people ecosystem - employees, partners, and board of directors - and evaluate opportunities for enhancement. Our recruiting efforts evidence this commitment through outreach and partnership programs with historically black universities to recruit and promote job opportunities and actively seeking diverse candidates for hundreds of job boards with the intent of developing a diverse pool of qualified candidates. We recognize that a culture of inclusion makes us stronger.

Natus maintains policies regarding human rights, anti-corruption, child labor and other Corporate Social Responsibility ("CSR") policies, and is in the process of developing policies regarding its ESG efforts on climate and environment protection. Accordingly, CSR is generally very important and a priority area of Natus Medical Denmark. It is management's clear belief that it adds value to the business if a company combines its business model with consideration for CSR.

The overall Natus group ESG committee will enable the board to ensure ESG risks and opportunities are integrated into the group's strategy; provide oversight of the group's on-going commitment to sustainability, human capital development, health & safety, data security, diversity & inclusion, and other ESG pillars; and champion transparency in ESG reporting for shareholders.

Business model

Natus Medical Denmark provides hearing diagnostic, hearing aid fitting and balance instrumentation and software solutions to hearing and balance care professionals worldwide. For more than 50 years Natus Medical Denmark has been helping hearing and balance care professionals succeed in improving the quality of life for their clients and patient by delivering expert knowledge, reliable solutions and services and trusted partnerships.

Natus Medical Denmark ApS develops, manufactures, and markets computer-based audiological, otoneurologic and vestibular instrumentation in more than 80 countries. The portfolio covers key application areas within hearing assessment, hearing screening, hearing instrument fitting and balance assessment. Many of the hearing and balance care solutions have set precedent within the hearing care industry and are used by thousands of clinicians around the world.

As an independent provider of hearing care diagnostic solutions, Natus Medical Denmark works closely with leading hearing aid manufacturers to develop new solutions within hearing and hearing aid fitting. The company's business strategy, including its day-to-day activities in the form of development, manufacture, and marketing of computer-based audiological, otoneurologic, vestibular instrumentation and sound rooms, always focuses on its general CSR policy.

Management's review (continued)

Management commentary (continued)

Environment and climate

It is company ambition of Natus Medical Denmark to have a non-polluting production and for its material and energy consumption to be at a minimum. The production involves very limited in-house soldering (ROHS compliant) and efficient ventilation and air cleaning ensure a healthy work environment. Our customers' demand for lighter products continuously decreases Natus Medical Denmark's material consumption per product.

Natus Medical Denmark's production has been customized to the EU directive of amending on the restriction of the use of certain hazardous substances in electrical and electronic equipment. The directive was effective from 2014.

In 2024, Natus Medical Denmark has not had any experience with outbreaks or other environment issues and will continue to focus our work on being non-polluting and minimizing energy consumption. Natus has commenced using LED lightening replacements over incandescent light bulbs and is committed to reducing energy consumption. In addition, areas not in use are no longer consuming unnecessary light and heat. There are no other significant risks identified.

Social conditions and labor rights

It is company ambitions of Natus Medical Denmark for all its employees to benefit physically as well as psychologically from a good and safe working environment. The activities of the company are planned and performed so that health risks are kept at a minimum both with respect to the employees and but also with respect to their business partners. The company is continuously trying to ensure good working conditions for its employees when it comes to health and well-being at the workplace along with equal treatment, working environment, development, and training. During the entire existence of the company, this has been an integral part of the management agenda. The company has implemented a number of ways to create a healthy work environment, such as wellness programs, gym access, manual handling courses, ergonomic assessments and bike to work schemes.

In 2024 all employees in the Natus Group continued to participate in employee engagement survey with the overall purpose to ensure that Natus is a great place to work and the result is the majority of employees are satisfied working for Natus. Natus Denmark have not received any complaints from employees and will going forward continue the work on strengthening the position as a great place to work going forward. There are not identified any significant risk.

Human rights

It is company ambitious of Natus Medical Denmark to respect and comply with the human rights requirements as this is an integral part of the company's set-up. The strategies and internal procedures applied by management are inherent in the protection of individuals' fundamental rights and therefore also the compliance with the human rights requirements. All Natus Employees are expected to be familiar with the laws, regulations, and company policies within their respective area; a) Maintain a safe and healthy work environment, b) Promote a workplace that is free from discrimination or harassment based on any reason, c) Protect the privacy rights of our employees, our customers and their patients and comply with all applicable environmental laws. For further information, please refer to the Code of Conduct on our website.

