Deloitte.

Widex DK A/S

Nymøllevej 6
3540 Lynge
CVR No. 29819521

Annual report 01.10.2023 - 30.09.2024

The Annual General Meeting adopted the annual report on 28.02.2025

Annemarie Johanna Van Neck
Chair of the General Meeting

Contents

Entity details

Entity

Widex DK A/S

Nymøllevej 6

3540 Lynge

Business Registration No.: 29819521

Registered office: Allerød

Financial year: 01.10.2023 - 30.09.2024

Board of Directors

Annemarie Johanna Van Neck

Christian Thuen

Michelle Reyneke

Executive Board

Michelle Reyneke

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 Widex DK A/S for the financial year 01.10.2023 - 30.09.2024.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2024 and of the results of its operations for the financial year 01.10.2023 - 30.09.2024.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Lynge, 28.02.2025

Executive Board

Michelle Reyneke

Board of Directors

Annemarie Johanna Van Neck **Christian Thuen**

Michelle Reyneke

Independent auditor's report

To the shareholder of Widex DK A/S

Opinion

We have audited the financial statements of Widex DK A/S for the financial year 01.10.2023 - 30.09.2024, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.09.2024 and of the results of its operations for the financial year 01.10.2023 - 30.09.2024 in accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required by relevant law and regulations.

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

Copenhagen, 28.02.2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33963556

Yassir Iqbal
State Authorised Public Accountant
Identification No (MNE) mne45103

Niels Bøgh Laursen
State Authorised Public Accountant
Identification No (MNE) mne51085

Management commentary

Primary activities

As a subsuduary of Widex A/S, the Company's main activities are sale and service of hearing aids. Widex DK A/S markets, sells, and applies services for Widex hearing aids on the Danish market.

Development in activities and finances

The gross profit for the year amounts to DKK 33,012 thousand compared to DKK 32,238 thousand last year. The profit/loss for the year amounts to DKK -279 thousand compared to DKK 120 thousand last year. The result is according to expectations.

Equity at 30 September 2024 amounts to DKK 6,570 thousand.

Due to a strategic decision by the WS Audiology Group, the warranty provision is now accounted for centrally by a different entity within the group, resulting in a decrease in the company's provisions.

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 2023/24

	Notes	2023/24 DKK	2022/23 DKK
Gross profit/loss		**33,011,824**	**32,238,074**
Staff costs	1	(30,876,517)	(30,233,687)
Depreciation, amortisation and impairment losses		(447,032)	(537,285)
Operating profit/loss		**1,688,275**	**1,467,102**
Other financial income		165,585	105,800
Other financial expenses	2	(1,863,251)	(1,207,915)
Profit/loss before tax		**(9,391)**	**364,987**
Tax on profit/loss for the year	3	(269,525)	(245,145)
Profit/loss for the year		**(278,916)**	**119,842**
Proposed distribution of profit and loss			
Retained earnings		(278,916)	119,842
Proposed distribution of profit and loss		**(278,916)**	**119,842**

Balance sheet at 30.09.2024

Assets

	Notes	2023/24 DKK	2022/23 DKK
Other fixtures and fittings, tools and equipment		29,392	40,413
Leased assets		1,053,378	1,176,680
Property, plant and equipment	4	**1,082,770**	**1,217,093**
Fixed assets		**1,082,770**	**1,217,093**
Raw materials and consumables		554,227	504,623
Manufactured goods and goods for resale		12,985,309	11,186,602
Inventories		**13,539,536**	**11,691,225**
Trade receivables		8,515,608	8,172,566
Receivables from group enterprises		50,192,307	33,780,860
Deferred tax		0	207,921
Other receivables		0	522,232
Prepayments		803,499	28,894
Receivables		**59,511,414**	**42,712,473**
Cash		**3,164**	**1,428**
Current assets		**73,054,114**	**54,405,126**
Assets		**74,136,884**	**55,622,219**

Equity and liabilities

	Notes	2023/24 DKK	2022/23 DKK
Contributed capital		500,000	500,000
Retained earnings		6,069,556	6,348,472
Equity		**6,569,556**	**6,848,472**
Other provisions	5	473,000	4,191,000
Provisions		**473,000**	**4,191,000**
Lease liabilities		765,654	810,308
Other payables		0	3,437
Non-current liabilities other than provisions	6	**765,654**	**813,745**
Lease liabilities		308,598	391,314
Trade payables		2,756,910	899,702
Payables to group enterprises		50,826,682	32,035,947
Income tax payable		398,507	597,785
Other payables		12,037,977	9,844,254
Current liabilities other than provisions		**66,328,674**	**43,769,002**
Liabilities other than provisions		**67,094,328**	**44,582,747**
Equity and liabilities		**74,136,884**	**55,622,219**
Contingent liabilities	7		
Group relations	8		

