T&W Medical A/S

Annual report 2023/2024
01 October 2023 – 30 September 2024

Nymøllevej 6 • 3540 Lynge • Business Registration • No 28511809

Management commentary

Key figures and financial ratios

Key figures	2023/24 12 months (mDKK)	2022/23 12 months (mDKK)	2021/22 12 months (mDKK)	2020/21 12 months (mDKK)	2019/20 17 months (mDKK)
Income statement, DKKm					
Revenue	19.674	18.371	17.493	15.288	12.965
Gross profit	11.155	10.734	10.250	8.962	7.255
R&D costs	1.682	953	1.000	825	656
Reported EBITDA	3.648	3.340	2.989	2.986	1.436
Normalized EBITDA	-	3.593	3.584	3.366	2.404
EBITDA before special items*	3.804	3.340			
Depreciation and amortization etc.**	11.487	2.267	2.438	2.297	2.344
Operating profit (EBIT)	(7.839)	1.073	524	627	(913)
Net financials	(3.349)	(1.165)	(2.343)	(247)	(1.293)
Profit/(loss) before tax	(11.188)	(92)	(1.820)	381	(2.206)
Profit/(loss) for the year	(9.314)	(264)	(1.828)	237	(1.816)
Balance sheet, DKKm					
Assets	44.739	55.852	56.365	55.498	55.659
Equity	8.633	14.598	15.158	15.792	17.280
Other key figures, DKKm					
Investment in property, plant and equipment	433	612	462	325	260
Cash flow from operating activities	2.784	3.044	2.748	3.409	2.006
Average number of employees	12.833	12.682	12.111	11.546	10.836
Financial ratios					
Gross profit margin	56,7%	58,4%	58,6%	58,6%	56,0%
Reported EBITDA margin	18,5%	18,2%	17,1%	19,5%	11,1%
Normalized EBITDA margin	-	19,6%	20,5%	22,0%	18,5%
EBITDA margin before special items	19,3%	18,2%			
Profit margin (EBIT margin)	(39,8%)	5,8%	3,0%	4,1%	(7,0%)
Return on equity	(80,2%)	(1,8%)	(12,1%)	1,4%	(10,5%)
Equity ratio	19,3%	26,1%	26,9%	28,5%	31,0%

Key Figures/ Financial ratios definitions	
EBITDA	Earnings before interest, tax, depreciation, amortization investments in associates after tax
Net financials	Interest income, interest expenses and other financials net
Gross profit margin	Gross profit/(loss) x 100/Revenue
Reported EBITDA margin	Reported EBITDA x 100/Revenue
Normalized EBITDA margin	Normalized EBITDA x 100/Revenue
EBITDA margin before special items	EBITDA before special items x 100/revenue
Profit margin (EBIT margin)	Operating profit/(loss) x 100/Revenue
Return on equity	Profit/(loss) for the year x 100/Average equity
Equity ratio	Total Equity/Total Assets x 100

**In Q1 2024, the Group introduced a new structure for reporting on EBITDA metric; EBITDA before special items. The new metric substitutes the previous measure defined by the covenant package in the Senior Facilities Agreement (SFA) - Normalized EBITDA relating to merger-related cost. EBITDA before special items is adjusted for costs that are exceptional in nature.*

***Includes amortization of identifiable assets from Purchase Price Allocations of DKK 9.604 million (2022/23: DKK 1.052 million) from business combinations.*

Primary activities

T&W Medical A/S (TWM) is a private holding and investment company jointly owned by the Tøpholm and Westermann families. The collaboration between the families began in 1956 with the founding of hearing aid company Tøpholm & Westermann, later known as Widex. TWM owns and invests in high technology companies within medtech and life science that improve the quality of life for millions of people with health challenges such as hearing loss and epilepsy, including WS Audiology Group (WSA), T&W Holding (TWH), UNEEG medical, T&W Engineering (TWE) and other group companies.

- WSA is a global leader in the hearing aid industry with more than 12,600 employees designing, manufacturing and selling hearing aids and associated products globally through own sales companies and independent distributors. In 2023/24, the WSA group delivered organic revenue growth of 10% to DKK 19,663 million and lifted EBITDA before special items by 13% to DKK 4,042 million. Revenue and earnings growth was mainly driven by the launch of Signia IX supplemented by the launch of Widex SmartRic, entailing an increase in volumes and average selling prices combined with operational efficiencies.

- TWH is the main investment company of the Tøpholm and Westermann families, focused on equity investments in listed and unlisted companies, investments in private equity, properties, infrastructure projects and alternatives as well as other asset classes and lending to related parties. TWH improved investment performance in 2023/24, and profit before tax increased to DKK 166 million.

- UNEEG medical provides data-based solutions for epilepsy care and develops and commercializes implantable Class III devices and EEG/neurological solutions that collect, monitor and analyze brain activity. In 2023/24, UNEEG medical reported a loss after tax of DKK 111 million after advancing early commercialization efforts while developing its next-generation platform, achieving EU MDR compliance and building the foundation for obtaining "Breakthrough Device Designation" from the US FDA in November 2024.

- TWE develops EEG-based measurement technology and methods relevant to epilepsy and diabetes patients, among others. In 2023/24, TWE continued to support UNEEG medical with research and development work related to the measuring of long-term EEG and its varied use.

Financial review

Total revenue grew by 7% to DKK 19,674 million in fiscal year 2023/24 based on broad-based growth in WSA following the launches of Signia IX and Widex SmartRic.

2023/24 gross profit increased to DKK 11,155 million following revenue growth and operational efficiencies in WSA. The gross margin declined slightly to 57% due to the accounting technical impact of an accelerated amortization of certain intangible assets in WSA. This change was completed to ensure alignment with medical device industry standards and resulted in an additional charge of approximately DKK 9.1 billion in WSA's financial statements (for a detailed description, reference is made to note 1.3 to the consolidated financial statements).

In 2023/24, total investments in research and development across the TWM group amounted to DKK 1,456 million as WSA, UNEEG medical and TWE continued to invest in innovation, pursuing development projects and strengthening the future product portfolio.

One-time costs and gains incurred have previously been normalized and excluded from reported EBITDA if they were unusual or non-recurring in nature. In the financial year 2023/24, there were no normalization items against DKK 253 million in 2022/23, which was the last financial year impacted by costs related to post-merger activities in WSA.

EBITDA before special items increased by 14% to DKK 3,804 million for an EBITDA margin of 19.3% before special items, which was higher than 18.2% in the comparison year. The reported EBITDA of DKK 3,648 million was affected by special items of DKK 156 million related to the settlement of the management incentive program and the CEO/Chair transition in WSA. Earnings and profitability improved on the back of the revenue growth and higher gross profit following operational efficiencies in WSA.

The accelerated amortization of certain intangible assets in WSA entailed a significant increase of amortization and depreciation to DKK 11,487 million in 2023/24 compared to DKK 2,267 million in 2022/23. This accounting technical impact had a negative effect on TWM's operating result (EBIT), which was a loss of DKK 7,839 million in 2023/24 against a profit of DKK 1,073 million in 2022/23.

TWM's consolidated net financial items increased significantly to DKK -3,349 million in fiscal year 2023/24 from DKK -1,165 million in 2022/23 due to an increase in interest expenses to DKK 3,630 million, currency effects and lower interest income. Details on net financial items are specified in note 4.4.

Due to the aforementioned accelerated amortization of intangible assets, the result before tax was negative by DKK 11,188 million in 2023/24 against a negative result of DKK 92 million in 2022/23. Tax for the fiscal year 2023/24 amounted to an income of DKK 1,874 million resulting in a net loss of DKK 9,314 million.

For the parent, a loss of DKK 4,849 million was realized mainly due to the loss in WSA. Financial items developed as expected.

The underlying operational and investment performance in 2023/24 was in line with the expectations set out in the annual report for 2022/23, whereas the accelerated amortization of intangible assets in WSA had a significant negative accounting technical impact on the reported results.

Outlook

For 2024/25, WSA expects 3-6% organic revenue growth supported by its competitive product portfolio and upcoming launches. WSA's EBITDA margin before special items is expected to increase by 1-2%-points supported by revenue growth and cost improvement programs.

TWH's investment activities are subject to significant uncertainty as volatility in financial markets has increased due to geopolitical and macroeconomic turmoil. TWH is expected to generate a profit before tax of DKK 150-300 million in 2024/25 (primarily financial items), depending on developments in financial markets.

UNEEG medical and TWE will continue to invest in research, regulatory compliance, clinical trials and commercialisation, and the activities (combined) are expected to generate a loss before tax of DKK 130-180 million in 2024/25.

Risk management

The ownership of WSA constitutes the primary activity in TWM, and the risk management framework and efforts of WSA are therefore considered material and presented below, supplemented by comments about topics deemed relevant to TWM.

Risk management is a key part of effective management and internal control, and internal control systems have been implemented to provide a framework for all processes and activities designed to give reasonable assurance regarding the achievement of business objectives. Such systems are designed to manage, rather than eliminate, the risk of failure. Assurance activities monitor the efficiency and effectiveness of policies and operations and the status of compliance with statutory obligations. These can cover the effectiveness of internal controls over a broad range of areas such as strategic, operations, financial and compliance.

Geopolitical instabilities and risk

The global nature of WSA's business exposes the company to various geopolitical risks that may affect its operations. Political instability, such as changes in government and related sanctions, could create risks, such as those associated with sudden regulatory changes, that could affect operations. Economic sanctions against certain countries may limit market access and disrupt established business relationships. WSA's reliance on international suppliers for components presents another, more inherent risk, as disruptions due to political conflicts, natural disasters or pandemics could adversely affect the supply chain, delay product development and new product launches, challenge the company's access to critical resources and limit market access. An unanticipated decrease in demand, either overall or for specific products, or a disruption in the supply of hearing instrument components due to factors such as geopolitical instability or quality issues could affect product availability, ultimately impacting customer access to essential hearing solutions and representing a lost business opportunity. The resulting product shortages in hearing aids could have a serious impact on end users, potentially limiting their access to hearing care. This could also jeopardize WSA's reputation. In short, these issues could adversely affect sales, profits and market position. Changes in healthcare policies, insurance coverage and reimbursement rates in certain countries could affect the affordability and accessibility of hearing care, resulting in a risk of reduced demand for hearing aids.

WSA has implemented continuous risk monitoring and scenario planning of the Key Risk Indicators (KRIs). The company also continues to build on its strong strategic global and local relationships. WSA proactively plans and manages the supply chain in light of these risks to ensure seamless product availability. In addition, the company reduces overall risk by having interoperable global manufacturing sites and by maintaining safety stock levels to mitigate any short-term supply risks.

Cybersecurity & IT security risks

The cyber and IT security risk landscape is complex and multifaceted, and compliance with varying cybersecurity regulations in different countries adds to operational complexity. Ransomware attacks can halt WSA's production lines, disrupt supply chains and disrupt day-to-day operations. WSA risks significant costs associated with system recovery and potential fines from data protection authorities as the company handles sensitive personal data, including medical records such as hearing profiles. Downtime in business operations will lead to loss of revenue and customer satisfaction. Breaches can therefore result in significant financial and reputational damage. WSA's proprietary technology and product designs are valuable targets for industrial espionage. In addition, WSA is the target of employee phishing campaigns that can lead to credential theft and unauthorized access to critical systems, as well as executive impersonation, with spear-phishing attacks targeting executives that can result in significant financial loss and loss of sensitive information.

WSA continuously improves its cybersecurity resilience through employee training, stress testing, and the implementation of technical and strict access control mechanisms to limit data and system access based on job roles. The company continually improves and tests procedures related to enhanced recovery capabilities and contingency planning, including robust incident response plans to quickly identify, contain and mitigate cyber incidents, including frameworks to ensure backup systems and data recovery processes are in place to quickly restore normal operations following an attack.

Financial market risk

In the volatile macroeconomic environment in which WSA operate, the company is exposed to various financial market risks. WSA is exposed to interest rate fluctuations as its loan portfolio is based on floating interest rates. The effects of high inflation and currency fluctuations resulting from its international operations could also affect WSA's business performance. The company has issued long-term senior secured loans and PIK notes. In addition to the interest rate risk discussed above, WSA is exposed to refinancing risk as these loans mature. WSA is also exposed to foreign exchange risk as approximately 2/3 of sales are denominated in currencies other than the reporting currency, the Euro. WSA's main currency exposures are USD, SGD and JPY. Fluctuations in interest rates and foreign exchange rates can have a significant impact on earnings, cash flow and liquidity if left unhedged, which could ultimately result in insolvency risk due to an inability to refinance loans prior to maturity.

WSA continually monitors these risks to mitigate the impact of rising interest rates. Effective treasury policies have been implemented to assess, monitor and mitigate financial market risks. A significant portion of the interest rate risk is hedged by swapping floating rates into fixed rates. WSA also hedges a significant portion of its rolling 12-month net foreign currency exposure.

Product innovation risk

The hearing aid market is highly competitive with few, but significant, competitors. Competitors may introduce similar or superior products, reducing WSA's competitive advantage. In an increasingly competitive product and feature landscape, following market trends becomes more important. Misjudging market needs and customer and consumer preferences could result in the risk of developing products that do not meet customer expectations or market trends. The rapid pace of technological advancement in audiology, including digital signal processing, wireless connectivity and battery life, may render current R&D projects obsolete before they are launched, so WSA must continually innovate to stay ahead of the competition and secure the company's global position. The development of cutting-edge technologies requires significant investments in research and development (R&D) and can have long lead times. As a result, WSA risks missing market opportunities due to R&D failures or delays. Protection of intellectual property is critical to maintaining a competitive edge. However, IP disputes or infringements can pose significant risks to WSA.

WSA continuously monitors emerging technologies, industry trends and competitive activities, and conducts market research in close collaboration between R&D and Sales & Marketing. WSA collaborates and partners with academic institutions, technology leaders and start-ups, and tests product concepts with customers and consumers. Finally, WSA protects its intellectual property through patents and trademarks.

Compliance & regulatory risks

WSA's products are subject to stringent global regulatory and approval processes. Regulatory standards and requirements for medical devices can vary widely by region and change over time, requiring compliance with multiple regulatory frameworks that can be costly and complex to maintain. In addition to fines for non-compliance and exposure to patent litigation in multiple jurisdictions, key risks include the commercial risk of loss of customers, potential breach of existing contracts and reputational damage. As part of the company's global business, WSA interacts with a wide range of customers, such as government officials (e.g., public healthcare professionals). Such interactions are strictly regulated by laws such as the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act and similar laws in other countries to prevent bribery and corruption in international business. Stringent data privacy regulations, such as GDPR in Europe and HIPAA in the U.S., require robust data protection measures. Ensuring the protection of personal data, obtaining appropriate consent, and handling data breaches appropriately are essential to avoid significant fines and reputational damage. The hearing aid industry is subject to stringent regulatory requirements to ensure the safety and efficacy of devices. In the United States, the Food and Drug Administration (FDA) regulates hearing aids under the Federal Food, Drug, and Cosmetic Act, this includes both prescription hearing aids and over-the-counter (OTC) hearing aids. In the European Union, hearing aids must comply with the Medical Device Regulation (MDR), which replaced the Medical Devices Directive (MDD). The MDR standardizes regulations across EU member states, ensuring that all medical devices, including hearing aids, meet high safety and performance standards. These regulations are crucial for maintaining consumer trust and ensuring that hearing aids provide the intended benefits without compromising user safety.

WSA has developed robust internal compliance programs that include regular audits, employee training and a clear code of conduct, as well as a global policy on gifts and entertainment. WSA has also implemented a robust legal and regulatory monitoring process for changes in relevant laws and regulations to ensure timely updates to all relevant compliance practices. In addition, employees receive regular training on legal issues and risk management, and WSA regularly monitors and assesses potential legal risks to identify early signs of potential disputes. The company remains committed to adhering to these regulations and continuously improving its products to meet and exceed these standards.

Tax risk

TWM group companies invest and conduct business globally and are therefore subject to complex tax regimes with different tax rules and rates. This jurisdictional complexity entails risks of TWM group companies being subject to double taxation and loss of tax deductibility of costs incurred.

To avoid double taxation and ensure sound compliance with legislative requirements, TWM group companies cooperate with tax authorities to establish clear and unambiguous distribution of income between tax regimes. Significant resources are spent on ensuring compliance, and the efforts to ensure transparency and clarity regarding tax payments include obtaining advance rulings from and entering into Advance Pricing Arrangements with tax authorities as well as seeking expert advice from specialized tax consultants.

Statutory report on corporate social responsibility

This report constitutes the consolidated statements on corporate social responsibility, gender diversity and data ethics 2023/24, cf. the Danish Financial Statements Act sec. 99a and 99d for T&W Medical A/S.

Business model

T&W Medical A/S (TWM) is the holding company for the Tøpholm and Westermann families' ownership in WS Audiology Group (WSA), T&W Holding (TWH), UNEEG medical, T&W Engineering (TWE) and other group companies. For a more detailed description of the business model of WSA, which constitutes the primary activity in TWM, please refer to the Annual Report 2023/24 for the WSA, which can be found here:

https://azurecdn.wsa.com/2024/11/WSA_AR-2023-24_web.pdf

ESG risk evaluation and mitigation

The principal ESG risks in the TWM group in terms of human rights, environment and climate protection, social and employee matters and anti-corruption are mainly related to the activities in WSA. The risk evaluation and mitigation procedures are described in WSA's Annual Report 2023/24 to which reference is made above.

TWM Group – policies and activities

TWM has not introduced separate group ESG policies for its subsidiaries or financial investments at this point, since this has not been considered necessary considering the scope of the investment activities.

However, TWM supports the 10 principles of the UN Global Compact through WSA's membership of the UN Global Compact and the group's incorporation of the principles into the strategies, policies and procedures, covering human rights, environment and climate protection, social and employee matters and anti-corruption. The Science Based Targets initiative has approved WSA's carbon reduction targets in line with the Paris Agreement's goal of keeping global temperature rise below 1,5° C. WSA commits to:

- Reduce absolute scope 1 and 2 GHG emissions 50% latest in 2030 from a 2020 base year.
- Increase annual sourcing of renewable electricity from 16% in 2020 to 100% by 2025 and continue sourcing 100% renewable electricity through 2030.
- Reduce absolute scope 3 GHG emissions 30% by 2030 from a 2021 base year.

