Deloitte.

T&W Engineering A/S

Borupvang 2
3450 Allerød
CVR No. 36965002

Annual report 01.10.2020 - 30.09.2021

The Annual General Meeting adopted the annual report on 24.02.2022

Lars Nørgaard
Chairman of the General Meeting

Contents

Entity details

Entity

T&W Engineering A/S

Borupvang 2

3450 Allerød

Business Registration No.: 36965002

Registered office: Allerød

Financial year: 01.10.2020 - 30.09.2021

Board of Directors

Søren Erik Westermann, Chairman

Lars Nørgaard

Jan Tøpholm

Henrik Skak Bender

Executive Board

Richard Tøpholm

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 T&W Engineering A/S for the financial year 01.10.2020 - 30.09.2021.

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 30.09.2021 and of the results of its operations for the financial year 01.10.2020 - 30.09.2021.

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, 24.02.2022

Executive Board

Richard Tøpholm

Board of Directors

Søren Erik Westermann
Chairman

Lars Nørgaard

Jan Tøpholm

Henrik Skak Bender

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 01.10.2020 - 30.09.2021, 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 30.09.2021 and of the results of its operations for the financial year 01.10.2020 - 30.09.2021 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.

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.

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, 24.02.2022

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 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 profit for the year amounts to DKK 7.990 thousand. The ordinary result after tax amounts to a loss of DKK 14.434 thousand. Loss for the year corresponds to Management’s expectations.

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.

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 2020/21

	Notes	2020/21 DKK'000	2019/20 DKK'000
Gross profit/loss		**(7,990)**	**(1,630)**
Staff costs	1	(10,723)	(5,729)
Depreciation, amortisation and impairment losses	2	(301)	(7,241)
Operating profit/loss		**(19,014)**	**(14,600)**
Other financial income from group enterprises		314	445
Other financial income		0	1
Other financial expenses	3	(71)	(235)
Profit/loss before tax		**(18,771)**	**(14,389)**
Tax on profit/loss for the year	4	4,337	3,368
Profit/loss for the year		**(14,434)**	**(11,021)**
Proposed distribution of profit and loss			
Retained earnings		(14,434)	(11,021)
Proposed distribution of profit and loss		**(14,434)**	**(11,021)**

Balance sheet at 30.09.2021

Assets

	Notes	2020/21 DKK'000	2019/20 DKK'000
Acquired licences		0	0
Intangible assets	5	**0**	**0**
Other fixtures and fittings, tools and equipment		728	987
Leased assets		2,235	0
Property, plant and equipment in progress		771	0
Property, plant and equipment	6	**3,734**	**987**
Deferred tax		3,855	0
Financial assets	7	**3,855**	**0**
Fixed assets		**7,589**	**987**
Receivables from group enterprises		0	18,595
Other receivables		183	0
Income tax receivable		2,274	1,833
Prepayments		421	825
Receivables		**2,878**	**21,253**
Cash		**3,907**	**3,375**
Current assets		**6,785**	**24,628**
Assets		**14,374**	**25,615**

Equity and liabilities

	Notes	2020/21 DKK'000	2019/20 DKK'000
Contributed capital		500	500
Retained earnings		(9,778)	2,756
Equity		**(9,278)**	**3,256**
Deferred tax		0	42
Provisions		**0**	**42**
Lease liabilities		1,886	0
Other payables		0	12,934
Non-current liabilities other than provisions	8	**1,886**	**12,934**
Lease liabilities		362	0
Trade payables		207	721
Payables to group enterprises		420	0
Income tax payable		0	804
Other payables		20,777	7,858
Current liabilities other than provisions		**21,766**	**9,383**
Liabilities other than provisions		**23,652**	**22,317**
Equity and liabilities		**14,374**	**25,615**
Contingent liabilities	9		
Group relations	10		

Statement of changes in equity for 2020/21

	Contributed capital DKK'000	Retained earnings DKK'000	Total DKK'000
Equity beginning of year	500	2,756	3,256
Capital increase by debt conversion	0	1,900	1,900
Profit/loss for the year	0	(14,434)	(14,434)
Equity end of year	**500**	**(9,778)**	**(9,278)**

Notes

1 Staff costs

	2020/21 DKK'000	2019/20 DKK'000
Wages and salaries	9,032	3,104
Pension costs	1,319	1,919
Other social security costs	125	268
Other staff costs	247	438
	10,723	**5,729**
Average number of full-time employees	22	29

2 Depreciation, amortisation and impairment losses

	2020/21 DKK'000	2019/20 DKK'000
Amortisation of intangible assets	0	6,975
Depreciation of property, plant and equipment	301	266
	301	**7,241**