In 2024, Natus Medical Denmark has not become aware of any violation of human rights and will continue the work on strengthening our internal procedures. There are not identified any significant risk.

Anti-corruption and bribery

It is company ambitious of Natus Medical Denmark to be part of a decent and reliable business environment with no tolerance for corruption and bribery. The company employees corresponding externally with clients, suppliers, business partners, etc. have been informed of the extent to which they may give and receive gifts and hold or attend arrangements. The risk for this topic is assessed to be very little due to nature of the Natus business and the countries and business partners Natus Denmark interact with. There have been no violation of the policies in 2024 and Natus Medical Denmark will continue to educate their employees about the policy.

Management's review

Management commentary (continued)

Data ethics and data privacy cf. Danish Financial Statements Act §99d

Natus does not have a Data Ethics Policy to due the nature of our business:

- Artificial intelligence is not used in the development or supply of our products or services.
- Business decisions are not made using automated decision or semi-automate decision making technology or machine learning.
- No machine learning or automation is used for customer pricing

Natus is committed to ensuring that our business is conducted in adherence to the highest ethical, professional, and legal standards. As such, Natus will develop a Data Ethics Policy should our products or business practices begin leverage any of the above-mentioned data practices.

Knowledge management

Natus Medical Denmark's strong position within the market for audiological and fitting equipment focusing on being in front of technological development contributes to a dynamic knowledge-based work environment. The employee's skills and competences are important and Natus Medical Denmark focuses on continuous employee development.

Research and development activities

The research and development activities are concentrated in Denmark due to strong university focus within acoustics, digital signalling (DSP) and communication technology and the presence of multiple international companies with similar activities in the greater Copenhagen area.

The launch rates in Natus Medical Denmark's market have increased and requires an increased focus on innovation and prioritization within all business areas.

Annual result compared to last year expectation.

The revenue for 2024 for Natus Denmark has increased compared to 2023, which was in line with expectation due to the sale of last time builds. Due to high focus on development projects the R&D spending are higher than expected. Sales and administrative spending are in line with expectations from last year.

Events after the balance sheet date

On January 1st, 2025, Natus Medical Denmark ApS sold its IP to Natus Manufacturing Limited & Natus Medical Inc for settlement of the respective intercompany payable balances as at 31st December 2024. On January 6th 2025, Natus Manufacturing sold 100% of the stock of its Sensory subsidiaries, including Natus Medical Denmark ApS, to Natus Sensory Holdings Ireland Limited.

No events have happened during the period after the balance sheet date that have impact on the assessment of the company's financial position at the balance sheet date.

Expectations for 2025

Revenue in Natus Medical Denmark ApS for 2025 will primarily be driven by the direct sales of Hearing and Balance product to direct customers.

In 2025, after the sale of IP Natus Medical Denmark ApS will become a routine research and development, sales and marketing, and distribution service provider. As a service provider, Natus Denmark will be compensated by the IP owners at cost plus a markup.

The company will continue to perform all their business activities in Taastrup and will continue their work on the development of the Sensory business. The company is projected to receive an operating margin of 3-7% for their services.

Financial statements 1 January – 31 December**Income statement**

Note	DKK'000	2024	2023
	Revenue	189,839	175,361
4	Production costs	-65,157	-64,121
	Gross margin	124,682	111,240
4	Research and development costs	-92,653	-92,705
4	Sales and distribution costs	-54,464	-58,406
4	Administrative expenses	-48,745	-60,370
	Operating loss	-71,180	-100,241
10	Write down of financial assets	-7,558	0
5	Financial income	0	36,254
6	Financial expenses	-76,513	-17,868
	Profit/loss before tax	-155,251	-81,855
7	Tax for the year	-101	-79
	Profit/loss for the year	-155,352	-81,934