TWM follows the development in WSA through its active ownership and board participation. Reference is made to pages 35-97 in WSA's Annual Report 2023/24, which presents ESG performance data and meets the requirements of the UN Global Compact Communication on Progress Policy.

The activities of TWH includes significant investments in energy infrastructure projects with a particular focus on renewables and greenfield projects. These investments contribute to the green energy transition and comprise newly constructed energy capacity such as solar plants and wind turbines.

Real estate investments include the ownership of the building in Lynge, which serves as a shared headquarter and manufacturing site for WSA as well as the headquarter for T&W Medical A/S and T&W Holding A/S. The building is CO2 neutral with several functions focused on saving energy and ensuring a minimum exploitation of natural resources, including rainwater collection and use, production waste heat reused for water heating, etc. Electricity for the building and production facility is produced by the group's own wind turbine and solar cells installed on the building. When the production of electricity does not cover demand, "green" electricity is purchased from the grid. Furthermore, an advanced system for ground water heat exchange has been established to ensure that excess heat from the cooling of the building during the summer is collected, stored in the subsurface and used to heat the building in the winter.

TWM gender diversity

For the Family Office, the gender split is 55% women and 45% men (excluding family members) with 40% women and 60% men in managerial positions.

The board of directors of TWM currently consists of six members. At present, there are no female board members as the board consists solely of family owners. The gender target is that the share of women should be minimum 2 members. Until now, no candidates have been identified. The board composition has been reviewed in 2023/24 and will continue to be so on an ongoing basis to pursue the ambition.

Data ethics statement

TWM is a holding company, which uses and processes a very limited amount of data. On that background, TWM complies with applicable legislation without having established a policy on data ethics.

WSA constitutes the primary activity in TWM and has a policy on data ethics that serves as a framework for the ethical management of data within the WSA group. WSA hereby supplements its general commitment to integrity and compliance – not only in relation to personal data but in relation to any kind of data processed by WSA. The data ethics policy applies globally, and it is mandatory for management and employees in the WSA group to comply with the policy.

Consolidated financial statements

Consolidated income statement

DKKm	Notes	1 October 2023 – 30 September 2024	1 October 2022 – 30 September 2023
Revenue	2.1	19.674	18.371
Cost of goods sold		(8.519)	(7.637)
Gross profit		**11.155**	**10.734**
Research and development costs	3.1	(1.682)	(953)
Selling and general admin expenses		(17.332)	(8.711)
Other operating income & costs		26	47
Share of profit/(loss) in associates	5.5	(6)	(44)
Operating profit/(loss)		**(7.839)**	**1.073**
Interest income	4.4	413	824
Interest expenses	4.4	(3.630)	(2.588)
Other financials net	4.4	(132)	599
Financing, net		(3.349)	(1.165)
Profit before tax		**(11.188)**	**(92)**
Tax on profit/(loss)	2.3	1.874	(172)
Group share of profit/(loss)		**(9.314)**	**(264)**
Shareholders of T&W Medical A/S		(4.860)	(287)
Minority interests' share of profit/(loss)		(4.454)	23
Group share of profit/(loss)		**(9.314)**	**(264)**

Consolidated statement of comprehensive income

Profit/(loss) for the year	**(9.314)**	**(264)**
Items that will not be reclassified to profit or loss		
Actuarial Gains/losses	15	15
Tax on items that will not subsequently be reclassified to the income statement	(3)	(2)
Items that may be reclassified subsequently to profit or loss		
Change in fair value gains of cash flow hedge	(486)	(386)
Tax on items that have been or may subsequently be reclassified to the income statement	99	106
Foreign exchange adjustment	10	(402)
Other comprehensive income for the year, net of tax	**(365)**	**(669)**
Shareholders of T&W Medical A/S	(177)	(321)
Non-controlling interests share of result	(188)	(348)
Group share of other comprehensive income	**(365)**	**(669)**
Total comprehensive income for the year	**(9.679)**	**(933)**

Consolidated balance sheet

DKKm	Notes	30 September 2024	30 September 2023
Assets			
Goodwill	3.1	26.811	26.972
Other intangible assets	3.1	3.350	13.025
Property, plant and equipment	3.2	2.144	2.196
Right of use assets	3.4	1.008	962
Investments in associates	5.6	218	273
Deferred tax assets	2.3	400	313
Other non-current financial assets	3.5	3.376	5.033
Other non-current assets	3.6	261	254
Total non-current assets		**37.568**	**49.028**
Inventories	3.7	1.687	1.551
Trade receivables	3.8	2.359	2.251
Current income tax receivables		34	113
Other current financial assets	3.5	711	1.203
Prepayments		1	2
Other current assets	3.6	576	738
Cash and cash equivalents		1.804	967
Total currents assets		**7.171**	**6.825**
Total assets		**44.739**	**55.852**

DKKm	Notes	30 September 2024	30 September 2023
Equity and Liabilities			
Share capital	4.1	564	564
Other reserves		96	278
Retained earnings		1.360	5.025
Total equity attributable to the shareholders of T&W Medical A/S		**2.020**	**5.867**
Non-controlling interest		6.613	8.731
Total Equity		**8.633**	**14.598**
Long-term debts	4.2, 4.3	26.567	29.204
Lease liabilities	4.3	846	815
Pension obligations	5.3	127	112
Provisions	3.10	373	269
Deferred tax liabilities	2.3	82	2.406
Other non-current liabilities	3.9	614	644
Total non-current liabilities		**28.608**	**33.450**
Short-term debts	4.2, 4.3	658	928
Lease liabilities	4.3	312	296
Trade payables		1.662	1.875
Debt to related parties		1.471	1.448
Current income tax liabilities		241	186
Provisions	3.10	514	582
Other current liabilities	3.9	2.638	2.490
Total current liabilities		**7.497**	**7.804**
Total liabilities		**36.106**	**41.255**
Total equity and liabilities		**44.739**	**55.852**

Consolidated statement of cash flow

DKKm	Notes	1 October 2023 – 30 September 2024	1 October 2022 – 30 September 2023
Profit/(loss) for the year		**(9.314)**	**(264)**
Depreciation, amortization & impairment losses	3.3	11.487	2.267
Income tax expenses, net	2.3	(1.874)	172
Interest expenses, net		3.212	1.703
Loss on sales of assets		(7)	7
Impairment loss/profit right-of-use assets	3.4	-	7
Share of profit/loss associates		6	44
Income from equity investments, fixed		(41)	42
Other non-cash adjustments	5.6	(194)	(655)
Cash flow from operating activities before changes in working capital		**3.274**	**3.323**
Change in inventories		(136)	(41)
Change in receivables		(28)	49
Change in other current assets		(213)	256
Change in trade payables		7	(30)
Change in other assets/liabilities		(75)	(490)
Change in provisions		82	15
Cash flow from operating activities before financial items and tax		**2.911**	**3.082**
Financial income received		156	235
Income taxes paid, net		(284)	(273)
Cash flow from operating activities		**2.784**	**3.044**
Acquisition of companies/operations		15	(67)
Investments in intangible & tangible assets		(1.566)	(1.733)
Investments in other assets		112	75
Proceeds from disposal of intangible & tangible assets		1.674	91
Proceeds from disp of other assets		-	4
Cash flow used in investing activities		**234**	**(1.630)**
Cash flow from operating and investing activities		**3.018**	**1.414**
Increase in capital reserve and issuance of shares		3.818	365
Transcation costs issuance long-term debt		(380)	-
Proceeds from long-term & short term debt		28.827	1.293
Repayments of long-term & short-term debt		(31.642)	(1.060)
Other transactions with non-controlling interest		(142)	(30)
Financial expenses paid		(2.297)	(1.598)
Dividens paid to shareholders			-
Lease liabilities		(345)	(449)
Change in other short-term debt and other financing activities		39	(16)
Change in debt to related parties		8	130
Cash flow from/(used in) financing activities		**(2.114)**	**(1.365)**
Net cash flow		**904**	**49**
Cash & cash equivalents beginning of period		967	1.001
Adjustments foreign currency cash and cash equivalents		(67)	(83)
Cash and cash equivalents, end of period		**1.804**	**967**

Customer loans have been separately presented as a financial statement line item, while "*Other assets*" and "*Other Financial assets*" and "*Other liabilities*" and "*Other Financial liabilities*" have been combined into "*Other assets*" and "*Other liabilities*" respectively, to better reflect the disclosures required for users of the financial statements.

Consolidated statement of changes in equity

DKKm	Share capital	Foreign exchange adjustments	Hedging reserve	Retained earnings
Equity at 30 September 2022	**500**	**273**	**334**	**2.313**
Income for the period				
Capital contribution	64	-	-	2.946
Effect of mergers	-	-	-	-
Profit for the period	-	-	-	(287)
Other transactions with non-controlling interest	-	-	-	-
Other transactions	-	-	-	52
Paid dividend	-	-	-	-
Actuarial gains	-	-	-	8
Adjustment of hedges	-	-	(196)	-
Foreign exchange adjustment, etc.	-	(186)	-	-
Tax relating to other comprehensive income	-	-	53	-
Total income for the year	**64**	**(186)**	**(143)**	**2.719**
Equity at 30 September 2023	**564**	**87**	**191**	**5.025**
Income for the period				
Capital contribution	-	-	-	1.693
Effect of mergers	-	-	-	-
Profit for the period	-	-	-	(4.860)
Other transactions with non-controlling interest	-	-	-	(522)
Other transactions	-	-	-	19
Paid dividend	-	-	-	-
Actuarial gains	-	-	-	7
Adjustment of hedges	-	-	(242)	-
Foreign exchange adjustment, etc.	-	12	-	-
Tax relating to other comprehensive income	-	-	48	(2)
Total income for the year	**-**	**12**	**(194)**	**(3.672)**
Equity at 30 September 2024	**564**	**99**	**(3)**	**1.360**

DKKm	Proposed dividend	Equity of share-holders in T&W Medical A/S	Non-controlling interest	Total Equity
Equity at 30 September 2022	**-**	**3.421**	**11.737**	**15.150**
Income for the period				
Capital contribution		**3.010**	(3.010)	**-**
Effect of mergers	-	**-**	-	**-**
Profit for the period	-	**(287)**	23	**(264)**
Other transactions with non-controlling interest	-	-	-	**-**
Other transactions	-	**52**	329	**381**
Paid dividend	-	**-**	-	**-**
Actuarial gains	-	**8**	7	**15**
Adjustment of hedges	-	**(196)**	(190)	**(386)**
Foreign exchange adjustment, etc.	-	**(186)**	(216)	**(402)**
Tax relating to other comprehensive income	-	**53**	51	**104**
Total income for the year	**-**	**2.454**	**(3.006)**	**(552)**
Equity at 30 September 2023	**-**	**5.867**	**8.731**	**14.598**
Income for the period				
Capital contribution	-	**1.693**	2.126	**3.819**
Effect of mergers	-	**-**	-	**-**
Profit for the period	-	**(4.860)**	(4.454)	**(9.314)**
Other transactions with non-controlling interest	-	**(522)**	522	**-**
Other transactions	-	**19**	(86)	**(67)**
Paid dividend	-	**-**	(37)	**(37)**
Actuarial gains	-	**7**	8	**15**
Adjustment of hedges	-	**(242)**	(244)	**(486)**
Foreign exchange adjustment, etc.	-	**12**	(2)	**10**
Tax relating to other comprehensive income	-	**46**	50	**96**
Total income for the year	**-**	**(3.847)**	**(2.117)**	**(5.964)**
Equity at 30 September 2024	**-**	**2.020**	**6.613**	**8.633**

Notes to the consolidated financial statements

1 Basis for preparation

The consolidated financial statements for the Group and separate parent financial statements for T&W Medical A/S have been prepared in accordance with IFRS as adopted by the European Union (EU) and further requirements in the Danish Financial Statements Act (Large C).

The consolidated financial statements and separate parent financial statements are presented in Danish Kroner (DKK) which is the functional currency of T&W Medical A/S. All values are rounded to the nearest million (DKK), except where indicated otherwise.

The Group's general accounting policies are described in section 1.1 General accounting policies below. In addition to this, specific accounting policies are described in each of the individual notes to the consolidated financial statements. The accounting policies set out below and in each note have been used consistently in respect of the financial year and the comparative figures.

1.1 General accounting policies

Basis of consolidation

The consolidated financial statements comprise the financial statements of T&W Medical A/S (the parent company) and subsidiaries, which are entities controlled by T&W Medical A/S, prepared in accordance with Group policies. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are listed in note 5.10.

The consolidated financial statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealized intercompany gains or losses. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences and until the date on which control ceases.

The accounting items of subsidiaries are recognised 100% in the consolidated financial statements. Non-controlling interest's share of subsidiaries' profit or loss for the year and of equity are included in the Group's profit or loss and equity, but are disclosed separately.

Acquisitions or disposals on non-controlling interests in subsidiaries, which does not result in obtaining or losing control of such subsidiaries, are treated as an equity transaction in the consolidated financial statements, and any difference between the consideration and the carrying amount of the non-controlling interest is allocated to the Parent's share of the equity.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, as well as any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost. Any resulting gain or loss is recognised in profit or loss.

Translation of foreign currency

A functional currency is determined for each or the reporting entities in the Group. The functional currency is the primary currency used for the reporting entity's operations. Transactions denominated in other that the functional currency are translated into the functional currency at the exchange rates at the transaction date. Foreign exchange differences between the exchange rate at the transaction date and at the date of payment are recognised in other financials, net.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the transaction date.

Foreign exchange differences are generally recognised in other financials, net in the income statement. However, the following foreign exchange differences are recognised in other comprehensive income ("OCI"):
- Qualifying cash flow hedges to the extent that the hedges are effective
- Foreign exchange adjustment of balances with foreign entities that are considered part of the net investment in the entity

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into DKK, at the exchange rates at the reporting date. The income statements and statements of cash flows of foreign operations are translated into DKK at average exchange rates for the period, unless such average exchange rates are unrepresentative of the exchange rates prevailing at the transaction dates, in which case the transaction date exchange rates are applied.

Foreign exchange differences arising on translation of the opening balance of equity of foreign entities at the exchange rate at the reporting date and on translation of the income statement from the average exchange rate to the exchange rate at the reporting date are recognised on other comprehensive income and attributed to a separate translation reserve in equity, except to the extent that the translation difference is allocated to non-controlling interests.

On complete or partial disposal of a foreign entity such that control, significant influence or joint control is lost, or on repayment of balances that constitute part of the net investment in the foreign entity, the share of the cumulative amount of the exchange differences recognised in other comprehensive income relating to that foreign entity is recognised in the income statement as part of the gain or loss on disposal. When the Group disposes of part of its interest in a subsidiary but retains control, the relevant portion of the cumulative amount is reattributed to non-controlling interest. On partial disposal of an associate or joint venture while retaining significant influence or joint control, the relevant portion of the cumulative amount is reclassified to the income statement.

Statement of cash flows

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the profit/(loss) for the period adjusted for non-cash operating items, changes in working capital and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase, development, improvement and sale, etc. of intangible assets and property, plant and equipment. Cash flow from acquired enterprises is recognised in the cash flow statement from the acquisition date. Cash flow from disposed of enterprises is recognised up until the disposal date.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, repayment of interest-bearing debt (principal and interest), acquisition and disposal of treasury shares and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term securities with an insignificant price risk.

Cash flows cannot be derived directly from the statement of financial position and income statement.

Applying materiality

The consolidated financial statements are a result of processing large numbers of transactions and aggregating those transactions into classes according to their nature or function. The transactions are presented in classes of similar items in the consolidated financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the consolidated financial statements or in the notes.

There are substantial disclosure requirements throughout IFRS. Management provides specific disclosures required by IFRS unless the information is not applicable or considered immaterial to the economic decision-making of the users of these financial statements.

1.2 Significant accounting estimates and judgements

In preparation of the consolidated financial statements, Management makes various accounting estimates and judgements that form the basis of presentation, recognition and measurement of the Group's assets, liabilities, income and expenses. The key accounting estimates identified are those that have a significant risk of resulting in a material adjustment to the carrying amounts of assets or liabilities within the next financial year.

The application of the Group's accounting policies may require Management to make judgements that can have a significant effect on the amounts recognised in the consolidated financial statements. Management judgement is required in particular when assessing the substance of transactions that have a complicated structure or legal form.

The accounting estimates and judgements made are based on historical experience and other factors that Management assesses to be reliable, but that, by nature, are associated with uncertainty and unpredictability and may therefore prove incomplete or incorrect. Specific accounting estimates and judgements are described in each of the following individual notes to the consolidated financial statements:

Specific accounting estimates and judgements are described in each of the following individual notes to the consolidated financial statements:

Principal accounting policies	**Key accounting**	**Nature of impact**	**Note**	**Estimation risk**
Depreciation, amortization and impairment	Estimate of recoverable amount of goodwill	Estimate	3.3	High
Income tax and deferred income	Estimate of value of deferred tax assets Determination of possible outcomes of uncertain tax position	Estimate Judgement	2.3	Medium
Provisions	Estimate of warranty provisions Estimate of right of return provisions	Estimate Estimate	3.10	Medium
Debts	Determination of derecognition of financial liabilities	Estimate	4.1	Medium

Impairment of goodwill
The recoverable amount of goodwill is estimated using the fair value approach, which is dependent on market performance of comparable peer group. Relevant illiquidity discounts and control premiums were applied to the average market multiple of the peer group to reflect the ownership structure of WS Audiology. The estimation of recoverable amount involves judgment on relevant peer group and is subject to uncertainties in macroeconomic developments which can affect market performance.

