

## **T&W Engineering A/S**

Nymøllevej 6  
3540 Lyngø  
Business Registration No  
36965002

**Annual report 01.05.2018  
- 30.09.2019**

The Annual General Meeting adopted the annual report on 28.02.2019

### **Chairman of the General Meeting**

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Name: Lars Nørgaard

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## Entity details

### Entity

T&W Engineering A/S  
Nymøllevej 6  
3540 Lyngø

Central Business Registration No (CVR): 36965002

Registered in: Allerød

Financial year: 01.05.2018 - 30.09.2019

### Board of Directors

Søren Erik Westermann, Chairman  
Henrik Skak Bender  
Jan Tøpholm  
Lars Nørgaard

### Executive Board

Richard Tøpholm

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of T&W Engineering A/S for the financial year 01.05.2018 - 30.09.2019.

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 30.09.2019 and of the results of its operations for the financial year 01.05.2018 - 30.09.2019.

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, 28.02.2019

### Executive Board

Richard Tøpholm

### Board of Directors

Søren Erik Westermann  
Chairman

Henrik Skak Bender

Jan Tøpholm

Lars Nørgaard

# Independent auditor's report

## To the shareholder of T&W Engineering A/S

### Opinion

We have audited the financial statements of T&W Engineering A/S for the financial year 01.05.2018 - 30.09.2019, 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 30.09.2019 and of the results of its operations for the financial year 01.05.2018 - 30.09.2019 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 of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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.

## Independent auditor's report

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.

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.

## Independent auditor's report

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

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, 28.02.2019

### **Deloitte**

Statsautoriseret Revisionspartnerselskab  
Central Business Registration No (CVR) 33963556

Nikolaj Thomsen  
State Authorised Public Accountant  
Identification No (MNE) mne33276

## Management commentary

### Primary activities

The main activity is research and development of technology for measuring long-term EEG and its varied (diverse) use. The company's aim is to obtain license agreements and production of components related to research and development.

### Development in activities and finances

Gross loss for the year amounts to DKK 3.814 thousand. The ordinary result after tax amounts to a loss of DKK 16.022 thousand. Loss for the year corresponds to Management's expectations.

The sale of the development project has positively impacted the result for 2018/19 by DKK 7.8 million.

### Research and development activities

The Company has many years of experience in conducting research and developing new technology and methods related to Epilepsy and Diabetes patients. To maintain its position in a highly competitive market, the Company continued to strengthen its Research & Development department during the financial year. In 2018/19 the company sold a large development project and related assets and thus have no capitalized development cost at year end.

### 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.



## Income statement for 2018/19

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2017/18</u> <u>DKK'000</u>
<b>Gross loss</b>		<b>(3.814)</b>	<b>(2.669)</b>
Staff costs	1	(13.812)	(8.292)
Depreciation, amortisation and impairment losses	2	<u>(2.256)</u>	<u>(7.025)</u>
<b>Operating profit/loss</b>		<b>(19.882)</b>	<b>(17.986)</b>
Other financial income		17	10
Other financial expenses	3	<u>(826)</u>	<u>(392)</u>
<b>Profit/loss before tax</b>		<b>(20.691)</b>	<b>(18.368)</b>
Tax on profit/loss for the year	4	<u>4.669</u>	<u>4.040</u>
<b>Profit/loss for the year</b>		<b>(16.022)</b>	<b>(14.328)</b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(16.022)</u>	<u>(14.328)</u>
		<b>(16.022)</b>	<b>(14.328)</b>

## Balance sheet at 30.09.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2017/18</u> <u>DKK'000</u>
Acquired licences		6.975	16.857
Development projects in progress		0	14.773
<b>Intangible assets</b>	<b>5</b>	<b>6.975</b>	<b>31.630</b>
Other fixtures and fittings, tools and equipment		1.181	239
<b>Property, plant and equipment</b>	<b>6</b>	<b>1.181</b>	<b>239</b>
<b>Fixed assets</b>		<b>8.156</b>	<b>31.869</b>
Receivables from group enterprises		62.240	1.060
Other receivables		987	1.732
Income tax receivable		0	5.759
Prepayments		287	342
<b>Receivables</b>		<b>63.514</b>	<b>8.893</b>
<b>Cash</b>		<b>3.544</b>	<b>1.097</b>
<b>Current assets</b>		<b>67.058</b>	<b>9.990</b>
<b>Assets</b>		<b>75.214</b>	<b>41.859</b>

## Balance sheet at 30.09.2019

	<u>Notes</u>	<u>2018/19</u> <u>DKK'000</u>	<u>2017/18</u> <u>DKK'000</u>
Contributed capital		500	500
Reserve for development expenditure		0	11.523
Retained earnings		13.777	18.276
<b>Equity</b>		<b>14.277</b>	<b>30.299</b>
Deferred tax		1.577	6.968
<b>Provisions</b>		<b>1.577</b>	<b>6.968</b>
Trade payables		942	541
Payables to group enterprises		41.874	1.486
Income tax payable		804	0
Other payables		15.740	2.565
<b>Current liabilities other than provisions</b>		<b>59.360</b>	<b>4.592</b>
<b>Liabilities other than provisions</b>		<b>59.360</b>	<b>4.592</b>
<b>Equity and liabilities</b>		<b>75.214</b>	<b>41.859</b>
Contingent liabilities	7		
Group relations	8		