Financial statements 1 January – 31 December**Balance sheet**

Note	DKK'000	2024	2023
	ASSETS		
	Non-current assets		
8	Intangible assets		
	Rights	0	0
	Software	0	0
	Completed development projects	0	0
	Development projects in progress	74,532	61,543
		<u>74,532</u>	<u>61,543</u>
9	Property, plant and equipment		
	Leasehold improvements	694	805
	Plant and machinery	5,552	5,867
		<u>6,246</u>	<u>6,672</u>
10	Financial assets		
	Investment in group entities	25,702	33,260
		<u>25,702</u>	<u>33,260</u>
	Total non-current assets	<u>106,480</u>	<u>101,475</u>
	Current assets		
	Inventories		
	Raw materials and consumables	0	1,581
	Work in progress	0	1,754
	Finished goods and goods for resale	0	4,300
		<u>0</u>	<u>7,635</u>
	Receivables		
	Trade receivables	4,229	5,853
	Receivables from group entities	7,258	17,312
	Other receivables	2,372	2,144
11	Prepayments	3,413	1,631
		<u>17,272</u>	<u>26,940</u>
	Cash	<u>102</u>	<u>111</u>
	Total current assets	<u>17,374</u>	<u>34,686</u>
	TOTAL ASSETS	<u>123,854</u>	<u>136,161</u>

Financial statements 1 January – 31 December**Balance sheet**

Note	DKK'000	2024	2023
	EQUITY AND LIABILITIES		
	Equity		
12	Share capital	24,000	24,000
	Reserve for development costs	58,135	48,004
	Retained earnings	-423,926	-258,441
	Total equity	-341,789	-186,437
13	Provisions		
	Warranty	618	881
	Total Provisions	618	881
	Other non-current liabilities		
14	Other Payables	5,514	5,654
	Total non-current liabilities	5,514	5,654
	Current liabilities		
	Deferred revenue	549	466
	Trade payables	5,874	7,432
	Payables to group entities	433,740	286,287
	Income tax payable	56	135
14	Other payables	19,292	21,743
	Total current liabilities	459,511	316,063
	Total liabilities	465,643	322,598
	TOTAL EQUITY AND LIABILITIES	123,854	136,161

- 1 Accounting policies
- 2 Going Concern
- 3 Events after balance sheet date
- 15 Contractual obligations and contingencies, etc.
- 16 Related parties
- 17 Appropriation of profit/loss

Financial statements 1 January – 31 December**Statement of changes in equity**

Note	DKK'000	Share capital	Reserve for development costs	Retained earnings	Total
	Equity at 1 January 2023	24,000	36,863	-720,940	-660,077
	Distribution of loss	0	0	-81,934	-81,934
	Loan Forgiveness			555,574	555,574
	Transfer to reserve for capitalized development projects	0	11,141	-11,141	0
	Equity at 1 January 2024	24,000	48,004	-258,441	-186,437
17	Distribution of Profit	0	0	-155,352	-155,352
	Transfer to reserve for capitalized development projects	0	10,131	-10,131	0
	Equity at 31 December 2024	24,000	58,135	-423,926	-341,789

The company has lost more than 50% of the equity and as a result is covered by the provisions of the Companies Act on capital loss.

Financial statements 1 January – 31 December

Notes

1 Accounting policies

The annual report of Natus Medical Denmark ApS for 2024 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to medium reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

The financial statement for 2024 are presented in TDKK.

Omission to prepare consolidated financial statements

According to the Danish Financial Statements Act § 112 paragraph. 2, there is not prepared consolidated financial statements. The financial statements of Natus Medical Denmark ApS and its subsidiary are consolidated for Natus Medical Inc.

Omission to present a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement has been prepared. The entity's cash flows are part of the consolidated cash flow statement for the ultimate parent company, Natus Medical Inc.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost is recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, amortization, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognized in the income statement.

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

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

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Certain financial assets and liabilities are measured at amortized cost, which involves the recognition of constant effective interest rate over the maturity period. Amortized cost is calculated as original cost less any repayments and with addition/deduction of cumulative amortization of any difference between cost and the nominal amount.

Recognition and measurement consider predictable losses and risks occurring before presentation of annual report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Financial statements 1 January – 31 December**Notes****1 Accounting policies (continued)****Foreign currency translation**

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rate at the transaction date and the rate at the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables and payables and other monetary items denominated in foreign currencies are translated at closing rates. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

Income statement**Revenue**

Revenue from sale of goods and rendering of services is recognized in the income statement if delivery and transfer of risk to the buyer has taken place before year-end and that the income can be reliably measured and is expected to be received. Extended warranties are separated from the sale of goods and recognized on a straight-line basis over the term of the contract. The value of extended warranties that is not separately priced is estimated. Revenue is measured excluding VAT, taxes and granted cash and quantity discounts in relation to the sale and expected returns of goods. The portion of goods sold that is expected to be returned is determined based on historical product returns data.