Deferred tax assets and uncertain tax positions
The recoverability of deferred tax assets is dependent on the availability of future taxable profits. Estimate of future taxable profits is made based on annual budgets and business plans which is subject to uncertainty arising from economic and market developments. Management assessed it is probable the Group will realize the benefits of these deductible differences based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible.

The final tax outcome of uncertain tax positions is subject to different interpretation of local tax law by the relevant tax authority. Judgment is applied to assess the probable outcome of uncertain tax treatment.

Debts
The refinancing exercise in April 2024 involves the replacement of existing debt with new debt. Significant judgment was applied in determining whether the refinancing transaction is an exchange or if it qualifies for derecognition of the original financial liability and the recognition of a new financial liability in accordance with IFRS 9.

Climate-related risks in the financial statements
Management has considered the impact of climate-related risks in the preparation of the consolidated financial statements. The Group's expected costs of meeting sustainability goals were considered in the financial forecasts which were used as basis of valuation and useful life assessment of fixed assets, and valuation of provisions and contingent liabilities. These considerations did not have a material impact on the accounting estimates and judgments. For further description of judgments and estimates, please refer to the individual notes.

1.3 Changes in accounting estimates

During the year, the Group reassessed the useful lives of certain intangible assets arising from the business combination completed as part of the merger between Sivantos Pte. Ltd. and Widex A/S. The purchase price allocation resulted in the recognition of identifiable intangible assets, primarily related to customer relationships and core patented technology and intellectual property, with initial estimated useful lives ranging from 2 to 20 years for customer relationships and 3 to 13 years for core patented technology and intellectual property. The change in accounting estimates was applied prospectively.

Customer relationships
With competing products being similar in terms of technology, features and capabilities, the Group has seen an increasing shift in customer behavior during contract renegotiations every 2 to 5 years. Customers are increasingly prioritizing product quality and pricing over maintaining long-standing relationships. Based on annual assessment of customer relationships, Management has reassessed the useful life of the intangible assets related to customer relationships to 3 to 5 years.

Core patented technology and intellectual property
The Group's core patented technology and intellectual property largely relates to technologies from the time of merger where the core platforms and technologies were the foundation for the future developments. The rapid development in hearing aid technology requires companies to launch new platforms, products and features on an annual or biennial basis with new innovations and often as a pioneer. Following an assessment of these core technologies and the current market trends, Management has reassessed the useful life of the core patented technology and intellectual property to be 5 years.

The following table summarises the impact on the Group's consolidated statements of financial position and profit or loss in the current financial year.

DKKm	Customer relationsships	Core pantented technology and intellectual property	Total
Consolidated statements of financial position			
Intabible assets	(6.234)	(2.886)	**(9.120)**
Deferred tax liability	1.431	492	**1.923**
Accumulated losses	(4.803)	(2.394)	**(7.197)**
Consolidated statements of profit and loss			
Amortizaion expense	(6.234)	(2.886)	**(9.120)**
- *Cost of goods sold*	-	*(574)*	***(574)***
- *Research and development expenses*	-	*(559)*	***(559)***
- *Selling and general administrative expenses*	*(6.234)*	*(1.753)*	***(7.987)***
Profit before tax	(6.234)	(2.886)	**(9.120)**
Deferred tax expense	1.431	492	**1.923**
Net profit for the year	(4.803)	(2.394)	**(7.197)**

1.4 Adoption of new and amended IFRS

In the current year, the Group has applied the amendments to IFRS Accounting Standards andInterpretations issued by the IASB and IFRSs endorsed by the European Union effective for annual periods beginning on or after 1 October 2023. The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements. Furthermore, Management does not anticipate any significant impact on future periods from the adoption of these amendments.

Management has assessed the impact of new or amended accounting standards and interpretations (IFRSs) issued by the IASB that has not yet become effective. At the date of authorization of these financial statements, the Group has not applied these new and revised IFRS Accounting Standards that have been issued but are not yet effective and Management does not expect that the adoption of the standards will have a material impact on the financial statements of the Group in future periods, except for IFRS 18 Presentation and Disclosures in Financial Statements.

IFRS 18 Presentation and Disclosures in Financial Statements
IFRS 18 replaces IAS 1 Presentation of Financial Statements and introduces new requirements to:

- present specified categories and defined subtotals in the statement of profit or loss
- provide disclosures on management-defined performance measures (MPMs) in the notes to the financial statements
- improve aggregation and disaggregation.

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. IFRS 18 requires retrospective application with specific transition provisions.

2 Results of the year

2.1 Revenue

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Revenue by geographic region:		
EMEA-LA	6.626	6.052
US	9.871	9.259
Asia-Pacific	3.177	3.060
Total	**19.674**	**18.371**

Revenue is predominantly recognized at a point in time, and revenue recognized over time is not significant. Revenues are attributed to countries on the basis of the customer's location. The Region "EMEA-LA-CA" consists of Europe, the Middle East, Africa, Canada and Latin-America. The Region "US" is the United States. The Region "Asia-Pacific" consists of Asia, Australia and the Pacific region.

Consolidated revenue mainly derives from sale of goods and is broken down by the selling entity. No individual customer accounts for 10% or more of the total revenue. The Group considers its operations to constitute one single operating segment.

Contract liabilities
The T&W Medical A/S Group has recognised the following liabilities related to contracts with customers:

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Customer prepayments	90	104
Deferred revenue	246	238
Volume discounts	313	350
Right of returns	201	209
Contract liabilities with customers	**850**	**901**

Significant changes in the contract liabilities balances during the year are as follows:

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Contract Liabilites		
Opening balances as at 1 October	901	926
Foreign currency translation adjustments	(14)	(40)
Revenue recognised that was included in the contract liability from prior year and current year balance	(172)	(320)
Advances received during the year	104	402
Others	30	(67)
Total	**850**	**901**

Accounting policies

Revenue from sale of products is recognised when the Group has transferred control of products sold to the buyer and it is probable that the Group will collect the consideration to which it is entitled for transferring the products. Control of the products is transferred at a point in time, typically on delivery.

Revenue is measured at the fair value of the consideration received or receivable net of discounts, VAT and other duties.

Contracts with customers sometimes include multiple promises that constitute separate performance obligations, and to which a portion of the transaction price needs to be allocated. The total transaction price in the contract is allocated to separate performance obligation based on the relative stand-alone selling prices of each such performance obligation. Each separate performance obligation is recognised when control is transferred to the customer.

When products are sold with a right of return, a refund liability and a corresponding adjustment to revenue is recognised for those products expected to be returned. In such cases, the expected returns are estimated based on an analysis of historical experience adjusted for any known factors impacting expectations for future return rates. To the extent that the Group will be able to recover the cost of returned products, when the customers exercise their right to return, a separate right to returned products asset and a reduction in cost of sales is recognised.

Discounts, rebates and sales incentives to customers and extended warranties
The Group pays various discounts, rebates and sales incentives to customers including trade discounts and volume rebates. Furthermore, customer discounts include the difference between the present value and the nominal amount of loans to customers at below market interest rates, cf. Note 3.5 Customer loans.

Discounts, rebates, and sales incentives to customers are deducted from revenue and are measured using either the expected value method or the most likely amount method depending on which method better predicts the amount of consideration to which the Group will be entitled net of discounts, rebates and sales incentives.

Estimates of the number of returns of products under customers right of return are based on the right of return policies and practices, accumulated historical experience, sales trends and the timing of returns from the original transaction date when applicable. Where new products are sold or products are sold to new markets, for which sufficient historical experience does not exist, refund liability and revenue to be recognized are based on estimated demand and acceptance rate for well-established products with similar market characteristics. If such similar product or market characteristics do not exist, recognition of revenue is postponed until there is evidence of consumption of the products by the customer, or when the right of return has expired.

Discounts, rebates and sales incentives are estimated and accrued when the related revenue is recognized. To make such estimates require use of judgment, as all conditions are not known at the time of the sale, e.g. the number of units sold to a given customer or the expected utilization of loyalty programmes. Liabilities in respect of sales discounts, rebates and loyalty programmes are adjusted, as the Group gain better information on the likelihood that they will be realized and the value at which they are expected to be realized.

The accrual against revenue of discounts from issue of customer loans at off-market terms (cf. Note 3.5 Customer loans) is based on the customers total committed purchases of products throughout the term of the customer loan, and is recognized as a discount for each product sold.

Extended warranties
The Group offers customers the option to separately purchase extended warranties for inventories sold. The extended warranty is a distinct service to the customer. Under IFRS 15, the Group accounts for a service-type warranty as a separate performance obligation to which the Group allocates a portion of the transaction price when the warranty is bundled together with the sale of inventories. The portion of the transaction price allocated to the service-type warranty is initially recorded as a contract liability and recognized as revenue on a straight-line basis over the period the warranty services are provided. Revenue is recognized when the customer receives the warranty coverage and loss and damage as part of the purchase of the hearing aid.

The standard warranty period for hearing aids varies across territories, typically between 12 and 36 months. The extended warranty covers periods beyond the standard warranty period or standard warranty terms. Payment terms vary significantly across territories.

2.2 Staff costs

DKKm	1 October 2023 – 30 September 2024	1 October 2022 – 30 September 2023
Wages, salaries and remuneration	5.764	5.718
Statutory social welfare contributions and expenses for optional support	643	597
Expenses relating to pension plans and employee benefits	194	186
Total	**6.601**	**6.500**
Average number of full-time employees	12.833	12.682

For information regarding remuneration of the Board of Directors, Executive Board and other Key Management Personnel, please refer to note 5.1 Remuneration of Key Management Personnel.

Accounting policies

Wages, salaries, social security contributions, annual leave and sick leave, bonuses and non-monetary benefits are recognised in the year in which the associated services are rendered by employees of the Group. Where the Group provides long-term employee benefits, the costs are accrued to match the rendering of the services by the employees concerned.

2.3 Tax

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Tax on profit/(loss)		
Current tax for the year	(355)	(259)
Deferred tax for the year	2.292	117
Effect of change in income tax rates	(45)	(7)
Withholding tax	-	-
Adjustment to current tax with respect to prior years	(67)	37
Adjustment to deferred tax with respect to prior years	48	(59)
Total	**1.874**	**(172)**

Reconciliation of effective tax rate		
Expected income tax (expense)/benefit	2.461	20
Non-deductible expenses/non-taxable income	(311)	(365)
Adjustment of tax with respect to prior years, net	(19)	(22)
Reassessment of deferred tax assets, tax losses and temporary differences	(477)	(67)
Effect of change in income tax rates	(45)	(7)
Effect of tax rates in foreign jurisdictions	97	52
Tax incentives	172	209
R&D tax credit	30	30
Withholding tax	-	-
Other, net	(33)	(21)
Total	**1.874**	**(172)**

Deferred tax

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Deferred tax, net 1 October	(2.093)	(2.253)
Foreign currency translation adjustments	15	6
Changes in deferred tax assets/(liabilities)	2.292	117
Additions relating to acquisitions	-	-
Adjustment of deferred tax, prior years	48	(59)
Impact of changes in corporate tax rates	(45)	(7)
Deferred tax relating to changes in equity, net	96	104
Joint taxation	5	-
Deferred tax, net	**318**	**(2.093)**

Deferred tax recognised in the balance sheet		
Deferred tax assets	400	313
Deferred tax liabilities	(82)	(2.405)
Deferred tax, net	**318**	**(2.093)**

Breakdown of the Group's temporary differences and changes

DKKm	Tax effect of temporary differences at 1 October 2023	Exchange rate adjustments	Recognised in profit for the year
Other assets	**70**	-	67
Intangible assets	**(2.621)**	30	2023
Property, plant and equipment	**(168)**	-	14
Right of use assets	**(279)**	8	(22)
Inventories	**173**	-	8
Receivables	**(160)**	-	15
Pension plans and similiar commitments	**(40)**	-	8
Provisions	**71**	(8)	(8)
Other liabilities	**(29)**	(8)	104
Lease liabilities	**307**	(8)	22
Tax loss and credit carry-forward	**603**	(8)	17
Other	**(20)**	8	44
Total	**(2.093)**	**15**	**2.292**

DKKm	Other comprehensive income	Tax effect of temporary differences at 30 September 2024
Other assets	-	**137**
Intangible assets	-	**(568)**
Property, plant and equipment	-	**(153)**
Right of use assets	-	**(294)**
Inventories	-	**181**
Receivables	99	**(46)**
Pension plans and similiar commitments	(3)	**(36)**
Provisions	-	**56**
Other liabilities	-	**68**
Lease liabilities	-	**322**
Tax loss and credit carry-forward	-	**613**
Other	7	**39**
Total	**102**	**318**

DKKm	Tax effect of temporary differences at 1 October 2022	Exchange rate adjustments
Other assets	**(51)**	-
Intangible assets	**(2.823)**	24
Property, plant and equipment	**(133)**	6
Right of use assets	**(292)**	5
Inventories	**219**	(1)
Receivables	**(354)**	(7)
Pension plans and similiar commitments	**(31)**	-
Provisions	**65**	(7)
Other liabilities	**24**	(8)
Lease liabilities	**322**	(8)
Tax loss and credit carry-forward	**860**	(19)
Other	**(48)**	13
Total	**(2.253)**	**(11)**

DKKm	Recognised in profit for the year	Other comprehensive income	Tax effect of temporary differences at 30 September 2023
Other assets	15	106	**70**
Intangible assets	178	-	**(2.621)**
Property, plant and equipment	(41)	-	**(168)**
Right-of-use assets	7	-	**(279)**
Inventories	(45)	-	**173**
Receivables	201	-	**(160)**
Pension plans and similiar commitments	(7)	(2)	**(40)**
Provisions	15	-	**71**
Other liabilities	(45)	-	**(29)**
Lease liabilities	(7)	-	**307**
Tax loss and credit carry-forward	(238)	-	**603**
Other	24	-	**(20)**
Total	**58**	**104**	**(2.093)**

The recognized tax loss carry-forward (gross amount) of DKK 2.194 million (2022/23: DKK 986 million) includes tax losses of DKK 22 million (2022/23: DKK 15 million) that can be carried forward for 1 to 10 years. The remaining tax loss have no expiry date.

The recognized interest carry-forward (gross-amount) of DKK 611 million (2022/23: DKK 1.539 million) can be carried forward indefinitely.

Unrecognized deferred tax assets
Unrecognised tax assets are based on the Managements expectation about the future taxable profits during the periods in which those temporary differences and tax loss carry forwards become deductible. Management considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, it is probable the Group will realize the benefits of these deductible differences.

Deferred tax assets have not been recognized with respect to the following items (gross amounts):

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Receivables, provisions, liabilities, etc.	15	15
Tax loss carry forwards	917	834
Interest carry forwards	224	22
Total unrecognized tax carry forwards	**1.156**	**849**

Due to the interest limitation rule in the Danish corporate tax act para 11 B, the Danish Joint Taxation Group has a net loss carry forward balance on receivables of approximately DKK 194 million (2022/23: DKK 97 million). The carry forward balance is limited to three years in para 10 B, 10. Hence, and because the Danish Joint Taxation Group do not expect to be able to offset the carry forward net losses in net gains on receivables in that period, the balance has not been recognized.

Unrecognized deferred tax liabilities
The Group has not recognized deferred tax liabilities for income taxes or foreign withholding taxes on the cumulative earnings of subsidiaries of DKK 45 million (2022/23: DKK 67 million) because the earnings are intended to be permanently reinvested in the subsidiaries.

OECD Pillar Two model rules
Pillar II regulation has been enacted in Denmark. The regulation is applicable to financial years commencing on or after the 31 December 2023. The Group is in scope of the regulation. An assessment has been performed of the Group's potential exposure to Pillar II taxes in jurisdictions where it operates. Due to the group's financial year (1 October to 30 September), the regulation will be applicable for the Group in 2024/25, and hence the regulation does not have any current tax effect for the Group in this current financial year.

Pursuant to the Pillar II regulation, a multinational group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. However, the regulation provides for a transitional safe harbor ("TSH"). The TSH applies for the first three financial years. It relies on a number of simplified calculations that are mainly based on data extracted from the Group's Country-by-Country Reporting prepared under BEPS Action 13. When the TSH test is met for a jurisdiction, no top-up tax arises.

Based on the Group's Country-by-Country reporting from 2022/23, it has been assessed that the TSH applies in the majority of jurisdictions in which the Group operates. Had the Pillar II regulation been applicable to the Group's activities in the current financial year, it has been estimated that the current effect on the Group's effective tax rate should be below 0.5%, relating to business activities in Singapore.

The Group continues to monitor legislative developments that may have potential future impacts and notes that further Pillar II tax regulations in Denmark and Singapore remain subject to assessments.

Accounting policies

Income tax comprises current tax and changes in deferred tax for the year, including changes as a result of changes in tax rates. The tax expense for the year is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or directly in equity.

T&W Medical A/S is jointly taxed with all Danish subsidiaries, The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Current tax liabilities or assets are measured using the tax rates and tax laws that have been enacted or substantively enacted in each jurisdiction by the end of the reporting period.

Deferred tax is measured using the balance sheet liability method and comprises all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax is not recognised for taxable or deductible temporary differences:

- arising from the initial recognition of goodwill
- on the initial recognition of assets and liabilities in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit
- associated with investments in subsidiaries, branches, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

If amortisation of goodwill is deductible for tax purposes, a deferred tax liability is recognised on temporary differences arising after initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred tax assets and tax liabilities are offset if the entity has a legally enforceable right to offset current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets or to realise the assets and settle the liabilities simultaneously.

Significant judgements and accounting estimates

The T&W Medical A/S Group operates in a large number of tax jurisdictions where tax legislation can be highly complex and subject to interpretation. Significant judgement and estimates are required in determining the worldwide accrual for income taxes, deferred tax assets and liabilities and uncertain tax positions.

Deferred tax assets are recognised to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. This judgement is made annually and based on budgets and business plans, including planned commercial initiatives, for the coming five years unless a longer period in certain situations (e.g. for start-up businesses) is warranted. Currently, a longer period than five years has not been applied in any of the jurisdictions in which the T&W Medical A/S Group operates.

