



## T&W Engineering A/S

Borupvang 2  
3450 Allerød  
CVR No. 36965002

## Annual report 01.10.2021 - 30.09.2022

The Annual General Meeting adopted the  
annual report on 03.03.2023

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**Søren Erik Westermann**  
Chairman of the General Meeting

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# Entity details

## Entity

T&W Engineering A/S

Borupvang 2

3450 Allerød

Business Registration No.: 36965002

Registered office: Allerød

Financial year: 01.10.2021 - 30.09.2022

## Board of Directors

Lars Nørgaard

Jan Tøpholm

Søren Erik Westermann

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 01.10.2021 - 30.09.2022.

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 30.09.2022 and of the results of its operations for the financial year 01.10.2021 - 30.09.2022.

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, 03.03.2023

## Executive Board

**Richard Tøpholm**

## Board of Directors

**Lars Nørgaard**

**Jan Tøpholm**

**Søren Erik Westermann**

**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 01.10.2021 - 30.09.2022, 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 30.09.2022 and of the results of its operations for the financial year 01.10.2021 - 30.09.2022 in accordance with the Danish Financial Statements Act.

### Basis for opinion

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

### Management's responsibilities for the financial statements

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

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

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

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

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

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

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, 03.03.2023

**Deloitte**

Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

**Nikolaj Thomsen**

State Authorised Public Accountant  
Identification No (MNE) mne33276

**Kasper Ørtoft**

State Authorised Public Accountant  
Identification No (MNE) mne49073

# 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 8.334 thousand. The ordinary result after tax amounts to a loss of DKK 18.450 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 2021/22

	Notes	2021/22 DKK'000	2020/21 DKK'000
<b>Gross profit/loss</b>		<b>(8,334)</b>	<b>(8,019)</b>
Staff costs	2	(15,020)	(10,723)
Depreciation, amortisation and impairment losses	3	(485)	(259)
<b>Operating profit/loss</b>		<b>(23,839)</b>	<b>(19,001)</b>
Other financial income from group enterprises		81	314
Other financial income		95	0
Other financial expenses	4	(715)	(71)
<b>Profit/loss before tax</b>		<b>(24,378)</b>	<b>(18,758)</b>
Tax on profit/loss for the year	5	5,928	4,337
<b>Profit/loss for the year</b>		<b>(18,450)</b>	<b>(14,421)</b>
<b>Proposed distribution of profit and loss</b>			
Retained earnings		(18,450)	(14,421)
<b>Proposed distribution of profit and loss</b>		<b>(18,450)</b>	<b>(14,421)</b>

# Balance sheet at 30.09.2022

## Assets

	Notes	2021/22 DKK'000	2020/21 DKK'000
Acquired licences		0	0
<b>Intangible assets</b>	6	<b>0</b>	<b>0</b>
Other fixtures and fittings, tools and equipment		476	728
Leasehold improvements		733	0
Property, plant and equipment in progress		0	771
<b>Property, plant and equipment</b>	7	<b>1,209</b>	<b>1,499</b>
Deferred tax		6,507	3,855
<b>Financial assets</b>		<b>6,507</b>	<b>3,855</b>
<b>Fixed assets</b>		<b>7,716</b>	<b>5,354</b>
Trade receivables		7	0
Receivables from group enterprises		3,658	0
Other receivables		365	183
Income tax receivable		5,235	2,274
Prepayments		467	421
<b>Receivables</b>		<b>9,732</b>	<b>2,878</b>
<b>Cash</b>		<b>1,503</b>	<b>3,907</b>
<b>Current assets</b>		<b>11,235</b>	<b>6,785</b>
<b>Assets</b>		<b>18,951</b>	<b>12,139</b>

**Equity and liabilities**

	<b>Notes</b>	<b>2021/22 DKK'000</b>	<b>2020/21 DKK'000</b>
Contributed capital		500	500
Retained earnings		13,903	(9,765)
<b>Equity</b>		<b>14,403</b>	<b>(9,265)</b>
Other payables		1,194	1,712
<b>Non-current liabilities other than provisions</b>	<b>8</b>	<b>1,194</b>	<b>1,712</b>
Trade payables		437	207
Payables to group enterprises		72	420
Other payables		2,845	19,065
<b>Current liabilities other than provisions</b>		<b>3,354</b>	<b>19,692</b>
<b>Liabilities other than provisions</b>		<b>4,548</b>	<b>21,404</b>
<b>Equity and liabilities</b>		<b>18,951</b>	<b>12,139</b>
Going concern	1		
Contingent liabilities	9		
Group relations	10		

# Statement of changes in equity for 2021/22

	<b>Contributed capital DKK'000</b>	<b>Retained earnings DKK'000</b>	<b>Total DKK'000</b>
Equity beginning of year	500	(9,778)	(9,278)
Capital increase by debt conversion	0	42,131	42,131
Profit/loss for the year	0	(18,450)	(18,450)
<b>Equity end of year</b>	<b>500</b>	<b>13,903</b>	<b>14,403</b>

# Notes

## 1 Going concern

A letter of support has been issued from the Parent securing the necessary financial support to the Company for the next 12 months.

As a result, the financial statements have been prepared on a going concern basis.

## 2 Staff costs

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Wages and salaries	12,755	9,032
Pension costs	1,476	1,319
Other social security costs	185	125
Other staff costs	604	247
	<b>15,020</b>	<b>10,723</b>
Average number of full-time employees	23	22

## 3 Depreciation, amortisation and impairment losses

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Depreciation of property, plant and equipment	485	259
	<b>485</b>	<b>259</b>

## 4 Other financial expenses

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Financial expenses from group enterprises	626	7
Other interest expenses	85	49
Other financial expenses	4	15
	<b>715</b>	<b>71</b>

## 5 Tax on profit/loss for the year

	<b>2021/22</b>	<b>2020/21</b>
	<b>DKK'000</b>	<b>DKK'000</b>
Current tax	(3,626)	(1,922)
Change in deferred tax	(2,652)	(3,897)
Refund in joint taxation arrangement	350	1,482
	<b>(5,928)</b>	<b>(4,337)</b>

## 6 Intangible assets

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

## 7 Property, plant and equipment

	<b>Other fixtures and fittings, tools and equipment DKK'000</b>	<b>Leasehold improvements DKK'000</b>	<b>Property, plant and equipment in progress DKK'000</b>
Cost beginning of year	1,356	0	771
Transfers	0	771	(771)
Additions	0	195	0
<b>Cost end of year</b>	<b>1,356</b>	<b>966</b>	<b>0</b>
Depreciation and impairment losses beginning of year	(628)	0	0
Depreciation for the year	(252)	(233)	0
<b>Depreciation and impairment losses end of year</b>	<b>(880)</b>	<b>(233)</b>	<b>0</b>
<b>Carrying amount end of year</b>	<b>476</b>	<b>733</b>	<b>0</b>

## 8 Non-current liabilities other than provisions

	<b>Due after more than 12 months 2021/22 DKK'000</b>
Other payables	1,194
	<b>1,194</b>

## 9 Contingent liabilities

The company has entered into a contractual obligation regarding lease contract with UNEEG Medical A/S corresponding of total DKK 2 million as DKK 0.6 million due within 1 year and DKK 1.4 million due 1-5 year.

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 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 a few provisions for reporting class C.

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

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

### **Property, plant and equipment**

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

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

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

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

**Other financial liabilities**

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