3 Other financial expenses

	2020/21 DKK'000	2019/20 DKK'000
Financial expenses from group enterprises	7	175
Other interest expenses	49	33
Other financial expenses	15	27
	71	**235**

4 Tax on profit/loss for the year

	2020/21 DKK'000	2019/20 DKK'000
Current tax	(1,922)	(1,833)
Change in deferred tax	(3,897)	(1,535)
Refund in joint taxation arrangement	1,482	0
	(4,337)	**(3,368)**

5 Intangible assets

	Acquired licences DKK'000
Cost beginning of year	34,876
Cost end of year	**34,876**
Amortisation and impairment losses beginning of year	(34,876)
Amortisation and impairment losses end of year	**(34,876)**
Carrying amount end of year	**0**

6 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK'000	Leased assets DKK'000	Property, plant and equipment in progress DKK'000
Cost beginning of year	1,356	0	0
Additions	0	2,277	771
Cost end of year	**1,356**	**2,277**	**771**
Depreciation and impairment losses beginning of year	(369)	0	0
Depreciation for the year	(259)	(42)	0
Depreciation and impairment losses end of year	**(628)**	**(42)**	**0**
Carrying amount end of year	**728**	**2,235**	**771**

7 Financial assets

	Deferred tax DKK'000
Additions	3,855
Cost end of year	**3,855**
Carrying amount end of year	**3,855**

8 Non-current liabilities other than provisions

	Due after more than 12 months 2020/21 DKK'000
Lease liabilities	1,886
	1,886

9 Contingent liabilities

The company has entered into a contractual obligations regarding grants to University of Aarhus corresponding of total DKK 10 million to be granted within the next 5 years.

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.

10 Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
T&W Medical A/S, Nymøllevej 6, 3450 Lynge, 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 a few provisions for reporting class C.

Changes in accounting policies
The Entity has changed its accounting policy on recognition of leases

To better achieve a fair representation of the Entity's financial position and results, leases are recognized in accordance with the accounting principles of the International Reporting Standard IFRS 16 Leases effective 1 January 2018. IFRS 16 does not distinguish between operating leases and finance leases but requires the recognition of a lease asset (right-of-use assets) and a lease liability when entering into leases, except for leases with lease term ending within 12 months (short-term leases) and contracts to lease assets of low value.

Application of transition requirements
According to the transition requirements of the Danish Financial Statements Act, the comparative figures are not restated, and the cumulative effect of the transition is recognised in equity at the beginning of the financial year. The change only includes leases stretching into the cur-rent financial year.

Moreover, the following transition requirements of IFRS 16 have been applied:

Moreover, the following transition requirements of IFRS 16 have been applied:

- Amounts previously recognised for leases classified and recognised as a finance lease have not been changed.
- For leases previously classified as an operating lease, the following is applicable:

  - Lease liabilities are measured at the present value of the remaining lease payments, discounted using the Entity’s incremental borrowing rate at the date of initial application on 1 October 2020.

  - Lease assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments.

  - Lease assets are written down to the lower of recoverable amount and carrying amount.

  - Leases for which the lease term ends within 12 months on 1October 2022 are accounted for in the same way as short-term leases, despite the original lease term, thus not recognised as a lease asset or a lease liability

Interpretation of changes in accounting policies due to the application of IFRS 16
Leases previously classified as operating leases
The application of IFRS 16 changes the treatment of leases previously classified as operating leases, thus not recognised in the balance sheet. Lease payments from operating leases were previously recognised on a straight-line basis in the income statement as Other external expenses over the lease term.

For all other leases:
a) Lease assets and lease liabilities are recognised in the balance sheet, initially measured at the present value of

future lease payments.
b) Depreciation and impairment losses on lease assets and interest on lease liabilities are rec-ognised in the income statement

c) The total lease payment is separated into repayment of the lease liability (disclosed as cash flow from financing activities) and interest (disclosed as cash flow from operating activities).

Monetary effect of changes in accounting policies
The change in accounting policies leads to a reduction in other external expenses by DKK 40 thousand, an increase in depreciation by DKK 42 thousand, and an increase in interest expenses by DKK 11 thousand. The total effect of the change in accounting policies amounts to a reduction in results for the year before tax of DKK 13 thousand. The balance sheet total is increased by DKK 2.232 thousand.

Apart from the areas mentioned above, the annual report has been presented applying the accounting policies consistent with last year.

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.

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 state-ment 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.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities.

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.

Other financial income from group enterprises
Other financial income from group enterprises comprises interest income etc on receivables from group enterprises.

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 con-cerning 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 re-duced 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 can-not 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 amortisa-tion 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.
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

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.

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.

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

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.