In the course of conducting business globally, tax and transfer pricing disputes with tax authorities may occur. Management judgement is applied to assess the possible outcome of such disputes. The "most probable outcome" method is used when determining whether to recognise any amounts related to such uncertain tax position. If it is probable that a tax adjustment will be required, the amount of such adjustment is measured at the most likely amount or the expected value, whichever method better predict the resultion of the uncertain tax position.

The IASB amendment to IAS 12, Income Taxes, has been applied by the Group. This regulation provides a mandatory temporary exception from recognizing or disclosing deferred taxes related to Pillar II such that there is no impact to the 2023/24 consolidated financial statements.

3 Operating assets and liabilities

3.1 Intangible assets

DKKm	Goodwill	Develop-ment projects	Customer relation-ships, Patents and rights	Software	Total
Cost at 1 October 2023	**26.979**	**4.075**	**18.861**	**834**	**50.750**
Foreign exchange adjustments	(124)	14	(112)	(7)	**(230)**
Business combinations	22	-	7	-	**30**
Additions	1	798	30	321	**1.149**
Disposals	(60)	(22)	(22)	(45)	**(149)**
Transfers	-	-	-	-	**-**
Cost at 30 September 2024	**26.818**	**4.864**	**18.764**	**1.102**	**51.550**
Amortization and impairment losses at 1 October 2023	**(7)**	**(1.625)**	**(8.421)**	**(700)**	**(10.753)**
Foreign exchange adjustments	-	(15)	82	7	**75**
Amortization	-	(1.009)	(9.604)	(164)	**(10.776)**
Impairment losses	-	-	-	-	**-**
Disposals	-	-	22	45	**67**
Transfers	-	-	-	-	**-**
Amortization and impairment losses at 30 September 2024	**(7)**	**(2.649)**	**(17.920)**	**(812)**	**(21.387)**
Carrying amount at 30 September 2024	**26.811**	**2.215**	**844**	**291**	**30.163**
Cost at 1 October 2022	**27.023**	**3.212**	**18.914**	**737**	**49.885**
Foreign exchange adjustments	(126)	(26)	(53)	33	**(245)**
Business combinations	82	-	7	-	**89**
Additions	1	889	7	130	**1.028**
Disposals	-	-	(7)	(7)	**(15)**
Transfers	-	-	(7)	7	**-**
Cost at 30 September 2023	**26.979**	**4.075**	**18.861**	**834**	**50.750**
Amortization and impairment losses at 1 October 2022	**(7)**	**(1.295)**	**(7.444)**	**(581)**	**(9.326)**
Foreign exchange adjustments	-	30	75	30	**134**
Amortization	-	(359)	(1052)	(157)	**(1.568)**
Impairment losses	-	-	-	-	**-**
Disposals	-	-	-	7	**7**
Transfers	-	-	-	-	**-**
Amortization and impairment losses at 30 September 2023	**(7)**	**(1.625)**	**(8.421)**	**(700)**	**(10.753)**
Carrying amount at 30 September 2023	**26.972**	**2.451**	**10.440**	**134**	**39.997**

Total expensed development costs

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Research and development cost incurred	1.456	1.468
Development costs capitalized as development projects	(798)	(889)
Depreciation of operating assets etc., used for development purposes	15	15
Amortisation and impairment of capitalized development projects	1.009	359
	1.682	**953**

Accounting policies

Goodwill

On initial recognition, goodwill is recognised and measured at cost as described in Accounting policies in note 5.1. Subsequently goodwill is measured at cost less accumulated impairment losses.

Goodwill is not amortized but is tested for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units (CGUs) expected to benefit from synergies of the business combination, and that represent the lowest level at which the goodwill is monitored for internal management purposes. The lowest level at which the goodwill is tested for impairment is at the level of operating segments before aggregation according to IFRS 8 Operating Segments.

CGUs (or operating segments) to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the CGU may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the CGU, the impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Other intangible assets

Other intangible assets include development projects, acquired intellectual property, trademarks, patents and licenses, acquired customer contracts and relationships, software and other internally generated intangible assets.

Development projects that are clearly defined and identifiable, where the technical feasibility of completion, availability of adequate resources to complete, existence of potential future market can be demonstrated, and where Management has the intent 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. The costs of development projects comprise all directly attributable costs including wages, salaries, costs to external consultants, rent, materials and services and other costs.

Intangible assets other than goodwill are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the expected useful lives of the assets to their estimated residual value if any.

The estimated useful lives are as follows:

- Completed development projects	3-5 years
- Patents, licenses and other similar rights	3-10 years
- Customer relationships acquired	2-10 years
- Customer contracts	15-20 years
- Trademark	20 years
- Acquired intellectual property	8-12 years
- Software and other internally generated intangible assets	3-10 years

The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Significant judgements and accounting estimates

Internal development expenditure is capitalised only if it meets the recognition criteria of IAS 38 Intangible Assets. Where regulatory and other uncertainties are such that the criteria are not met, the expenditure is charged to profit and loss.

Where, however, recognition criteria are met, intangible assets are capitalised and amortised on a straight-line basis over their useful economic lives from product launch, of which judgement is required.

Costs incurred on development projects are recognized as an intangible asset when the following criteria are met:

- It is technically feasible to complete the product so that it will be available for use;
- Management intends to complete the product and use it;
- The product can be used;
- It can be demonstrated how the product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete development and use the product are available;
- The expenditure attributable to the product during its development can be reliably measured.

The Group has defined milestones for various phases of the development of new products, from the commencement of the project to successful realization and subsequently product launch. The criteria as required by IAS 38 for the recognition of development costs, have been adapted within the work processes of the first milestone, to ensure that all criteria have been met for development cost to be capitalized.

Determination of useful lives
Management applies judgements in determination of the useful lives of intangible assets.

For patents, licenses, acquired intellectual property and other intangible assets arising from contractual or other legal rights, the useful life is the shorter of the period of the contractual or legal rights and the economic useful life.

For acquired customer contracts and relationships, the useful life is based on normal attrition/churn rates within the hearing aid business in the market in question, with a maximum of 10 years, except in exceptional situations, where a longer useful life can be justified. The useful life for customer contracts is based on the contractual term including expected extensions of the term.

Identification of cash generating units
Management has determend that T&W Medical A/S has two operating segments in accordance with IFRS 8, to which goodwill is allocated:

1: Developing, producting and selling of hearing aids (WS Audiology A/S)
2: Development and commercialicing of medical devices within UNEEG Medical A/S.

Management minotors goodwill at the operating segment level.

DKKm	2023/24	2022/23
WS Audiology A/S	26.737	26.898
Other investments	74	74
	26.811	**26.972**

3.2 Property, plant and equipment

DKKm	Land and buildings and Lease-hold im-provement	Plant and Machinery	Other plant, fixtures and operating equipment	Assets under con-struction	Total
Cost at 1 October 2023	**1.855**	**1.051**	**1.203**	**91**	**4.199**
Foreign exchange adjustments	(23)	1	(18)	(1)	**(41)**
Additions from business combinations	-	-	-	-	**-**
Additions	104	75	172	82	**433**
Disposals	(112)	(15)	(75)	-	**(202)**
Transfers	-	30	15	(45)	**-**
Cost at 30 September 2024	**1.825**	**1.141**	**1.297**	**127**	**4.391**
Depreciation and impairment losses at 1 October 2023	**(489)**	**(755)**	**(766)**	**7**	**(2.003)**
Foreign exchange adjustments	-	-	7	-	**7**
Depreciation	(106)	(97)	(168)	-	**(371)**
Disposals	45	7	67	-	**119**
Transfers	-	-	-	-	**-**
Depreciation and impairment losses at 30 September 2024	**(550)**	**(844)**	**(860)**	**7**	**(2.247)**
Carrying amount at 30 September 2024	**1.275**	**297**	**438**	**134**	**2.144**
Cost at 1 October 2022	**1.984**	**1.056**	**1.236**	**69**	**4.345**
Foreign exchange adjustments	(70)	(20)	(64)	-	**(154)**
Additions from business combinations	7	-	-	-	**7**
Additions	216	67	269	60	**612**
Disposals	(283)	(52)	(260)	(16)	**(612)**
Transfers	-	-	23	(23)	**-**
Cost at 30 September 2023	**1.855**	**1.051**	**1.203**	**91**	**4.199**
Depreciation and impairment losses at 1 October 2022	**(679)**	**(755)**	**(870)**	**7**	**(2,296)**
Foreign exchange adjustments	52	30	37	-	**119**
Depreciation	(101)	(75)	(168)	-	**(343)**
Disposals	239	45	234	-	**518**
Transfers	-	-	-	-	**-**
Depreciation and impairment losses at 30 September 2023	**(489)**	**(755)**	**(766)**	**7**	**(2.003)**
Carrying amount at 30 September 2023	**1.365**	**296**	**437**	**98**	**2.196**

The T&W Medical A/S Group has contractual commitments for purchases of property, plant and equipment amounting to DKK 75 million as of 30 September 2024 (30 September 2023: DKK 104 million).

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and costs directly attributable to bringing the asset to its location and condition necessary for its intended use. In addition, the initial estimate of the costs related to dismantling and removing the asset and restoring the site on which the asset is located are added to the cost, if relevant. Where individual components of an item of property, plant and equipment, that is material, have different useful lives, they are accounted for as separate items, and depreciated separately. Borrowing costs are included in the cost for assets that necessarily take a substantial period of time to get ready for the intended use.

Depreciation is recognised on a straight-line basis over the expected useful lives of property, plant and equipment, taking into account the expected residual value after the end of the useful life. The expected useful lives are as follows:

The estimated useful lives are as follows:

- Factory and office buildings	20-50 years
- Technical machinery & equipment	4-10 years
- Other fixtures and fittings, tools and equipment, furniture etc.	3-5 years

Land is not depreciated.

Estimated useful lives and residual values are reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued. When changing the expected useful lives or the expected residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, development costs, distribution costs and administrative expenses.

3.3 Depreciation, amortization and impairment

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Depreciation and impairment of property, plant, equipment, right of use assets recognised in the income statement as follows:		
Cost of goods sold	160	158
Research and development costs	23	22
Selling, general and administrative expenses	528	518
Total	**711**	**698**
Amortization and impairment of intangible assets recognised in the income statement is as follows:		
Cost of goods sold	821	276
Research and development costs	1.010	362
Selling, general and administrative expenses	8.946	931
Total	**10.776**	**1.569**

Depreciation, amortization and impairment of property, plant and equipment and intangible assets are contained in line items Cost of Sales, Research and development expenses or, selling and general administrative expenses, depending on the use of the asset.

Significant judgements and accounting estimates

Impairment

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use, e.g. development projects in progress, are not subject to amortisation, but are tested for impairment at least annually, irrespective of whether there is any indication that they may be impaired.

Other intangible assets, which are subject to amortisation, and property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If assets do not generate cash flows that are largely independent of those from other assets or groups of assets, the impairment test is performed at the level of the CGUs to which the asset belong.

Recoverability of assets is measured by comparing the carrying amount of the asset or CGUs with the recoverable amount, which is the higher of the asset's or CGU's value in use and its fair value less costs to sell.

If the carrying amount of an asset, or of the CGUs to which the asset belong, is higher than its recoverable amount, the carrying amount is reduced to the recoverable amount, and an impairment loss is recognised in the income statement.

Impairment of intangible assets, other than goodwill, and impairment of property, plant and equipment is reversed only to the extent of changes in the assumptions and estimates underlying the impairment calculation. Impairment is only reversed to the extent that the asset's new carrying amount does not exceed the carrying amount of the asset after amortisation had the asset not been impaired.

Impairment test – Goodwill
The recoverable amount of the CGU was tested on the basis of the higher of value in use and fair value less costs to sell. The value in use was determined on the basis of a discounted cash flow model, while the fair value less cost to sell was determined mainly by computing the Enterprise Value ("EV").

The EV was estimated as of 30 September 2024 by taking the market capitalization of a comparable peer group, adjusted for the most updated balance sheet numbers of interest-bearing debt and other liabilities with the carrying amounts. The estimated EV was then compared with the respective consensus EBITDA to derive multiple, taking into account an illiquidity discount and control premium.

The Group applied the EV/EBITDA multiple to the adjusted consensus EBITDA of WS Audiology; the carrying amount of the CGU was determined to be lower than its recoverable amount and the Group has therefore no impairment loss to be recognised.

Key assumptions used in the determination of the fair value less costs to sell are consensus EBITDA for the comparable companies as well as for WS Audiology, where adjustments for one-time cost as described in the management commentary were factored in. Furthermore, in using the market based EV/EBITDA multiple models, the Group has applied relevant illiquidity discounts and control premiums to reflect the ownership structure of WS Audiology. The adjusted consensus EBITDA is based on Management's best estimates and most recent financial budgets for the coming year as approved by the Board of Directors. All the above inputs are level 3 input factors according to the fair value hierarchy.

Management has not identified any reasonably possible changes in the above key assumptions that could cause the carrying amount to exceed the recoverable amount.

3.4 Right of use assets/Lease liabilities

DKKm	Buildings and retail shops	Vehicle fleet	Other plant, fixtures and operating equipment	Total
Cost at 1 October 2023	**1.926**	**81**	**19**	**2.040**
Foreign exchange adjustments	(37)	7	(7)	**(37)**
Additions during the year	1.458	67	7	**1.532**
Disposals	(1.949)	(97)	(7)	**(2.081)**
Remeasurement	19	-	-	**97**
Cost at 30 September 2024	**1.417**	**58**	**12**	**1.536**
Depreciation and impairment losses at 1 October 2023	**(1.008)**	**(53)**	**(4)**	**(1.065)**
Foreign exchange adjustments	22	(7)	1	**16**
Depreciation	(325)	(15)	-	**(390)**
Disposals	851	52	7	**911**
Depreciation and impairment losses at 30 September 2024	**(459)**	**(23)**	**3**	**(528)**
Carrying amount at 30 September 2024	**958**	**36**	**15**	**1.008**

DKKm	Buildings and retail shops	Vehicle fleet	Other plant, fixtures and operating equipment	Total
Cost at 1 October 2022	**1.635**	**73**	**14**	**1.723**
Foreign exchange adjustments	(79)	-	-	**(79)**
Additions during the year	450	22	6	**478**
Disposals	(187)	(15)	(1)	**(202)**
Transfers	119	-	-	**119**
Cost at 30 September 2023	**1.926**	**81**	**19**	**2.040**
Depreciation and impairment losses at 1 October 2022	**(837)**	**(38)**	**(4)**	**(879)**
Foreign exchange adjustments	27	-	-	**27**
Depreciation	(325)	(30)	-	**(355)**
Disposals	110	15	-	**125**
Impairment losses	-	-	-	**-**
Reversal of impairment losses	-	-	-	**-**
Depreciation and impairment losses at 30 September 2023	**(1.008)**	**(53)**	**(4)**	**(1.079)**
Carrying amount at 30 September 2023	**918**	**28**	**15**	**961**

Other disclosures relating to ROU assets/lease liabilities are as follows:

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Interest expense on lease liabilites	(100)	(52)
Lease expense not capitalised in lease liabilites:		
Lease expense - short-term leases and low value assets	(82)	(45)
Total cash outflow for all leases	(478	(448)

The maturity analysis of the lease liabilities is included in Note 4.2 Financial risks and financial instruments/liquidity risk.

Accounting policies

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right of use assets
The Group recognised a right of use asset and lease liability at the date which the underlying asset is available for use. Right of use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right of use assets.

These right of use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use assets or the end of the lease term.

Lease liabilities
The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease if the rate can be readily determined. If that rate cannot be readily determined, the incremental borrowing rate is used.

Lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account for these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability is remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right of use asset, or is recorded in profit or loss if the carrying amount of the right of use asset has been reduced to zero.

Short term and low value leases
The Group has elected to not recognise right of use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and low value leases, except for leased asset subject to sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

3.5 Other non-current and current financial assets

	30 September 2024	30 September 2023
Other non-current financial assets		
Customer loans	425	425
Other loans	-	1.431
Derivative financial instruments	37	181
Trade receivables, non-current	-	-
Other securities and equity investments	2.913	2.996
Total	**3.376**	**5.033**

	30 September 2024	30 September 2023
Other current financial assets		
Customer loans	119	119
Derivative financial instruments	67	455
Other securities and equity investments	460	581
Other loans	64	48
Total	**711**	**1.203**

The below table shows the carrying amount of customer loans by categories representing Management's credit risk assessment (credit risk rating grades) and gross carrying amounts.

Credit rating DKKm	**Expected credit loss (ECL) rate**	**Basis for recognition of expected credit loss**	**Estimated gross carrying amount at default**
Performing	1%	12-month expected credit loss (Low risk)	388
Performing	4%	12-month expected credit loss (Medium risk)	127
Underperforming	45%	Lifetime expected credit losses (High risk)	45
Credit impaired	84%	Assets derecognised through the income statement (In default)	90
Total customer loans at 30 September 2024			**649**

Credit rating DKKm	**Expected credit loss (ECL) rate**	**Basis for recognition of expected credit loss**	**Estimated gross carrying amount at default**
Performing	1%	12-month expected credit loss (Low risk)	365
Performing	6%	12-month expected credit loss (Medium risk)	142
Underperforming	47%	Lifetime expected credit losses (High risk)	60
Credit impaired	86%	Assets derecognised through the income statement (in default)	112
Total customer loans at 30 September 2023			**679**

DKKm	**Performing (12-month ECL-Low risk)**	**Performing (12-month ECL-Medium risk)**	**Underperforming (Lifetime ECL)**	**Credit impaired (Lifetime ECL)**	**Total**
Opening loss allowance as at 1 October 2023	**2**	**4**	**23**	**106**	**135**
Foreign currency translation differences	-	-	(7)	(8)	**(15)**
Net Impairment losses for the year (net reversal) for the year	-	-	7	(22)	**(15)**
Closing loss allowance as at 30 September 2024	**2**	**4**	**23**	**76**	**105**
Opening loss allowance as at 1 October 2022	**2**	**4**	**38**	**121**	**164**
Foreign currency translation differences	-	-	-	(7)	**(7)**
Net Impairment losses for the year (net reversal) for the year	-	-	(15)	(7)	**(22)**
Closing loss allowance as at 30 September 2023	**2**	**4**	**23**	**106**	**135**

The following significant changes in gross carrying amount of customer loans contributed to changes in the loss allowance:

- New customer loans of DKK 149 million were issued in the year ended 30 September 2023 (2023: DKK 164 million);
- Customer loans with gross carrying amount of DKK 7 million went from performing to underperforming during the year ended 30 September 2024 (2023: DKK 7 million);
- Customer loans with a gross carrying amount of DKK 134 million were repaid in the period in the year ended 30 September 2024 (2023: DKK 127 million).