Production costs

Production costs comprise costs, including depreciation and salaries, incurred in generating the revenue for the year. Production costs include direct and indirect costs for raw materials and consumables, wages and salaries, maintenance and depreciation and impairment of production plant and costs and expenses relating to the operation, administration, and management of factories. Also included are inventory write-downs.

Research and development costs

Research and development costs comprise costs, salaries, and depreciation of operating assets and equipment directly or indirectly attributable to the Group's development activities. Furthermore, amortization and write-down of capitalized development projects are included.

Distribution costs

Distribution costs comprise costs related to the distribution of goods sold in the year and to sales campaigns, etc. carried out in the year, including costs related to sales staff, sales commissions, advertising, exhibitions, and amortisation/depreciation.

Administrative expenses

Administrative expenses comprise expenses paid in the year to manage and administer the Company, including expenses related to administrative staff, management, office premises, office expenses and amortisation/depreciation. Also included are losses on receivables.

Other operating income

Other operating income comprises items secondary to the Company's activities, including gains on disposal of intangible assets and items of property, plant and equipment.

Financial statements 1 January – 31 December**Notes****1 Accounting policies (continued)****Other operating expenses**

Other operating expenses comprise items secondary to the Company's activities, including losses on disposal of intangible assets and items of property, plant, and equipment.

Financial income and expenses

Financial income and expenses comprise interest income and expenses, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

Tax for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit (loss) for the year is recognized in the income statement, and the tax expense relating to amounts recognized in other comprehensive income is recognized in other comprehensive income.

Current tax payable is recognized in current liabilities and deferred tax is recognized in non-current liabilities. Tax receivable is recognized in current assets and deferred tax assets are recognized in non-current assets.

Balance sheet**Intangible assets**

Intangible assets are measured at cost less accumulated amortization and impairment. Amortization is provided on a straight-line basis over the expected useful lives of the assets. When changing the depreciation period or the residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates. Amortization and impairment are recognized in the income statement as production costs, development costs, distribution costs and administrative expenses. The expected useful lives are as follows:

Software	3-5 years
Completed development projects	3-5 years
Patents, licenses, trademarks, and other intellectual property rights	5 years

Development projects that are clearly defined and identifiable, where the technical utilization degree, sufficient resources and a potential future market or development opportunities in the Company is evidenced, and where Natus Medical Denmark intends to produce, market, or use the project, are recognized as intangible assets if it is probable that costs incurred will be covered by future earnings. The cost of such development projects includes direct wages, salaries, materials, and other direct and indirect costs attributable to the development projects. Amortization and write-down of such capitalized development projects are started at the date of completion and are included in development costs. Other development costs are recognized in the income statement as incurred.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the disposal date, and are recognized in the income statement as other operating income or other operating costs, respectively.

Financial statements 1 January – 31 December**Notes****1 Accounting policies (continued)****Property, plant, and equipment**

Leasehold improvements and plant and machinery are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, and wages and salaries.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight-line basis over the expected useful life. The expected useful lives of the assets are as follows:

Leaseholds and improvement	5 years
Plant and machinery	3 - 5 years

Depreciation and impairment is recognized in the income statement as production costs, distribution costs and administrative expenses.

The basis of depreciation is based on the residual value of the asset reduced by impairment losses. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued. When changing the depreciation period or the residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates.

Gains and losses on the disposal of items of property, plant and equipment are calculated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal. The gains or losses are recognised in the income statement as other operating income/-expenses.

Investment in group entities

Investments in group entities are recognised and measured at cost. In cases where the cost exceeds net realizable value is written down to the lower value.

Dividends received exceeding the accumulated earnings of the subsidiary in the ownership period are treated as a reduction in cost.

Financial statements 1 January – 31 December**Notes****1 Accounting policies (continued)****Impairment of non-current assets**

The carrying amount of intangible assets and property, plant and equipment is tested annually for evidence of impairment other than the decrease in value reflected by amortisation/depreciation.

Impairment tests are conducted on individual assets or groups of assets when there is evidence of impairment. Assets are written down to the lower of the carrying amount and the recoverable amount.

The recoverable amount is the higher of the net selling price of an asset and its value in use. The value in use is calculated as the net present value of the expected net cash flows from the use of the asset or the group of assets and the expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Previously recognised impairment losses are reversed when the reason for recognition no longer exists.