Statement of changes in equity for 2023/24

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	500,000	6,348,472	6,848,472
Profit/loss for the year	0	(278,916)	(278,916)
Equity end of year	**500,000**	**6,069,556**	**6,569,556**

Notes

1 Staff costs

	2023/24 DKK	2022/23 DKK
Wages and salaries	28,121,171	27,409,174
Pension costs	2,523,097	2,458,556
Other social security costs	232,249	365,957
	30,876,517	**30,233,687**

Average number of full-time employees	**52**	**50**

2 Other financial expenses

	2023/24 DKK	2022/23 DKK
Financial expenses from group enterprises	1,833,833	1,136,215
Exchange rate adjustments	8,207	19,069
Other financial expenses	21,211	52,631
	1,863,251	**1,207,915**

3 Tax on profit/loss for the year

	2023/24 DKK	2022/23 DKK
Current tax	(113,444)	336,903
Change in deferred tax	382,969	(131,118)
Adjustment concerning previous years	0	39,360
	269,525	**245,145**

4 Property, plant and equipment

	Other fixtures and fittings, tools and equipment DKK	Leased assets DKK
Cost beginning of year	118,909	2,592,316
Exchange rate adjustments	0	534
Additions	0	1,774,282
Disposals	0	(2,274,035)
Cost end of year	**118,909**	**2,093,097**
Depreciation and impairment losses beginning of year	(78,496)	(1,415,636)
Depreciation for the year	(11,021)	(433,954)
Reversal regarding disposals	0	809,871
Depreciation and impairment losses end of year	**(89,517)**	**(1,039,719)**
Carrying amount end of year	**29,392**	**1,053,378**

5 Other provisions

Due to a strategic decision by the WS Audiology Group, the warranty provision is now accounted for centrally by a different entity within the group, resulting in a decrease in the company's provisions.

6 Non-current liabilities other than provisions

	Due after more than 12 months 2023/24 DKK
Lease liabilities	765,654
	765,654

No lease liabilities are due after 5 years.

7 Contingent liabilities

The Entity 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 largest group:
T&W Medical A/S, Nymøllevej 6, 3450 Lynge, Denmark

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
WS Audiology 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.

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 recognized in the income statement when earned, whereas costs are recognized 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.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, changes in inventories of finished goods and work in progress, own work capitalised, other operating income, cost of raw materials and consumables 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. Revenue from the sale of services is recognised in the income statement when delivery is made to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income
Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including profit from the sale of intangible assets and property, plant and equipment, and salary refunds.

Cost of sales
Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for normal inventory writedowns.

Other external expenses
Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs
Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses
Depreciation, amortisation and impairment losses relating to property, plant and equipment and intangible assets comprise depreciation, amortisation and impairment losses for the financial year, and gains and losses from the sale of intangible assets and property, plant and equipment.

Other financial income
Other financial income comprises interest income, including interest income on receivables from group enterprises, payables and transactions in foreign currencies, amortisation of financial assets, and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses
Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, payables and transactions in foreign currencies, amortisation of financial liabilities, and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year
Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

The Entity is jointly taxed with all Danish group enterprises. The current Danish income tax is allocated among the jointly taxed entities proportionally to their taxable income (full allocation with a refund concerning tax losses).

Balance sheet

Property, plant and equipment

Land and buildings, plant and machinery, and other fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

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

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

	Useful life
Other fixtures and fittings, tools and equipment	3-5 years

For leasehold improvements and assets subject to finance leases, the depreciation period cannot exceed the contract period.

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.

Inventories

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price plus delivery costs. The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

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

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and the tax-based value of assets and liabilities, for which the tax-based value is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

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 provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Non-recourse guarantee commitments comprise commitments to remedy defects and deficiencies within the guarantee period.

On acquisition of enterprises and investments in group enterprises, provisions are made for costs relating to restructuring in the acquired enterprise that were decided and published at the acquisition date at the latest.

Once it is probable that total costs will exceed total income from a contract in progress, provision is made for the total loss estimated to result from the relevant contract

Lease liabilities
Lease liabilities relating to assets held under finance leases are recognized 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 recognized in the income statement as a financial expense over the term of the leases.

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.