Accounting policies

Customer loans

Customer loans are initially recognised at fair value less transaction costs and subsequently measured at amortised cost less loss allowance or impairment losses. Any difference between the nominal value and the fair value of the loans at initial recognition is treated as a prepaid discount on future sales to the customer, and is recognised in the income statement as a reduction of revenue as and when the customer purchases goods from the WS Audiology A/S Group.

The fair value of customer loans at initial recognition is measured at the present value of future repayments of the loan discounted at a market interest rate corresponding to the money market rate based on the expected maturity of the loan with the addition of a risk premium. The effective interest on customer loans is recognised as interest income in the income statement over the term of the loans.

A loss allowance is recognised at initial recognition and subsequently based on 12-months expected credit losses, unless a significant increase has arisen since the initial recognition of the loan, in which case the loss allowance is based on lifetime expected credit losses.

Customer loans are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

Other loans and receivables, including loans to associates
Other loans and receivables, including loans to associates are recognised initially at fair value less directly attributable transactions costs. Subsequently, they are measured at amortised cost using the effective interest method less impairment. A loss allowance is recognised at initial recognition and subsequently based on 12-months expected credit losses, unless a significant increase has arisen since the initial recognition of the loans and receivables, in which case the loss allowance is based on lifetime expected credit losses.

Other investments
Other investments comprise listed and unlisted securities, which are measured at fair value through profit or loss.

3.6 Other assets

Other non-current assets

DKKm	**30 September 2024**	**30 September 2023**
Prepaid assets, non-current	15	22
Assets for deferred compensation plan	97	82
Deposits	52	52
Others	97	97
Total	**261**	**254**

Other current assets are as follows:

Other current assets

DKKm	**30 September 2024**	**30 September 2023**
Pre-paid expenses	194	231
Loan receivables from third parties	8	94
Miscellaneous tax receivables	224	291
Deposits	7	15
Others	143	107
Total	**576**	**738**

Accounting policies

Other assets
Other assets are recognized initially at fair value less directly attributable transactions costs. Subsequently, they are measured at amortized cost using the effective interest method less impairment. A loss allowance is recognized at initial recognition and subsequently based on 12-months expected credit losses, unless a significant increase has arisen since the initial recognition of the loans and receivables, in which case the loss allowance is based on lifetime expected credit losses.

3.7 Inventories

DKKm	**30 September 2024**	**30 September 2023**
Raw materials and purchased components	641	709
Work in progress	194	157
Rights to returned goods	75	97
Finished goods and goods for resale	777	588
Inventories	**1.687**	**1.551**
Write-downs, provisions for obsolescence etc. included	(313)	(283)

Included in the income statement under production costs:

DKKm	**30 September 2024**	**30 September 2023**
Write-downs of inventories for the year	(45)	-
Reversals of write-downs of inventories for the year	-	22
Cost of goods sold during the year	(4.720)	(5.198)
Total	**(4.764)**	**(5.175)**

Accounting policies

Inventories are measured at the lower of cost and net realisable value, cost being generally determined on the basis of a weighted average or FIFO method. Cost comprise raw materials, consumables, direct labour and indirect production overheads. Indirect production overheads comprise indirect supplies, wages, and salaries, amortisation of brands and software, as well as maintenance and depreciation of machinery, plant and equipment used for production.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.8 Trade receivables

DKKm	Current not due	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	More than 181 days past due	Total
Gross carrying amount - Trade receivables	1.965	261	112	75	127	224	**2.764**
Sales rebates	(194)	-	-	-	-	-	**(194)**
Loss allowance at 30 September 2024	(30)	(23)	(8)	(8)	(15)	(127)	**(211)**
Trade receivables at 30 September 2024	**1.741**	**238**	**104**	**67**	**112**	**98**	**2.359**
Expected loss rate	-1,5%	-8,8%	-7,1%	-10,7%	-11,8%	-56,5%	-7,6%

DKKm	Current not due	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	More than 181 days past due	Total
Gross carrying amount - Trade receivables	2.012	231	104	60	104	217	**2.728**
Sales rebates	(239)	-	-	-	-	-	**(239)**
Loss allowance at 30 September 2023	(22)	(8)	(8)	(8)	(31)	(164)	**(216)**
Trade receivables at 30 September 2023	**1.752**	**224**	**97**	**52**	**74**	**53**	**2.251**
Expected loss rate	-1,1%	-3,2%	-7,2%	-12,6%	-29,5%	-75,8%	-8,8%

The below table shows the movement in lifetime expected credit losses that has been recognised for trade receivables and contract assets in accordance with the simplified approach set out in IFRS 9.

DKKm	Collectively assessed	Individually assessed	Total
Opening loss allowance as at October 2023	**(17)**	**(199)**	**(216)**
Net remeasurement of loss allowance	(15)	46	**31**
Amounts written off	-	(15)	**(15)**
Other changes	-	-	**-**
Closing loss allowance as at 30 September 2024	**(32)**	**(169)**	**(200)**
Opening loss allowance as at October 2022	**(17)**	**(198)**	**(215)**
Net remeasurement of loss allowance	-	(1)	**(1)**
Amounts written off	-	-	**-**
Other changes	-	-	**-**
Closing loss allowance as at 30 September 2023	**(17)**	**(199)**	**(216)**

Receivables acquired in business combinations are recognised in the consolidated financial statements at fair value at the date of acquisition, which in most cases equals the carrying amounts net of loss allowance. Expected credit losses related to receivables acquired in business combinations are therefore only included in the above to the extent that the loss allowance for the receivables has increased compared to the acquisition date.

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Accounting policies

Trade receivables and contract assets are measured at amortised cost less allowance for lifetime expected credit losses.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. For trade receivables and contract assets that are considered credit impaired, the expected credit loss is determined individually.

Trade receivables and contract assets are written off when all possible options have been exhausted and there is no reasonable expectation of recovery.

Significant judgements and accounting estimates

T&W Medical A/S Group has historically suffered insignificant credit losses on trade receivables and contract assets.

Loss allowance is calculated using a provision matrix that incorporates an ageing factor, geographical risk and specific customer knowledge. The provision matrix is based on historical credit losses incurred within relevant time bands of days past due adjusted for a forward looking element.

3.9 Other liabilities

Other non-current liabilities are as follows:

DKKm	**30 September 2024**	**30 September 2023**
Derivative financial instruments	358	15
Deferred revenue	119	172
Employee related liabilities	15	22
Liability under MPP scheme	104	395
Others	18	40
Total	**614**	**644**

Other current liabilities are as follows:

DKKm	**30 September 2024**	**30 September 2023**
Accrued interest	872	766
Bonuses and discounts to customers	112	142
Customers with net credit balances	60	67
Customer prepayment	90	90
Deferred income	127	104
Derivative financial instruments	15	15
Employee related liabilities	626	612
Payroll and social security liabilities	340	346
Sales tax and other tax liabilities	135	146
Bonus obligations	4	11
Other	258	196
Total	**2.638**	**2.490**

Accounting policies

Other financial liabilities are measured initially at fair value less transaction costs and subsequently at amortised cost using the effective interest rate method.

The Group bifurcates embedded derivatives at initial recognition when they are not closelyrelated to the respective host contract. Bifurcated derivatives are measured at fair value through profit or loss.

Other liabilities are measured at cost.

3.10 Provisions

DKKm	Warranties	Right of returns	Asset Retirement Obligation	Earnout Provision	Other	Total
Provision at 1 October 2023	**402**	**209**	**60**	**104**	**76**	**851**
Foreign exchange adjustments	-	(8)	-	-	-	(8)
Additions	276	75	-	-	110	461
Additions through business combinations	-	-	-	15	-	15
Usages	-	(15)	-	(22)	-	(37)
Reversals	(216)	(60)	-	(67)	(52)	(395)
Provision at 30 September 2024	**461**	**202**	**60**	**30**	**134**	**887**
Which is presented in the consolidated balance sheet as:						
Non-current	186	-	60	30	97	373
Current liabilities	275	202	-	-	37	514
Provision at 30 September 2024	**461**	**202**	**60**	**30**	**134**	**887**
Provision at 1 October 2022	**393**	**228**	**42**	**-**	**124**	**787**
Foreign exchange adjustments	(21)	(11)	3	-	(3)	(32)
Additions	343	37	15	-	8	403
Usages	-	-	-	52	-	52
Reversals	(299)	(23)	-	-	(52)	(374)
Reclassifications	(22)	(22)	-	-	-	(45)
Accretion and effect of changes in discount rates	-	-	-	52	-	52
Provision at 30 September 2023	**402**	**209**	**60**	**104**	**76**	**851**
Which is presented in the consolidated balance sheet as:						
Non-current	157	-	60	52	-	269
Current liabilities	245	209	-	52	76	582
Provision at 30 September 2023	**402**	**209**	**60**	**104**	**76**	**851**

The Group's provisions are generally expected to result in cash outflow during the next one to ten years.

Right of return relates to products sold for which customers have the right to return the products at their own discretion within a specified period. Based on historical data, return rates are calculated and provisions are recorded to cover the expected cost.

Warranties represents Management's best estimate of the Group's liability under assurance type warranties granted on hearing aids sold. The warranty period of regular assurance type warranties differ depending on jurisdiction and range between 1 and 3 years.

Asset retirement obligation relates to the Group's obligations to restore rented premises to the certain standards upon the expiry of the lease contracts including removal of leasehold improvements and other assets from the premises.

Earnout provision from business combinations relates to components of the purchase price for which the payments depend on the achievement of defined performance measures. For additional information related to business combinations in the period, refer to Note 5.1.

Accounting policies

Current liabilities

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect is material, provisions are measured at present value by discounting the expected future cash flows expected to settle the liability at a pre-tax rate that reflects current market assessment of the time value of money.

Significant judgements and accounting estimates

Significant estimates are involved in the determination of provisions related to warranty costs, right of return, legal proceedings and onerous contracts. Due to the technological features of the Group's products, the Group incurs a substantial amount of warranty costs and the determination of future warranty costs related to products sold is based on historic results as well as estimated product defects.

The Group is from time to time subject to legal disputes and regulatory proceedings in several jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties, damage claims and other claims against the Group. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. Accordingly, Management exercises considerable judgement in determining whether there is a present obligation as a result of a past event, whether it is more likely than not that an outflow of economic resources will be required and the estimated amount of such outflow. Management consider the input of external counsels on each case, as well as known outcomes in case law. Although, Management believes that the total provisions for legal proceedings are adequate based on currently available information, there can be no assurance that there will not be any changes in facts or circumstances, or that any future lawsuits, claims, proceedings or investigations will not be material.

In some jurisdictions, the T&W Medical A/S Group sells extended warranties to customers and/or provide other service-type warranties in addition to regular (assurance-type) warranties. Such warranties are treated as separate performance obligations in the contracts with the customers and are recognised as contract liabilities and not provisions. In determining whether a warranty is an assurance type warranty or a service type warranty, Management considers factors such as whether the warranty is required by law, the length of the warranty coverage period and the nature of the tasks that the entity promises to perform in case of product defects. Generally, warranties covering periods after 3 years from the sale of the hearing aid are considered to be service-type warranties and treated as separate performance obligations.

4 Capital structure and financing items

4.1 Outstanding shares

All shares are fully issued and paid up. In the fiscal year 2022/23, the share capital was increased by DKK 63.774.688 B-Shares shares at a nominal value of DKK 1 per share. After the capital increase, the Group's share capital of DKK 563.774.688 is divided into 2.000.000 A-shares and 561.774.688 B-shares with the voting rights only on A-Shares but equal dividend rights. There are no restrictions on the negotiability or voting rights. No change in the share capital structure in 2023/24.

Capital Structure

The Group's ambition is to maintain access to a strong capital base and with a high degree of investor, creditor and market confidence to support the strategic development of the Group. To support this ambition, the Group has obtained a credit rating from the three rating agencies Moody's, Standard & Poor and Fitch Ratings.

The capital structure of the Group consists of net debt (short-term and long-term borrowings disclosed in Note 4.2 after deducting cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings and non-controlling interests).

The Group raised debt in 2019 to finance the establishment of the Group through the merger of Sivantos and Widex. In April 2024, the Group refinanced its debt, extending the maturity of the senior secured term loans by 3 years to 2029. As part of the refinancing, EUR 500 million of equity injection from the shareholders was used to deleverage the capital structure and the 2nd lien loan was repaid with proceeds from a new PIK note. Further, the Revolving Credit Facility was increased from EUR 260 million to EUR 350 million. The Group's debt is shown in table below:

FY24

Debt	**Interest rate**	**Hedge interest**
Facility B1 EUR 1.830 million*	Euribor + 4,5 %	Partly till FY27
Facility B2 USD 1.047 million**	USD Libor + 4,25 %	Partly till FY27
PIK note EUR 525 million	Euribor + 8,0 %	No
Revolving Facility EUR 128 million	Euribor + 3,5%	No
Danske Bank DKK 1.640 million	CIBOR + 0,75 %	No
Danske Bank DKK 400 million	CIBOR + 3,5 %	No

* Increased to EUR 1,900 million with interest rate at Euribor + 4.0% after repricing effective 30 October 2024
** Increased to USD 1,085 million with interest rate at Term SOFR + 3.75% after repricing effective 30 October 2024

FY23

Debt	**Interest rate**	**Hedge interest**
Facility B1 EUR 2.063 million	Euribor + 4,0 %	Partly till FY24
Facility B2 USD 1.180 million	USD Libor + 3,75 %	Partly till FY24
2nd Lien Loan EUR 525 million	Euribor + 6,75 %	Partly till FY24
Revolving Facility EUR 85 million	Euribor + 2,75 %	No
Danske Bank DKK 1.640 million	CIBOR + 0,75 %	No
Danske Bank DKK 400 million	CIBOR + 3,5 %	No

If Euribor or Libor is less than zero, the rate shall be deemed zero.

The senior secured term loans are secured by a pledge of the shares of major subsidiaries as well as pledge of assets of major subsidiaries and are subject to a loan covenant. The Group has complied with to the loan covenants of the Senior Facilities Agreement.

Interest rate benchmark transition for non-derivative financial instruments

The Group has repriced its loans from LIBOR equivalent rates to Term SOFR. Due to the bi-annual interest setting, the first interest period priced on Term SOFR takes effect from 31 October 2023. The Group does not foresee any material changes from the change in interest rate benchmark.

Accounting Policies

Proposed dividend is recognised as a liability at the date when it is adopted at the Annual General Meeting (declaration date). The dividend recommended by the Board of Directors, and therefore expected to be paid for the year, is disclosed in the notes.

4.2 Financial risks and financial instruments
Financial risk management

The Group is exposed to several financial risks arising from its operating, investing and financial activities, including market risk (foreign exchange risk and interest rate risk), liquidity risk and credit risk.

Risks arising from financial investments are managed in the holding companies (TWM and TWH) in accordance with the approved investment strategy. Those financial risks that arise from the operation of WSA Group are managed by WSA Group Treasury in accordance with the approved policies on Foreign Currency and Interest Hedging Policy approved by Group CFO. The WSA Group enters financial instruments only to mitigate these financial risks. It is the WSA Group policy to maintain investor, creditor and market confidence, and to sustain future development of the business. The objective, policies and processes for managing the risk exposure to these items are summarized in the table below and further explained in the following sections. The WSA Group is managed centrally by Management, which is responsible for the operating business, comprising commercial risk with hedge accounting to reduce volatility in the income statement.

Credit risk

Credit risk is defined as an unexpected loss in cash and earnings if the customer is unable to pay its obligations in due time. The Group may incur losses if the credit quality of its customers deteriorates or if they default on their payment obligations to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables including loans to customers.

The Group has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. This includes the review of individual receivables and of individual customer creditworthiness on a case-by-case basis as well as the review of current economic trends, the analysis of historical bad debts on a portfolio basis, and the considers country credit ratings. Credit evaluations are performed on all customers requiring credit over a certain amount. The Group does not require collateral in respect of financial assets. However, the Group has credit enhancements such as personal guarantees and share pledge related to customer loan. Assessment of the credit risk related to customers is further described in note 3.5 Other non-current and current financial assets and Note 3.8 Trade receivables.

There were no significant concentrations of credit risk as of 30 September 2024 and 30 September 2023.

The maximum exposure to credit risk of financial assets is represented by their carrying amount. Concerning trade receivables and other receivables, as well as loans or receivables included in line item Other financial assets that are neither impaired nor past due, there were no indications as of 30 September 2024 (30 September 2023: Nil), that defaults in payment obligations will occur.

Liquidity risk

Liquidity risk result from the Group's potential inability to meet its financial liabilities.

The Group finances itself from its operating cash flow and its available liquidity, including cash balances and the Revolving Credit Facility.

The Group had cash and cash equivalents of DKK 1.804 million as of 30 September 2024 (2023: DKK 967 million). In addition, the Group has access to DKK 2.018 million (2023: DKK 1.235 million) available Revolving Credit Facility as of 30 September 2024. With its strong operating cash flow, the Group expects to be able to meet all of its present and future obligations arising from operational cash needs.

In addition to having implemented effective working capital and cash management, the Group has implemented short-term and medium term liquidity forecasts. Group Treasury monitors the level of expected cash inflows on trade and other receivables together with expected cash out-flows on trade and other payables.