## Statement of changes in equity for 2018/19

	<b>Contributed capital DKK'000</b>	<b>Reserve for development expenditure DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	500	11.523	18.276	30.299
Dissolution of reserves	0	(11.523)	11.523	0
Profit/loss for the year	0	0	(16.022)	(16.022)
<b>Equity end of year</b>	<b>500</b>	<b>0</b>	<b>13.777</b>	<b>14.277</b>

## Notes

	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>1. Staff costs</b>		
Wages and salaries	10.143	6.359
Pension costs	2.864	1.571
Other social security costs	281	152
Other staff costs	524	210
	<b>13.812</b>	<b>8.292</b>
Average number of employees	<b>29</b>	<b>24</b>
	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>2. Depreciation, amortisation and impairment losses</b>		
Amortisation of intangible assets	9.881	6.975
Depreciation of property, plant and equipment	182	50
Profit/loss from sale of intangible assets and property, plant and equipment	(7.807)	0
	<b>2.256</b>	<b>7.025</b>
	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	801	377
Other interest expenses	25	15
	<b>826</b>	<b>392</b>
	<b>2018/19</b>	<b>2017/18</b>
	<b>DKK'000</b>	<b>DKK'000</b>
<b>4. Tax on profit/loss for the year</b>		
Current tax	804	(5.759)
Change in deferred tax	(5.391)	1.719
Adjustment concerning previous years	(82)	0
	<b>(4.669)</b>	<b>(4.040)</b>

## Notes

	<b>Acquired licences DKK'000</b>	<b>Develop- ment projects in progress DKK'000</b>
<b>5. Intangible assets</b>		
Cost beginning of year	34.876	14.773
Additions	0	10.551
Disposals	0	(25.324)
<b>Cost end of year</b>	<b>34.876</b>	<b>0</b>
Amortisation and impairment losses beginning of year	(18.020)	0
Amortisation for the year	(9.881)	0
<b>Amortisation and impairment losses end of year</b>	<b>(27.901)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>6.975</b>	<b>0</b>

### Development projects

Development projects relate to the development of products for monitoring of Epilepsy and Diabetes 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. At year end, the development project has been sold.

## Notes

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>
<b>6. Property, plant and equipment</b>	
Cost beginning of year	319
Additions	1.682
Disposals	(717)
<b>Cost end of year</b>	<b>1.284</b>
Depreciation and impairment losses beginning of year	(80)
Depreciation for the year	(182)
Reversal regarding disposals	159
<b>Depreciation and impairment losses end of year</b>	<b>(103)</b>
<b>Carrying amount end of year</b>	<b>1.181</b>

### 7. Contingent liabilities

The company has entered into contractual obligations regarding the lease of premises corresponding to DKK 128 thousand.

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 liable for income taxes etc for the jointly taxed entities, and 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.

### 8. 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 Lyngby, Denmark

## Accounting policies

### Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

The financial year has been extended to 30 September 2019 meaning that the income statement covers a period 1 May 2018 – 30 September 2019. The change is subject to a change at Parent level. The comparison figures covers a period of 12 months, 1 May 2017 – 30 April 2018.

### Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

### 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.

#### Costs of raw materials and consumables

Costs of raw materials and consumables comprise the consumption of raw materials and consumables for the financial year.

#### Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for production, sales, administration, etc.

#### Staff costs

Staff costs comprise salaries and wages as well as 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.



## Accounting policies

### Other financial income

Other financial income comprises interest income, payables and transactions in foreign currencies.

### Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies.

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

Indirect production costs in the form of indirectly attributable staff costs and amortisation of intangible assets and depreciation of property, plant and equipment used in the development process are recognised in cost based on time spent on each project.

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 amortised over their remaining duration, and licences are amortised over the term of the agreement.

## Accounting policies

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:

Other fixtures and fittings, tools and equipment	3-5 years
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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.

### Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

### Prepayments

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

### Cash

Cash comprises cash in hand and bank deposits.

### 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 or the planned settlement of each liability.

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.

### Other financial liabilities

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

### Income tax receivable or payable

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

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## Søren Erik Westermann

Bestyrelsesformand

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IP: 213.83.xxx.xxx

2020-02-28 12:40:55Z

NEM ID 

## Nikolaj Thomsen

Revisor

Serienummer: PID:9208-2002-2-256851643530

IP: 83.151.xxx.xxx

2020-02-28 12:42:59Z

NEM ID 

## Jan Tøpholm

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-930365821564

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2020-02-28 13:40:16Z

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## Lars Nørgaard

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-748956423781

IP: 213.83.xxx.xxx

2020-02-28 14:05:41Z

NEM ID 

## Lars Nørgaard

Dirigent

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2020-02-28 14:05:41Z

NEM ID 

## Richard Tøpholm

Adm. direktør

Serienummer: PID:9208-2002-2-716752623985

IP: 130.227.xxx.xxx

2020-02-28 20:21:21Z

NEM ID 

## Henrik Skak Bender

Bestyrelsesmedlem

Serienummer: PID:9208-2002-2-582010496837

IP: 152.115.xxx.xxx

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