Inventories

Inventories are measured at cost using the standard cost method. Standard costs take into account normal levels of raw materials and consumables, staff costs, efficiency and capacity utilization. Standard costs are reviewed regularly and adjusted in accordance with the FIFO-principle.

Raw materials and goods for resale are measured at cost, comprising purchase price plus delivery costs.

Work in progress and finished goods are measured at cost, comprising the cost of direct materials, wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries, maintenance and depreciation of production machinery, buildings, and equipment as well as factory administration and management.

Where the net realizable value is lower than cost, inventories are written down to this lower value. The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale.

Receivables

Trade receivables are measured at amortized cost less write-down for foreseen bad debt losses. Write-down for bad debt losses is based on an individual assessment of each receivable and at portfolio level.

Prepayments

Prepayments recognised under "Current assets" comprise expenses incurred concerning subsequent financial years.

Equity***Reserve for development costs***

The reserve for development costs comprises recognised development costs. The reserve cannot be used to distribute dividend or cover losses. The reserve will be reduced or dissolved if the recognised development costs are amortised or if they are no more part of the Company's operations by a transfer directly to distributable reserves under equity.

Dividend

Dividend proposed for the year is recognised as a liability at the date when it is adopted at the annual general meeting (declaration date). Dividend expected to be distributed for the financial year is presented as a separate line item under "Equity".

Financial statements 1 January – 31 December

Notes

1 Accounting policies (continued)

Income tax and deferred tax

Current tax payables and receivables are recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on prior-year taxable income and tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes or on office premises and other items where temporary differences arise at the date of acquisition without affecting neither the profit/loss for the year nor the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured based on Management's intended use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

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.

Warranty

Warranty provisions are recognized as the underlying goods and services are sold based on warranty costs incurred in previous years and expectations of future costs.

Other provisions primarily comprise onerous contracts and return obligations related to sold products. Provisions are recognized when, as a result of events before or at the balance sheet date, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting its obligations under the contract (onerous contracts). A provision for onerous contracts is recognized e.g. when the Company has entered a binding legal agreement for the purchase of components from suppliers that exceeds the benefits from the expected future use of the components and the Company can only sell the components at a loss.

Deferred revenue

Deferred income comprises payments received regarding income in subsequent years.

Liabilities

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

Other liabilities are measured at net realisable value.

Rental and Lease Matters

Leases that do not meet the criteria for classification as a financial asset are treated as operating leases. Operating lease payments are recognized in the income statement over the term of the lease.

Segment information

Information is disclosed by geographical market. Segment information is based on the Company's accounting policies, risks and internal financial management.

Financial statements 1 January – 31 December**Notes****1 Accounting policies (continued)****Financial ratios**

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Ratios".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\text{Operating profit (EBIT)} \times 100 / \text{Revenue}$
Return on investment	$\text{Operating profit (EBIT)} \times 100 / \text{Total equity and liabilities}$
Gross margin	$\text{Gross profit} \times 100 / \text{Revenue}$
Current ratio	$\text{Current assets} \times 100 / \text{Current liabilities}$
Equity ratio	$\text{Equity, year-end} \times 100 / \text{Total equity and liabilities, year-end}$
Return on Equity (ROE)	$\text{Profit/loss for the year} \times 100 / \text{Average equity}$

2 Going Concern

At the time of filing the annual report, the company has received a letter of support from its direct parent company in Ireland which will ensure the company has sufficient liquidity for its operations until the annual general meeting in 2026 when the annual report for the year ended 31 December 2025 will be approved. On this basis the financial statements have been prepared on a going concern basis of accounting.

3 Events after the balance sheet date

On January 1st, 2025, Natus Medical Denmark ApS sold its IP to Natus Manufacturing Limited & Natus Medical Inc for settlement of the respective intercompany payable balances as at 31st December 2024. On January 6th 2025, Natus Manufacturing sold 100% of the stock of its Sensory subsidiaries, including Natus Medical Denmark ApS, to Natus Sensory Holdings Ireland Limited.