The Group maintains an in-house banking and cash pool setup. A significant part of cash balances from affiliates is pooled centrally with Group Treasury to secure an effective liquidity management and use of funds within the Group.

The following table reflects all contractually fixed payoffs for settlement, repayments and interest resulting from recognized financial liabilities. It includes expected net cash outflows from derivative financial liabilities that were in place at 30 September 2024 and 30 September 2023. Such expected net cash outflows are undiscounted net cash outflows for the respective upcoming fiscal years, based on the earliest date on which the Group could be required to pay. Cash outflows for financial liabilities (including interest) without fixed amount or timing are based on the conditions existing at 30 September 2024 and 30 September 2023. Future interest is not included in the table.

DKKm	Less than 1 year	Between 1-5 years	More than 5 years	Total
30 September 2024				
Interest-bearing debt	658	26.567	-	27.225
Lease liabilities	312	846	-	1.158
Trade payables	1.662	-	-	1.662
Other financial liabilities	514	337	-	887
Total non-derivative financial liabilities	**3.147**	**37.785**	**-**	**30.932**
Derivative financial liabilities	**15**	**358**	**-**	**373**

DKKm	Less than 1 year	Between 1-5 years	More than 5 years	Total
30 September 2023				
Interest-bearing debt	928	29.204	-	30.132
Lease liabilities	296	815	-	1.111
Trade payables	1.875	-	-	1.875
Other financial liabilities	582	380	-	962
Total non-derivative financial liabilities	**3.681**	**30.399**	**-**	**34.080**
Derivative financial liabilities	**15**	**15**	**-**	**30**

The risk implied from the values in the table above reflects the one-sided scenario of cash outflows only. Obligations under trade payables and other financial liabilities mainly originate from the financing of assets used in the Group’s ongoing operations such as property, plant and equipment, and investments in working capital such as inventories and trade receivables. These assets are considered in the Group’s overall liquidity risk management.

Foreign currency risk

Translation risk and effects of foreign currency translation

Most of the Group’s entities are located outside the Eurozone. Since the Group’s reporting currency is EUR, the financial statements of foreign operations are translated into EUR for the preparation of the consolidated financial statements. To consider the effects of foreign currency translation in the risk management, the general assumption is that investments in foreign operations are permanent and that reinvestment is continuous. Effects from foreign currency exchange rate flucttions on the trnalation of net assets amounts into EUR are reflected in the Group’s consolidated statement of changes in equity. The Group does not hedge net investments in foreign operations.

Sensitivity analysis for foreign currency risk

The following table demonstrates the approximate effect on the Group’s Total comprehensive income statement (financial items) in response to fluctuation of the currencies other than the respective group entities’ functional currencies . This analysis comprises effects from the Group’s cash, trade receivables, trade payables and loans. All other variables, in particular interest rates are assumed to be constant.

30 September 2024

DKKm	Profit/(Loss)
JPY +5%	(149)
USD +5%	(119)
SGD +5%	(22)

30 September 2023

DKKm	Profit/(Loss)
USD +5%	(447)
SGD +5%	(37)
BRL +5%	15

Interest rate risk
At 30 September 2024, the Group's long-term debt consists of secured term loans of EUR 1.830 million (2023: EUR 2.063 million) and USD 1.047 million (2023: USD 1.180 million) with a floating interest rate of which 72% (2023: 90%) have been swapped into fixed interest rate. The hedge ratio does not include PIK note of EUR 525 million due to the non-cash nature of the debt instrument and loan with Danske Bank of DKK 1.640 million. The hedge ratio would have been 52% including PIK note and Danske Bank loan. The Group has applied hedge accounting in relation to most of these interest rate and cross currency swaps. The Group did not adopt hedge accounting for cross currency swaps used to convert USD debt to JPY debt which better match our Group's commercial EBITDA exposure.

Specification of net interest-bearing debt

DKKm	30 September 2024	30 September 2023
Cash and cash equivalents	1.804	967
Bank loans, non-current liabilities	(26.567)	(29.204)
Bank loans, current liabilities	(658)	(928)
Total net interest-bearing debt	**(25.421)**	**(31.099)**

The Group is exposed to change in the following interest rates: EURIBOR and LIBOR or Term SOFR. The sensitivity analysis has been determined based on the exposure to interest rates at the reporting date. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding (after hedging) at the reporting date was outstanding for the whole year. A 1 per cent increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

At 30 September 2024, if interest rates had been 1 per cent higher and all other variables were held constant, the Group's loss for the year ended 30 September 2024 would reduce by DKK 104 million (2023: DKK 30 million). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

Hedging of future cash flows

Foreign currency risk hedging
The Group has cash flow in foreign currencies due to its international operations and USD denominated debt which exposes the Group to fluctuations in exchange rates vs reporting currency EUR. Foreign currency exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Group manufactures and distributes most of its products at its headquarters in Singapore and Denmark. The products are sold to its regional affiliates and as a general principle invoiced in the currency of the buying entities.

The majority of the Group's sales and costs are in USD, JPY, GBP, AUD, CAD and SGD. The Group's hedging policy is to reduce the Group currency exposure mainly through employment of foreign exchange forward contracts to mitigate the Group's major risks from adverse foreign exchange movements impact on net cashflow for 3 - 12 months rolling forward.

The Group's currency risk is centrally managed by Group Treasury. The policy for the Group is to maintain an adequate hedging level of between 40% and 90% for currencies of net exposure above a threshold of EUR 15 million with exception given to currencies with high cost of hedging and low cashflow predictability. Group Treasury is not allowed to undertake any financial transactions in foreign currencies of speculative nature. The Group uses forward contracts to hedge its currency risk in order to mitigate negative impact of adverse movements in foreign exchange rates on the Group's operating results.

The Group has also adopted a strategy to hedge its financial leverage by converting 70% of its USD denominated debt into EUR and JPY through the use of cross currency interest rate swaps. This reduces the financial leverage volatility by having a currency composition of the debt structure that better matches the Group's commercial EBITDA exposure.

Cash flow hedges of foreign currency risk:

30 Sept. 2024	Average exchange Rate	Notional value: Foreign currency mil	Notional value: Functional currency DKKm	Carrying amount of hedging instruments – Assets DKKm	Carrying amount of hedg-ing instruments - Li-abilities DKKm
Sell AUD					
< 3 months	1,66	(10)	45	-	(1,5)
3-12 months	1,65	(29,7)	134	-	(1,5)
Sell CAD					
< 3 months	1,48	(10,3)	52	1,5	-
3-12 months	1,49	(26,9)	134	2,2	-
Sell CNY					
< 3 months	7,87	(23,6)	22	-	-
3-12 months	7,82	(78,3)	75	-	-
Sell GBP					
< 3 months	0,87	(6)	52	-	(2,2)
3-12 months	0,86	(29,3)	254	-	(5,2)
Sell JPY					
< 3 months	152,74	(2.276,1)	112	5,2	-
3–12 months	155,19	(6.983,6)	336	3,7	-
Buy NOK					
< 3 months	11,95	(23,9)	15	-	-
3-12 months	11,66	(134)	86	1,5	-
Buy SGD					
< 3 months	1,45	29	(149)	2,2	-
3-12 months	1,45	94,2	(485)	6,0	-
Buy USD					
3-12 months	1,1	-	(2.098)	-	(29,1)
				22,4	**(39,5)**

30 Sept. 2023	Average exchange Rate	Notional value: Foreign currency mil	Notional value: Functional currency DKKm	Carrying amount of hedging instruments – Assets DKKm	Carrying amount of hedging instruments - Liabilities DKKm
Sell AUD					
< 3 months	1,59	(12,7)	60	1,5	-
3-12 months	1,62	(27,5)	127	1,5	-
Sell CAD					
< 3 months	1,47	(10,3)	52	-	(1,5)
3-12 months	1,47	(27,9)	142	-	(3,7)
Sell GBP					
< 3 months	0,88	(4,4)	37	-	(0,8)
3-12 months	0,88	(27,9)	231	-	(1,5)
Sell JPY					
< 3 months	139,38	(2.090,6)	112	12,0	-
3-12 months	145,29	(7.990,9)	410	21,6	-
Sell NOK					
< 3 months	11,35	(136,2)	89	-	-
Buy SGD					
< 3 months	1,45	29,0	(149)	0,7	-
3-12 months	1,45	91,4	(469)	3,0	-
				40,3	**(7,5)**

Hedged Items – Foreign currency hedge
The hedged items are forecast transactions denominated in foreign currencies. The ineffective portions of these hedges are insignificant.

Interest rate risk hedging
The Group has long-term loans on floating interest rate which expose the Group to interest rate fluctuations.
Interest rate and cross currency swaps are used to hedge interest rate risks arising from the floating rate loans. The strategy for the Group is to maintain an adequate hedging ratio of between 35% to 90% of its interest rate exposure for rolling 24 months. The Board of Directors has the mandate to approve an exception to the strategy. The Group applied hedge accounting in relation to these interest rate swaps.

Cash flow hedges of interest rate risk

Hedging instruments	Weighted avarage rate	Notional value: Foreign currency	Notional value: Functional currency	Carrying amount of hedging instruments – Assets	Carrying amount of hedging instruments - Liabilities
30 Sept. 2024					
	Rate	**mil**	**DKKm**	**DKKm**	**DKKm**
EUR – 6 m Euribor					
< 12 months	3,34	1.300	9.694	7	-
12 - 24 months	3,34	1.300	9.694	-	(106)
DKK – 3 m CIBOR					
< 12 months	1,34	363	363	22	
USD					
< 12 months	3,70	600	3.996	5	-
12 - 24 months	6,70	315	2.098	-	(39)
				34	**(145)**

Hedging instruments	Weighted avarage rate	Notional value: Foreign currency	Notional value: Functional currency	Carrying amount of hedging instruments – Assets	Carrying amount of hedging instruments - Liabilities
30 Sept. 2023					
	Rate	**mil**	**DKKm**	**DKKm**	**DKKm**
EUR – 6 m Euribor					
< 12 months	0,68	1.865	13.894	216	-
12 - 24 months	2,80	1.300	9.685	112	-
EUR – 3 m Euribor					
< 12 months	1,04	475	3.539	22	-
DKK – 3 m CIBOR					
< 12 months	1,34	363	363	53	-
USD					
< 12 months	1,32	1.080	7.560	112	-
12 - 24 months	3,70	600	4.200	67	-
				582	**-**

Hedged Items – Interest rate hedge
The hedged items are future interest payments under floating interest rates. Details of the hedged items are disclosed in above.

Cash Flow hedge Reserve
The Risk categories recognized in the cash hedge reserve is the table below with items impacting the comprehensive for the period

DKKm	2024	2023
Carrying amount at 1 October	306	595
Change in fair value:		
Foreign currency risk – cash flow hedge	22	*
Interest rate risk – cash flow hedge	(486)	(386)
Tax effect	99	97
Carrying amount at 30 September	**(59)**	**306**

Accounting policies

Derivative financial instruments, including hedge accounting
The Group uses various financial instruments to reduce the impact of foreign exchange and interest rates on financial results. The derivative financial instruments are used to manage the exposure to market risk. Treasury enters into derivative contracts in accordance with Group policies. Financial instruments used include e.g. foreign currency exchange contracts, interest rate swaps, interest rate floors and redemption options (the latter two being bifurcated embedded derivatives).

All derivative financial instruments are recognised initially and subsequently at fair value. Any attributable transaction costs are recognised in the income statement in other financial income, net as incurred.

On initial recognition, Management determines if the derivative financial instrument qualifies for hedge accounting and if so designates the instrument as a hedging instrument in a fair value hedge, cash flow hedge or hedge of net investment respectively.

Cash flow hedges
For cash flow hedges, the portion of the fair value adjustments on the hedging instrument that is an effective hedge is recognised in other comprehensive income and accumulated in a separate reserve in equity. The cumulative fair value adjustments of these contracts is transferred from the reserve in equity and recycled to the income statement through other comprehensive income when the hedged transaction is recognised in the income statement. However, when the forecast transaction subsequently result in the recognition of a non-financial asset or non-financial liability, the transfer from the reserve in equity is recognised directly in the initial cost or other carrying amount of the asset or liability without recycling through other comprehensive income.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in the reserve within equity at that time remains in the reserve and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss existing in the reserve is immediately transferred to the income statement as a recycling through other comprehensive income and recognised in other financial income, net.

Categories of financial assets and financial liabilities and Fair value hierarchy

The below table shows the categories of financial assets and financial liabilities, their carrying amounts and their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

DKKm		Carrying Amount						Fair value			
30 September 2024	**Note**	**Financial assets measured at fair value through profit and loss**	**Financial assets measured at amortised cost**	**Financial Assets and liabilities used as hedging instruments**	**Financial liabilities at amortised costs**	**Financial liabilities measured at fair value through profit and loss**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through P&L											
Forward Exchange Contracts (designated as hedging instruments)	3.6	-	-	30	-	-	30	-	30	-	**30**
Interest rate risk – cash flow hedge	3.6	-	-	74	-	-	74	-	74	-	**74**
Other financial assets (current and non-current)*	3.5	3.373	-	-	-	-	3.373	460	2.913	-	**3.373**
		3.373	**-**	**104**	**-**	**-**	**3.477**				
Financial assets measured at amortised cost											
Trade receivables*	3.8	-	2.359	-	-	-	2.359	-	-	-	-
Customer loans*	3.5		544	-			544				
Other financial assets (current and non-current)*	3.5	-	64	-	-	-	64	-	-	-	-
Cash and cash equivalents*		-	1.804	-	-	-	1.804	-	-	-	-
		-	**4.771**	**-**	**-**	**-**	**4.771**				
Financial liabilities measured at fair value											
Cross currency swap	3.9	-	-	37	-	186	223	-	223	-	**223**
Forward Exchange Contracts (designated as hedging instruments)	3.9	-	-	8	-	-	8	-	8	-	**8**
Forward Exchange Contracts (not designated as hedging instruments)	3.9	-	-	-	-	8	8	-	8	-	**8**
Interest rate risk – cash flow hedge	3.9			104			104		104	-	**104**
Redemption call option and interest rate floors	3.9	-	-	30	-	-	30	-	-	30	**30**
		-	**-**	**179**	**-**	**194**	**373**				
Financial liabilities measured at amortised cost											
Other financial liabilities*	3.9	-	-	-	2.045	-	2.045	-	-	-	**-**
Loans under Senior Facilities Agreement	4.4	-	-	-	27.225	-	27.225	-	-	-	**-**
Trade payables*		-	-	-	1.662	-	1.662	-	-	-	**-**
-		**-**	**-**	**-**	**30.932**	**-**	**30.932**				

*The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are not reasonable approximation of fair value.

30 September 2023	Note	Financial assets measured at fair value through profit and loss	Financial assets used as hedging instruments	Financial assets measured at amortised cost	Financial liabilities at amortised costs	Financial liabilities measured at fair value through profit and loss	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through P&L											
Forward Exchange Contracts (designated as hedging instruments)	3.6	-	45	-	-	-	45	-	45	-	**45**
Interest rate risk – cash flow hedge	3.6	-	588	-	-	-	588	-	588	-	**588**
Other financial assets (current and non-current)*	3.5	3.577		-	-	-	3.577	581	2.996	-	**3.577**
		3.577	**633**	**-**	**-**	**-**	**4.210**				
Financial assets measured at amortised cost											
Trade receivables*	3.8	-	-	2.251	-	-	2.251	-	-	-	-
Customer loans*	3.5			544			544				
Other financial assets (current and non-current)*	3.5	-	-	1.479	-	-	1.479	-	-	-	-
Cash and cash equivalents*		-	-	967	-	-	967	-	-	-	-
		-	**-**	**5.241**	**-**	**-**	**5.241**				
Financial liabilities measured at fair value											
Forward Exchange Contracts (designated as hedging instruments)	3.9	-	-	-	-	8	8	-	8	-	**8**
Forward Exchange Contracts (not designated as hedging instruments)	3.9	-	-	-	-	8	8	-	8	-	**8**
Redemption call option and interest rate floors	3.9	-	-	-	-	15	15	-	-	15	**15**
		-	**-**	**-**	**-**	**31**	**31**				
Financial liabilities measured at amortised cost											
Other financial liabilities*	3.9	-	-	-	2.518	-	2.518	-	-	-	**-**
Interest bearing loans	4.4	-	-	-	30.132	-	30.132	-	-	-	**-**
Trade payables*		-	-	-	1.875	-	1.875	-	-	-	**-**
		-	**-**	**-**	**34.080**	**-**	**34.080**				

*The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables, because their carrying amounts are not reasonable approximation of fair value.

The fair values of cash and cash equivalents, trade and other receivables and trade payables with a remaining term of up to twelve months, other current financial liabilities and borrowings under revolving credit facilities are approximately equal to their carrying amount, mainly due to the short-term maturities af these instruments.

Treasury enters into derivative contracts in accordance with Group policies. The exact calculation of fair values of derivative financial instruments depends on the specific type of instrument.

Derivative currency contracts – the fair value of foreign currency exchange contracts is based on forward exchange rates. Currency options are valued on the basis of quoted market prices or on estimates based on option pricing models.

The levels of the fair value hierarchy and its application to financial assets and financial liabilities are described below:.

Level 1:	Quoted prices in active markets for identical assets or liabilities
Level 2:	Inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3:	Valuations methods, with significant inputs not being based on observable market data

Type	Valuation Technique	Significant unobservable inputs	Sensitivity of fair value to significant unobservable inputs
FX contracts	The fair value of the exchange rate contracts is based on forward exchange rates. Currency options are valued on the basis of quoted market prices or on estimates based on option pricing models with marked-standard inputs including implied volatility (level 2).	Not applicable	Not applicable
Interest rate swaps	The fair value of Interest Rate Swaps are determined using discounted cash flows of fixed leg and Net Present Value of floating leg based on Forward rate curve, and can be categorized as level 2 (observable inputs) in the fair value hierarchy.	Not applicable	Not applicable
Interest rate floors	The fair value of Interest Rate Floors is based on discounted cash flows or floorlets for intrinsic and option pricing models with implied volatility for time value component.	Implied volatility	Higher implied volatility will lead to higher fair value and vice versa
Redemption call option	Hull-White-Two-Factor model simulating interest-rate changes as well as credit spread changes is the valuation technique applied to cancellation rights with implied volatility of options on CDS as unobservable input (level 3). An increase in implied volatility will lead to an increase in fair value and vice versa.	Implied volatility of Options on CDS	Higher implied volatility will lead to higher fair value and vice versa
Other loans	Issued loans with conversion options are measured in their entirety at fair value through profit or loss. Fair value is determined using discounted cash flows based on forward rate curve.	Implied volatility	Higher implied volatility will lead to higher fair value and vice versa

The following table shows the reconciliation of level 3 fair value measurements of the interest rate floors and the redemption call option:

DKKm	**1 October 2023 - 30 September 2024**
Carrying amount 1 October 2023	(15)
Total gains or losses on recognised in profit/(loss)	(15)
Carrying amount 30 September 2024	**(30)**

Offsetting, Master netting agreements and similar arrangements

The T&W Medical A/S Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements/FX Payment Netting Agreements. In general, under such agreements the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

DKKm	**30 Sept. 2024**	**30 Sept. 2023**
Counterparty A: Goldman Sachs		
Derivate assets	3	44
Derivate liabilities	(6)	(4)
Net amount	**(3)**	**40**
Counterparty B: Standard Chartered Bank		
Derivate assets	-	1
Derivate liabilities	-	(5)
Net amount	**-**	**(4)**
Counterparty C: Jyske Bank		
Derivate assets	23	28
Derivate liabilities	(7)	(2)
Net amount	**(16)**	**26**
Counterparty D: Nordea		
Derivate assets	*	*
Derivate liabilities	(43)	-
Net amount	**(43)**	*****
Counterparty E: Danske Bank		
Derivate assets	12	561
Derivate liabilities	(152)	*
Net amount	**(140)**	**561**
Counterparty F: Deutsche Bank		
Derivate assets	-	-
Derivate liabilities	(13)	-
Net amount	**(13)**	**-**
Counterparty F: Deutsche Bank		
Derivate assets	-	-
Derivate liabilities	(122)	-
Net amount	**(122)**	**-**

*Amount less than DKK 1 mil

4.3 Liabilities from financing activities

DKKm	Loans and borrow-ings	Other short term debt	Derivates relating to financ-ing agree-ment	Interest rate swap, net	Lease Li-abilities	Others	Total
Liabilities at 1 October 2023	**30.455**	**411**	**15**	**(596)**	**1.111**	**-**	**31.396**
Proceeds from loans and borrowings	28.564	246	-	-	-	-	28.810
Transaction costs	(380)	-	-	-	-	-	(380)
Interest received/(paid)	(2.711)	(22)		477	(100)	(104)	(2.460)
Repayment of borrowings	(31.422)	-	-	-	-	-	(31.422)
Payment of lease liabilities	-	-	-	-	(343)	-	-
Other changes	-	-	-	-	-	-	-
Total changes from financing cash flows	**(5.293)**	**224**	**-**	**477**	**(443)**	**(104)**	**(0)**
Acrrued loan interest payable/(Receivable)	2.460	22	-	(283)	-	104	2.304
Amortization of transactions costs	746	-	-	-	-	-	746
Effective change in hedge accounting	-	-	-	484	-	-	484
Fair value loss on derivates				157			157
Foreign exchange adjustments	(440)	-	-	-	(30)	-	(470)
Lease remeasurement	-	-	-	-	-	-	-
Other changes	(48)	-	15		520	-	486
Liabilities af 30 September 2024	**27.224**	**656**	**30**	**239**	**1.158**	**-**	**29.308**
Liabilities at 1 October 2022	**30.816**	**336**	**52**	**(753)**	**992**	**-**	**31.443**
Proceeds from loans and borrowings	887	75	-	-	-	-	962
Interest received/(paid)	(1.762)	(8)	-	440	(52)	(112)	(1.442)
Repayment of borrowings	(1.058)	-	-	-	-	-	(1.058)
Payment of lease liabilities	-	-	-	-	(297)	-	(297)
Other changes	-	-	-	-	-	(8)	(8)
Total changes from financing cash flows	**(1.933)**	**67**	-	**440**	**(349)**	**120**	**(1.603)**
Acrrued loan interest payable/(Receivable)	2.131	-	-	(670)	-	112	1.573
Amortization of transactions costs	156	-	-	-	-	-	156
Effective change in hedge accounting	-	-	-	387	-	-	387
Foreign exchange adjustments	(715)	-	-	-	7	-	(767)
Lease remeasurement	-	-	-	-		-	7
Other changes	-	8	(37)	-	461	8	440
Liabilities af 30 September 2023	**30.455**	**411**	**15**	**(596)**	**1.111**	**-**	**31.449**

Accounting policies

Financial liabilities, other than derivates, are initially recognized at fair value less transaction costs, and subsequently measured at amortized cost using the effective interest method. Accordingly, the difference between the proceeds and nominal value is recognized in the income statement over the term of the liability.

4.4 Financial income and expenses

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Interest income fixed income	41	86
Interest income customer loans	-	8
Other interest income	372	730
Total	**413**	**824**
Interest expenses	(2.884)	(2.431)
Other interest expenses	(746)	(157)
Total	**(3.630)**	**(2.588)**
Other financials, net		
Foreign currency translation gains/(losses)	52	589
Change in fair value of embedded derivatives	(15)	37
Change in fair value of financial instruments	(194)	30
Others	24	(57)
Total	**(132)**	**599**

Interest income/(expense) includes the interest/(expense) from financial assets/(financial liabilities) not measured at fair value through profit or loss.

Accounting policies

Financial income and expenses comprise interest income and expenses, gains and losses on securities, receivables, pay-ables and trans-actions denominated in foreign currencies, credit card fees, amortisation and impairment of financial assets other than trade receivables and contract assets and liabilities, gains and losses on derivative financial instruments not designated as hedging instruments etc.

Interest income and expenses on financial assets and liabilities measured at amortised cost is recognised using the effective interest method. Other financial income and expenses are recognised on an accrual basis in the period to which they relate.

5 Other disclosures

5.1 Remuneration of Key Management Personnel

1 October 2023 - 30 September 2024

DKKm	Short-term benefits	Termination benefits	Share based payments	Total
Board and Executive Management	9	-	-	9
Other Key Management	97	30	52	179
Total	**106**	**30**	**52**	**188**

1 October 2022 - 30 September 2023

DKKm	Short-term benefits	Termination benefits		Total
Board and Executive Management	9	-	-	9
Other Key Management	30	-	-	30
Total	**39**	**-**	**-**	**39**

Other Key Management comprises The Executive Management and Board of Directors in WS Audiology A/S.

Other Key Management hold ordinary and preference shares in NH Lux ManCo SCSp. as part of the MPP. During the year, the MPP was unwinded and the Group introduced a new Long Term Incentive ("LTI") program in its place. Please refer to Note 5.2 for details of this program.

5.2 Share based payments

The Group has in place a Management Participation Program (“MPP”) - Certain members of Key Management Personal in WS Audiology A/S (the “MPP Participants”) may acquire a partnership interest in NH Lux ManCo SCSp (“NHSCSp”) from NorthHarbour Lux TopCo Sar (“TopCo”), a holding entity that is fully consolidated within WS Audiology, therefore indirectly having an ownership interest in the intermediate North Harbour Group.

The fair value of the equity instruments on acquisition date is equivalent to the cost. The redemption price is based on the leaver status at the time of redemption.

The MPP participants acquired Ordinary shares, which rank pari passue in all respets, as well as preference shares. The reacquisition of the ownership interests is triggered upon the termination of employment.of MPP Particiants; a liability in this regard is included in Other non-current liabilities, with reference to note 3.9.

MPP Liability	Number of shares (mil)
Outstanding at 1 October 2023	31
Additions	-
Disposals	(29)
Outstanding at 30 September 2024	**2**

MPP Liability	Number of shares (mil)
Outstanding at 1 October 2022	35
Additions	-
Disposals	(4)
Outstanding at 30 September 2023	**31**

The fair value changes from the MPP recognized in the statement of profit and loss was DKK -186 million (2023: DKK 50 million)

During the year, the MPP was unwinded and the Group introduced a new Long Term Incentive (“LTI”) program in its place. The LTI program is an equity-settled share-based payment program which grants Performance Share Units (“PSU”) and Restricted Share Units (“RSU”) to certain members of the management. The grant amounts are determined based on a percentage of the grant recipient’s annual salary.

For the financial year 2023/24, the share options for PSU and RSU were granted on two grant dates – 14 January 2024 and 14 April 2024, and will fully vest on 15 January 2027. Subsequent grants will vest over 3 years from the grant date.

As of 30 September 2024, the number of share options granted and share price valuation model have not been approved by the Board of Directors. Management assessed the fair value of the share options granted approximates the total grant amount. The amount recognized in respect of the vested share options granted is EUR 5 million and included in the share option reserve.

Accounting policies

Equity-settled share-based payments are measured based on the fair value of the of goods and services received, with the corresponding increase in equity, unless that fair value cannot be measured reliably. The accounting for the shares purchased by management (at fair value, represented by 'interests' in NHSCSp) as part of the North Harbour MPP scheme falls within the scope of IFRS 2 as a cash-based arrangement. A liability is recognized reflecting the fair value of the Group's intention to acquire the 'interests'.

5.3 Pension obligations

Post-employment benefits provided by the Group are organized primarily through defined contribution plans as well as defined benefit plans which cover almost all of the Group's domestic employees and many of the Group's foreign employees. Post-employment defined benefit plans include to the major extent pension benefits.

Defined benefit plans

General principles are determined in a corporate pension policy. That means inter alia that the Group regularly reviews the design of its post-employment defined benefit plans. In order to reduce Group's exposure to certain risks associated with defined benefit plans, such as longevity, inflation, effects of compensation increase, the Group regularly review and continuously improves the design of its post-employment defined benefit plans. The benefits of the defined benefit plan open to new entrants are based predominantly on contributions made by the Group and are still affected by longevity, inflation adjustments and compensation increases, but only to a lesser extent. The major pension plans are funded with assets in segregated pension entities.

The existing defined benefit plans cover approximately as of 30 September 2024 –3.870 participants, including 2.704 active employees, 714 former employees with vested rights and 452 retirees and surviving dependents (2023: 3,795 participants, including 2,652 active employees, 707 former employees with vested rights and 436 retirees and surviving dependents). Individual benefits are generally based on eligible compensation levels and/or ranking within the Group's hierarchy and years of service. The characteristics of the defined benefit plans and the risks associated with them vary depending on legal, fiscal and economic requirements in each country. For the major defined benefit plans of the Group the characteristics and risks are as follows:

Germany

In Germany, the Group provides pension benefits through the cash-balance plan BSAV (Beitragsorientierte Siemens Altersversorgung), frozen legacy plans and deferred compensation plans. Active employees in Germany participate in the BSAV introduced in fiscal 2004. A legacy pension plan (Altzusage) has been transformed into BSAV.

These benefits are predominantly based on contributions made by the Group and returns earned on such contributions, subject to a minimum return guaranteed. In general, the BSAV is fully funded from the Group's perspective. Sivantos GmbH has set up a CTA (Contractual Trust Arrangement) in order to take precautions of financing all of its BSAV pension obligations, including the Group. Individual benefits under the frozen legacy plans are based on eligible compensation levels or ranking within the Group's hierarchy and years of service. In connection with the implementation of the BSAV, benefits provided under the frozen legacy plans were modified to substantially eliminate the effects of compensation increases by freezing the accretion of benefits under the majority of these plans. However, these frozen plans still expose the Group to actuarial risks such as investment risk, interest rate risk and longevity risk. Furthermore, deferred compensation plans are offered which are funded via a CTA. In Germany no legal or regulatory minimum funding requirements apply. The Trust which is legally separate manages its plan assets as trustee in accordance with the respective trust agreements.

U.S.

The assets under these pension plans are administered by the Group and are, therefore, the sole responsibility of the Group. The assets are not separately identifiable; instead the companies had a common right to the trusts' assets. One major defined benefit plan, the Sivantos Pension Plan, is frozen to new entrants and accretion of new benefits. Employees hired prior to April 1, 2006 participate in the Sivantos Pension Plan. Most of the defined benefit plan participants' benefits are calculated using a cash balance formula; although a small group of participants are eligible for a benefit based on a final average pay formula. This frozen defined benefit plan exposes the Group to actuarial risks such as investment risk, interest rate risk and longevity risk.

The defined benefit plan assets are held in a Master Trust. The Group, as the sponsoring employer, has delegated investment oversight of the plans' assets to the Investment Committee. The Investment Committee members have a fiduciary duty to act solely in the best interests of the beneficiaries according to the trust agreement and U.S. law. The Committee has established an Investment Policy Statement which articulates the goals and objectives of the plans' investment management, including diversifying the assets of the Master Trust with the intention of appropriately addressing concentration risks. The trustee of the Master Trust acts only by direction of the Investment Committee. It is responsible for the safekeeping of the trust, but generally has no decision-making authority over the plan assets. The legal and regulatory framework for the plans is based on the applicable U.S. legislation Employee Retirement Income Security Act (ERISA). Based on this legislation a funding valuation is prepared annually. There is a regulatory requirement to maintain a minimum funding level of 80% in the defined benefit plans in order to avoid benefit restrictions.

The amounts included in the Group's Consolidated Statements of Financial Position arising from its pension obligations at 30 September are as follows:

DKKm	**Defined benefit obligation**	**Fair value of plan assets**	**Total**
30 September 2024			
Germany	(410)	440	30
U.S.	(224)	209	(15)
Others	(67)	22	(45)
Total	**(701)**	**671**	**(30)**
30 September 2023			
Germany	(358)	395	37
U.S.	(231)	201	(30)
Others	(60)	22	(38)
Total	**(649)**	**618**	**(31)**

The following table show the total defined benefit cost that was recognised in profit or loss account and Other Comprehensive Income ("OCI") at the end of the reporting period.

DKKm	**1 October 2023 - 30 September 2024**	**1 October 2022 - 30 September 2023**
Current service cost	22	22
Net interest expenses	*	*
Defined benefit costs recognized in the income statement	**22**	**22**
The costs are recognized in the following income statement items:		
Return on plan assets (excluding amounts included in net interest expense and net interest income)	(67)	(8)
Remeasurement losses on defined benefit obligations	52	(7)
Foreign currency translation differences -	-	-
Remeasurements of defined benefit plans recognized in the Statement of Comprehensive Income	**(15)**	**(15)**
Change in defined benefit obligations:		
Defined benefit obligation at beginning of year	649	678
Current service cost	22	15
Interest expense	30	22
Contributions paid	-	-
Net accumulated actuarial gains	52	(7)
Benefits paid	(37)	(37)
Foreign currency effects	(15)	(22)
Defined benefit obligation	**701**	**649**
Change in plan assets:		
Fair value of plan assets at beginning of year	619	633
Interest income	30	22
Remeasurement (losses)/ gains (Return on plan assets excluding amounts included in net interest income and net interest expense)	67	8
Contributions paid	*	-
Benefits paid	(37)	(30)
Employer contributions	7	7
Liability administration costs	-	-
Foreign currency effects	(15)	(21)
Fair value of plan assets	**671**	**618**
Plan assets comprise of the following:		
Investment funds	664	618
Cash and cash equivalents	7	-
Total	**671**	**618**

Quoted	664	618
Unquoted	7	-
Total	**671**	**618**

* Amounts less than DKK 1 mil

Acturial assumptions
Assumed discount rates, compensation increase rates, pension progression rates and mortality rates used in calculating the DBO vary according to the economic and other conditions of the country in which the retirement plans are situated.

The mortality tables used for the actuarial valuation of the DBO were as follows (most significant countries):

Germany: Heubeck Richttafeln 2005G (modified)
U.S.: RP-2014 Employee and Healthy Annuitant Tables projected with Scale MP-2015 for all years

The DBO was only significantly affected by other financial assumptions in Germany and U.S. For Germany, the long-term rate of compensation increase and the pension increase rate were constant on average in fiscal year 2024 and 2023. For U.S., the DBO was mainly affected by the discount rate as the plan is frozen to new entrants and accretion of new benefits.

The DBO is also affected by assumed future inflation rates. The effect of inflation is recognized within the assumptions above where applicable.

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	30 September 2024	**30 September 2023**
Germany		
Discount rate	3,30%	4,08%
Future salary growth	1,50%	2,25%
Expected return on assets	1,52%	2,25%
Expected pension progression	2,00%	2,25%
U.S.		
Discount rate	4,65%	5,56%
Future salary growth	N/A	N/A
Expected return on assets	4,15%	5,56%
Expected pension progression	3,00%	3,00%

Assumptions regarding future mortality have been based on published statistics and mortality tables. The current longevities underlying the values of the defined benefit obligation at the reporting date were as follows:

DKKm	**30 September 2024**	**30 September 2023**
Germany		
Longevity at age 55 for current pensioners		
Males	149	149
Females	179	179
Longevity at age 55 for current pensioners with 10% reduction in mortality rates		
Males	157	156
Females	186	186
U.S.		
Longevity at age 55 for current pensioners		
Males	216	214
Females	231	233
Longevity at age 55 for current pensioners with 10% reduction in mortality rates		
Males	224	222
Females	239	239

The weighted-average duration of the defined benefit obligation was 10,0 years as at 30 September 2024 (2023: 9,4 years).

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

Sensitivity analysis

As the significant part of the DBO results from the German and U.S. entities, the sensitivity analysis was as follows:

30 September 2024 DKKm	0.5% increase	0.5% decrease
Germany		
Discount rate	(15)	15
Rate of pension progression	7	(7)
	-1 year	+1 year
Life expectancy	(7)	7
U.S	**0.5% increase**	**0.5% decrease**
Discount rate	(7)	7

30 September 2023 DKKm	0.5% increase	0.5% decrease
Germany		
Discount rate	(14)	14
Rate of pension progression	7	(7)
	-1 year	+1 year
Life expectancy	(7)	7
U.S	**0.5% increase**	**0.5% decrease**
Discount rate	(7)	7

The Company expects to pay DKK 52 million (2022/23: DKK 52 million) in contribution to its defined benefit plans in the upcoming financial year.