Financial statements 1 January – 31 December**Notes**

DKK '000	2024	2023
4 Expenses		
Staff costs		
Wages and salaries	47,620	47,242
Pensions	4,874	4,619
Other social security costs	1,763	1,599
	<u>54,257</u>	<u>53,460</u>
Staff costs are recognised the financial statements under the following line items:		
Production costs	19,027	16,922
Research and development costs	16,150	16,306
Sales and distribution costs	13,340	13,604
Administrative expenses	5,740	6,628
	<u>54,257</u>	<u>53,460</u>
Average number of full-time employees	<u>70</u>	<u>68</u>

Staff costs include remuneration to the Executive Board, totalling DKK 0 thousand (2023: DKK 0 thousand), and pensions totalling DKK 0 thousand (2023: DKK 0 thousand), and directors' fees to the members of the Board of Directors totalling DKK 40 thousand (2023: DKK 40 thousand).

Financial statements 1 January – 31 December**Notes**

DKK'000	2024	2023
4 Expenses (continued)		
Amortisation/depreciation		
Amortisation intangible assets	0	1,708
Impairment loss	739	20,523
Depreciation property, plant and equipment	1,143	777
	1,882	23,008
Amortisation/depreciation charges and impairment losses are recognised in the financial statements under the following line items:		
Production costs	808	468
Research and development costs	948	22,272
Sales and distribution costs	10	47
Administrative expenses	116	221
	1,882	23,008
5 Financial income		
Unrealized foreign exchange gains	0	35,011
Realized foreign exchange gains	0	1,243
	0	36,254
6 Financial expenses		
Realized foreign exchange losses	4,749	0
Unrealized foreign exchange losses	45,784	243
Other financial expenses	187	30
Interest to group companies	25,793	17,595
	76,513	17,868

Financial statements 1 January – 31 December**Notes**

DKK'000		2024	2023
7	Tax for the year		
	Current tax for the year	-101	-58
	Prior-year adjustments to current tax	0	-21
		<u>-101</u>	<u>-79</u>
8	Intangible assets		
DKK'000		Rights*	Software
	Cost at 1 January 2024	<u>83,605</u>	<u>6,731</u>
	Cost at 31 December 2024	<u>83,605</u>	<u>6,731</u>
	Amortisation and impairment losses at 1 January 2024	<u>83,605</u>	<u>6,731</u>
	Amortisation and impairment losses at 31 December 2024	<u>83,605</u>	<u>6,731</u>
	Carrying amount at 31 December 2024	<u>0</u>	<u>0</u>
	Amortised over	<u>5 years</u>	<u>3-5 years</u>

* Amortisation starts in connection with the launch of a product in which the rights are used. All rights that have started amortisations.

Patents and Rights

Patents and rights primarily comprise acquired patents and rights. The most significant patents and rights relate to technologies for the development of new hearing instruments for Natus Medical Denmark ApS.

Financial statements 1 January – 31 December**Notes****8 Intangible assets (continued)**

DKK'000	Total development projects	Hereof completed development projects	Hereof development projects in progress
Cost at 1 January 2024	738,440	600,076	138,364
Additions	12,989	0	12,989
Cost at 31 December 2024	751,429	600,076	151,353
Amortisation and impairment losses at 1 January 2024	676,897	600,076	76,821
Amortisation and impairment losses at 31 December 2024	676,897	600,076	76,821
Carrying amount at 31 December 2024	74,532	0	74,532
Amortised over		3-5 years	

Development projects and software

In-progress and completed development projects comprise development and design of balance and screening assessments.

Development projects in progress consists of one project, which is expected to be completed in Q2 2025, after which product sales and marketing will commence.

Management performs an annual impairment test of the carrying amount of recognized development costs. The recoverable amount is assessed based on sales forecasts. In Management's assessment, the recoverable amount exceeds the carrying amount.

Financial statements 1 January – 31 December**Notes****9 Property, plant, and equipment**

DKK'000	Leaseholds improvements	Plant and machinery
Cost at 1 January 2024	4,339	37,632
Additions	0	1,473
Disposals	0	-756
Cost at 31 December 2024	4,339	38,349
Depreciation and impairment losses at 1 January 2024	3,534	31,765
Depreciation	111	1.032
Depreciation and impairment losses at 31 December 2024	3,645	32,797
Carrying amount at 31 December 2024	694	5,552

10 Financial assets

DKK'000	Total investments	Other investments	Investments in group entities
Cost at 1 January 2024	32,260	7,558	25,702
Impairment	-7,558	-7,558	0
Cost at 31 December 2024	25,702	0	25,702

Group entities	Domicile	Interest %	Equity DKK'000	Profit/loss DKK'000
GN Otometrics Holding GMBH	Germany	100%	8,570	2,871
Otometrics Shanghai Co. Ltd.	China	100%	25,005	4,358
Otometrics Sweden AB	Sweden	100%	755	242
Natus Medical Finland OY	Finland	100%	736	162
Natus Medical Norway AS	Norway	100%	508	142

Financial statements 1 January – 31 December**Notes**

DKK'000	2024	2023
11 Prepayments		
Other prepaid expenses	3,413	1,631
Prepayments at 31 December	3,413	1,631

12 Share capital

The share capital comprises 24,000 shares of 1 DKK nominal value each. All shares rank equally.

The change in share capital the last five years can be specified as following:

DKK'000	2024	2023	2022	2021	2020
Share capital at 1 January	24,000	24,000	24,000	24,000	24,000
Issue of Share Capital	0	0	0	0	0
Share capital at 31 December	24,000	24,000	24,000	24,000	24,000

Financial statements 1 January – 31 December**Notes**

13 Other Provisions		
DKK'000	2024	2023
Warranty commitments at 1 January	881	911
Used during the year	-881	-911
Provisions for the year	618	881
Other provisions at 31 December	618	881
The provisions are expected to be activated as follows:		
0-1 years	618	881
1-5 years	0	0
>5 years	0	0
Other provisions at 31 December	618	881

14 Other Payables**Liabilities other than provisions can be specified as follows**

DKK'000	2024	2023
Other Payables:		
0-1 years	19,292	21,743
1-5 years	0	0
>5 years	5,514	5,654
Total liabilities other than provisions at 31 December	24,806	27,397

15 Contractual obligations and contingencies, etc.**Operating lease liabilities**

The company has entered into operating lease agreements for property and vehicles. All figures provided below are excluding VAT and include estimates of variable costs associated with each of the lease's agreements.

The two properties for which the company has entered into lease agreements are located on Hørskættø 9, DK-2630, Taastrup, Denmark and Willy Brandtlaan 81, NL-6716, Ede, Netherlands. The total committed property lease payments in 2025 will be DKK 1,995k. The property lease in Taastrup expired on 31 December 2022, however, the company can exit the lease at any point with 6 months' notice. The lease in Ede expires on 31 March 2025.

The company has entered into operating lease agreements for a number of vehicles. The total vehicle lease payments in 2025 will be DKK 602k, with the total vehicle lease payments after 2025 totaling DKK 235k. The average remaining period of the vehicle lease agreements is 15 months.

16 Related parties

Natus Medical Denmark ApS' related parties comprise the following:

Parties exercising control

Natus Sensory Holding Ireland Limited
IDA Business Park, Gort, Co. Galway
H91 PD92, Ireland

The Annual Report for Natus Medical Denmark ApS is included in the Group Annual Report of Natus Medical Incorporated and may be obtained from the address mentioned below:

Natus Medical Incorporated
Corporate Headquarters
3150 Pleasant View Road
Middleton, WI 53562 USA

The largest group into which the result of the company and its subsidiaries for the year ended 31 December 2024 are consolidated is that headed by Natus Medical Incorporated.

The smallest group into which the result of the company and its subsidiaries for the year ended 31 December 2024 are consolidated is that headed by Natus Medical Incorporated.

Related party transactions

Remuneration/fees to members of the Executive Board and the Board of Directors are reflected in note 4.

Financial statements 1 January – 31 December**Notes****16 Related parties (continued)**

DKK'000	2024	2023
Purchase of services from group enterprises	-160,100	-130,125
Sale of goods and services to group enterprises – revenue	172,990	154,938
Sale of goods to group enterprises – cost of goods sold	-22,258	-7,531

Purchase of products and services are bought from group enterprises on normal commercial terms and conditions.

The company's balances with group enterprises at December 31, 2024 are recognized in the balance sheet. Balances with group enterprises comprise trade balances related to the purchase and sale of goods and services, together with loan balances and associated interest.

Interest income and expenses with respect to group enterprises are disclosed in note 6 and 7.

Purchases of services from group enterprises consists of headquarter cost allocation, R&D service fees, marketing service fees and net interest payable.

No transactions have been carried out with the Board of Directors, the Executive Management, senior employees, major shareholders or other related parties, apart from ordinary remuneration disclosed in note 4.

DKK'000	2024	2023
17 Distribution of loss		
Recommended distribution of loss		
Transferred to reserves under equity	-147,794	-81,934
	-147,794	-81,934

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Signing Complete	Security Checked	6/18/2025 6:18:58 AM
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