Defined contribution plans

The amount recognized as an expense for defined contribution plans at 30 September 2024 was DKK 104 million (2022/23: DKK 104 million).

Accounting policies

Defined contribution plans

The Group operates a number of defined contribution plans around the World. These plans are externally funded in entities, e.g. insurance entities, that are legally separate from the Group. Contributions to defined contribution plans are recognised in the income statement in the year to which they relate.

Defined benefit plans

The Group also operates defined benefit plans in a few jurisdictions, primarily in Germany and the USA.

The liability and costs for the year for defined benefit plans are determined using the projected unit credit method. This reflects services rendered by employees to the valuation dates and is based on actuarial assumptions regarding future compensation and benefit increases, mortality, expected return on plan assets and discount rates. Discount rates are based on average market yields of high quality corporate bonds in the country and/or currency in which the pension liabilities are expected to be settled.

Current service cost, past service cost and settlements for post-employment benefits as well as other administration costs which are un-related to the management of plan assets are recognised in the income statement and allocated among functional costs, following the functional area of the corresponding profit and cost centre. Administration costs which are related to the management of plan assets and taxes directly linked to the return on plan assets and payable by the plan itself are included in the return on plan assets and are recognised in other comprehensive income.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in Other comprehensive income in the period in which they arise. Past service costs are recognised immediately in the income statement.

For unfunded plans, the Group recognises a post-employment liability as non-current liability. For funded plans, the Group offsets the fair value of plan assets with the benefit obligations, and recognises the net amount, after adjustments for effects related to any asset ceiling, as a non-current liability or other current assets.

5.4 Contingent assets and liabilities

Guarantees
The Group has issued Corporate Guarantees, mainly to the business partners, outstanding for an amount of DKK 351 million at 30 September 2024 (2023: DKK 611 million). None of the outstanding guarantees are likely to be drawn, hence no provisions have been made.

Outstanding lawsuits and disputes
The Group is, from time to time, subject to legal disputes in connection with its business activities. In the light of the number of legal disputes and proceedings in which the Group is involved, it cannot be ruled out that some of these proceedings could result in rulings against the Group. Although the Group maintains liability insurance in its non-amounts the Group considers consistent with industry practice, it may not be fully insured against all potential damages that may arise out of any claims to which the Group may be party in the ordinary course of the Group's business. At this time, however the Group does not expect any significant negative effects on the Group's financial position or finance and earnings situation resulting from legal disputes.

The Group seeks to make adequate provisions for any legal disputes and proceedings, and assesses the likely outcome in which the Group is involved.

5.5 Associates

DKKm	Investments in associated	Receivables from associates
Cost at 1 October 2023	**273**	**69**
Post acquisition adjustments	(55)	(3)
Carrying amount at 30 September 2024	**218**	**66**

DKKm	Investments in associated	Receivables from associates
Cost at 1 October 2022	**290**	**39**
Post acquisition adjustments	(17)	30
Carrying amount at 30 September 2023	**273**	**69**

Included in the investments in associates is a customer loan to an associate, Hear-Mart Holdings LLC, of DKK 15 million. The investment was fully impaired fully in 2019/20 as Management has assessed that there are difficulties in recovering the loan.

The Group's investments in associates are not individually material.

Please refer to Note 5.10 for a list of associates.

Accounting policies
Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control over the financial and operating policies, and where the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. This entails that the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture calculated in accordance with the Group's accounting policies. When the Group's share of losses of an associate or joint venture exceeds the Group's interest in such associate or joint venture, the Group discontinues recognising its share of future losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

5.6 Non cash adjustments

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Unrealised loss and gain on foreign currency translation	(171)	(700)
Others	(23)	45
Total	**(194)**	**(655)**

5.7 Fees to auditors appointed at the annual general meeting

1 October 2023 – 30 September 2024

DKKm	Deloitte	Others
Audit fees	15	15
Other assurance related services	-	7
Tax services	15	*
Other services	7	*
Total	**37**	**22**

1 October 2022 – 30 September 2023

DKKm	Deloitte	Others
Audit fees	15	7
Other assurance related services	*	*
Tax services	7	7
Other services	7	-
Total	**29**	**14**

5.8 Related parties

Related parties include group entities controlled by T&W Medical A/S as well as associates.

Transactions with related parties

In addition to the related party disclosure that is disclosed elsewhere in the financial statements, the following significant transactions between the Group and its related parties took place at terms agreed during the fiscal year.

DKKm	1 October 2022 – 30 September 2023	1 October 2022 – 30 September 2023
Transactions with shareholders		
- Loans from related parties	1.471	1.526
- Interest on loans	42	38
Transactions with associates		
- Sales of goods and services	7	8
Other related parties		
- Purchase of goods and services	9	5

As at 30 September 2024, the outstanding balances with the associated are DKK 66 million (30 September 2023: DKK 69 million).

Transactions with related individuals

The Group's Executive management is defined as those persons, who are responsible for the Group's worldwide operating business, based on their function within the Group or the interests of WS Audiology A/S and registered directors in the parent company. In financial years 2022/23 and 2023/24, there were no significant, material or major transactions between the Group and members of the Executive Management and the Board of Directors, other than their remuneration and transactions towards the participation program. For information about remuneration to Executive management and Board of Directors refer to Note 5.1.

5.9 Companies in the T&W Medical A/S Group

List of the Group's active companies included in the Consolidated Financial Statements:

Company	Country	Equity Interest in %
T&W Medical A/S		
T&W Holding A/S	Denmark	8,7
Core Bolig VIII nr. 14	Denmark	100
TWI I ApS	Denmark	100
Vipic ApS	Denmark	58
CN8 A/S	Denmark	85
WS Audiology A/S	Denmark	43,35
Nymøllevej ApS	Denmark	100
UNEEG medical A/S	Denmark	99,6
UNEEG Medical DE GMBH	Germany	100
UNEEG Medical US Inc.	USA	100
UNEEG Medical UK Ltd.	UK	100
T&W Engineering A/S	Denmark	100
Twings ApS	Denmark	100
Nabto ApS	Denmark	57,02
Optheras Holding ApS	Denmark	56,7
Optheras A/S	Denmark	100
Freuden Holding AG	Germany	72
ProPET ApS	Denmark	52,9
Other equity investments of T&W Medical A/S		
Corit Advisory P/S	Denmark	25
Human Bytes ApS	Denmark	25
T&W miLINQ ApS	Denmark	43,1
Other equity investments of T&W Holding A/S		
Din HøreSpecialist	Denmark	40
EnViAc Komplementar ApS	Denmark	50
EnViAc P/S	Denmark	50
Kjøbenhavns Boligejendomsselskab A/S	Denmark	23,02
Østergaard & Co. ApS	Denmark	20
WS Audiology A/S	**Denmark**	**100**
WSA HoldCo Denmark ApS	Denmark	100
North Harbour Topco S.à.r.l.	Luxem-bourg	100
North Harbour Midco S.à.r.l.	Luxembourg	99
Auris Luxembourg II S.A.	Luxembourg	100
Auris Luxembourg III S.à.r.l.	Luxembourg	100
Widex A/S	Denmark	100
Hear.com N.V.	Netherlands	100
Subsidiaries of Widex A/S		
EMEA		
WSAUD A/S	Denmark	100
WS Audiology Benelux BV	Netherlands	100
Widex UK Ltd. [1]	Denmark	100
Widex DK A/S	Denmark	100
SAS Clermont Distribution	France	100
Balet Dominique Laboratoire de Correction[2]	France	0
Audition Balet Libourne SARL[2]	France	0
Saint-Etienne Audition[2]	France	0
Widex S.A.S	France	100
Shoebox France SARL	France	100
Bloom Hearing Specialists Ltd.	UK	100
Bonavox Limited	Ireland	100
Bloom Hörakustik AG *(under liquidation)*	Switzerland	100
WS Audiology Switzerland AG	Switzerland	100
WS Audiology Germany GmBH *(formerly Sivantos Holding Germany GmbH)* [3]	Germany	100
Sivantos GmbH	Germany	100

Widex Hörgeräte GmbH[4]	Germany	100
Widex Hörgeräte GmbH[4]	Germany	0
Widex AB	Sweden	100
Widex OOO LLC (*dormant*)	Russia	100
Widex Norge AS	Norway	100
Sivantos AS[3]	Norway	100
Widex-Reabilitacão Auditiva Lda.	Portugal	100
WSA Portugal S.A.	Portugal	100
WSA Rus LLC	Russia	100
Widex Akustik OY	Finland	100
WS Audiology CZ s.r.o. *(formerly Widex Line s.r.o)*[5]	Czech Republic	100
Widex Tibbi ve Teknik Chihazlar San.ve Tic. AŞ	Turkey	100
Widex Trading d.o.o Ljubljana	Slovenia	60
Slušni Aparati d.o.o. Widex Ljubljana	Slovenia	84
WS Audiology-H Kft	Hungary	100
Audiofon Kft	Hungary	100
WS Audiology Italia s.r.l. *(formerly Widex Italia s.r.l.)*[6]	Italy	100
WS Audiology Slovakia s.r.o	Slovakia	100
Widex Slušni Aparati d.o.o.	Bosnia	60
ReOton Ltd	Ukraine	100
Koalys Technologies Ltd	Israel	100
Koalys Poland Sp z.oo	Poland	100
Widex Poland Sp z.oo	Poland	60
Widex Regional Operation Center EMEA[7]	Poland	100
WS Audiology Austria GmbH	Austria	100
Asia-Pacific		
Sivantos Holding Singapore Pte. Ltd.	Singapore	100
Sivantos Pte. Ltd.	Singapore	100
Widex Singapore Pte Ltd	Singapore	100
Widex Hearing Aid Sdn Bhd	Malaysia	100
Bloom Hearing Co. Ltd.	Japan	100
Widex Co. Ltd.	Japan	100
WS Audiology (Shanghai) Co. Ltd. *(formerly Widex Hearing Aid (Shanghai) Co. Ltd.)*	China	100
Zhejiang Longkang Medical Equipment Co. Ltd.	China	51
Hangzhou Miaoyin Medical Equipment Co. Ltd	China	51
Hangzhou V Hearing Medical Equipment Co. Ltd.	China	51
Suzhou FenBei Medical Equipment Co. Ltd.	China	51
Widex India Private Ltd.	India	100
Widex Australia Pty. Ltd. *(dormant)*	Australia	100
Active Hearing Pty. Ltd.	Australia	100
Hearclear Audiology Pty. Ltd.	Australia	100
Hutchinson Audiology Clinics Pty Ltd	Australia	100
Bloom Hearing Ltd.	New Zealand	100
Widex Hong Kong Hearing & Speech Centre Ltd.	Hong Kong	100
Starry Hearing & Speech Centre Ltd.	Hong Kong	65
Americas		
TW Group Canada Ltd.[12]	Canada	-
Lifestyle Hearing Corporation Inc.[12]	Canada	-
Helix Hearing Inc. [12]	Canada	100
WS Audiology USA, Inc. [8]	USA	46
Lifestyle Hearing Corporation USA Inc.[8]	USA	100
Widex USA Inc. [8]	USA	100
WS Audiology Chile SpA	Chile	100
Widex Uruguay	Uruguay	51
COW-Audición en Alta Definición S.A. de C.V	Mexico	100
Widex Argentina S.A	Argentina	51
Centro Auditivo Widex Brasitom Ltda	Brazil	100
Communicare Aparelhos Auditivos Ltda	Brazil	100
WS Audiology Solucuoes Auditiva Ltd.	Brazil	100
Qualiaudio Comercio e Distribuicao Ltda	Brazil	100

Subsidiaries of Lifestyle Hearing Corporation USA Inc.		
Americas		
Helix Hearing Care (California) Inc.	USA	100
My Hearing Centers LLC	USA	100
Hear Again Hearing Aids LLC. [10]	USA	-
Helix Hearing Care Naples LLC	USA	60
The Hearing Center of ENTA LLC	USA	60
Medical Hearing Systems LLC	USA	70
Widex Government Services LLC[7]	USA	-
Subsidiaries of Sivantos Pte. Ltd.		
EMEA		
WS Audiology Germany GmbH *(formerly Sivantos Holding Germany GmbH)* [3]	Germany	-
Sivantos GmbH	Germany	-
Sivantos A/S	Denmark	100
Oorwerk B.V.	Netherlands	100
Oorwerk den Haag B.V. *(under liquidation)*	Netherlands	100
Hoortechnish Centrum Schagen B.V *(under liquidation)*	Netherlands	100
Sivantos Isitme Cihazlari Sanayi Ve Ticaret A.S.	Turkey	100
Sivantos Europe GmbH *(under liquidation)*	Germany	100
Bloom Hörakustik GmbH	Austria	100
WS Audiology Spain S.A.	Spain	100
Sivantos (RUS) LLC (*dormant*)	Russia	100
Biotone Technologie SAS	France	100
WS Audiology Mexico S.A. de C.V.	Mexico	100
Shoebox Ltd [1]	Canada	-
Asia-Pacific		
Sivantos K.K.	Japan	100
Hearing Express K.K.	Japan	100
WS Audiology Korea Limited	Korea	100
WS Audiology Phiippines Corp.	Philippines	100
WS Audiology SEA Pte. Ltd.	Singapore	100
Subsidiaries of Sivantos GmbH		
EMEA		
AS-AUDIO SERVICE GmbH	Germany	100
Signia GmbH	Germany	100
Sivantos Kft. [9]	Hungary	-
Sivantos AS[3]	Norway	-
Sivantos s.r.o[5]	Czech Re-public	-
Sivantos Sp. z o.o.	Poland	100
Sivantos S.r.l[6]	Italy	-
Signia S.A.S.	France	100
WS Audiology Limited	UK	100
Widex UK Ltd. [1]	UK	100
Americas		
WS Audiology USA, Inc. [8]	USA	54
Lifestyle Hearing Corporation (USA), Inc. [8]	USA	100
Widex USA Inc. [8]	USA	100
Audiology Distribution, LLC [9]	USA	100
HearX West, LLC	USA	50
HearX West, Inc.	USA	50
HearUSA IPA, Inc.	USA	100
TruHearing, Inc.	USA	100
TruHearing IPA LLC	USA	100
Hearing Care Solutions, Inc	USA	100
Hear in America LLC	USA	100
WS Audiology Canada Inc	Canada	100
Shoebox, Inc. [1]	Canada	100
WS Audiology South Africa Pty Ltd	South-Africa	100

Asia-Pacific		
Sivantos (Suzhou) Co. Ltd.	China	100
Sivantos India Pvt. Ltd	India	100
WS Audiology ANZ Pty Ltd	Australia	100
Subsidiaries of Hear.com N.V.		
Hear.com Korea Limited	Korea	100
Soundrise Hearing Solutions Private Limited	India	100
hear.com USA Parent LLC	USA	100
hear.com, LLC	USA	100
audibene GmbH8	Germany	100
audibene GmbH	Switzerland	100
audibene B.V.	Netherlands	100
Audiocare Hearing Experts Malaysia Sdn. Bhd. *(dormant)*	Malaysia	100
Ihre Hörgeräte Beratung GmbH	Germany	100
Hear.com - Simply Good Hearing Inc (dormant)	Canada	100
Hear.com (Pty) Ltd.	South-Africa	100
Hearing Experts (Thailand) Co. Ltd. [9]	Thailand	100
Other equity investments		
Hearing Instrument Manufacturers Software Association A/S	Denmark	25
HIMSA II a/s	Denmark	20
HIMSA II K/S	Denmark	17
HIMPP A/S	Denmark	13
K/S HIMPP	Denmark	9
D Med Hearing Company	Thailand	38
Kikoeno Soudanshitsu Co., Ltd.	Japan	-
Kanto Hochouki Co., Ltd.	Japan	25
Sound Advice Hearing Ltd.	UK	49
Widex Columbia SAS	Columbia	30
Hear-Mart Holdings LLC.	USA	49
Audiology Associates of Westchester LLC	USA	49
Smartcare LLC	USA	10
Widex Servicios Technico S.A.	Spain	30
Widex Audifonos S.A.	Spain	30
Instituto Auditivo Widex C.A.	Venezuela	30
Widex Macau Hearing & Speech Centre Ltd.	Macau	49
Odio Tech Pty Ltd	Australia	30

1 Widex UK Ltd. and Shoebox Ltd were transferred to Sivantos GmbH during 2023/24.
2 Balet Dominique Laboratoire de Correction Auditive SARL, Audition Balet Libourne SARL and Saint-Etienne Audition were merged into SAS Clermont Distribution during 2023/24.
3 Sivantos Holding Germany GmbH and Sivantos AS were transferred to Widex A/S during 2023/24.
4 Widex Hörgeräte GmbH was transferred to Sivantos Holding Germany GmbH during 2023/24.
5 Sivantos s.r.o was merged into WS Audiology CZ s.r.o. during 2023/24.
6 Sivantos S.r.I was merged into WS Audiology Italia S.r.l. during 2023/24.
7 Widex Government Services LLC and Hearing Experts (Thailand) Co. Ltd. were dissolved during 2023/24.
8 Lifestyle Hearing Corporation USA Inc. and Widex USA Inc. were transferred to WS Audiology USA, Inc. during 2023/24. In return, WS Audiology USA, Inc. issued shares to Widex A/S resulting in Widex A/S holding 46% shares in WS Audiology USA Inc, while remaining 56% is held by Sivantos Gmb H (previously wholly owned by Sivantos GmbH).
9 Sivantos Kft. and Widex Regional Operation Center EMEA were liquidated during 2023/24.
10 Hear Again Hearing Aids LLC. was merged into Lifestyle Hearing Corporation (USA), Inc during 2023/24.
11 Kikoeno Soudanshitsu Co ., Ltd. was disposed during 2023/24.
12 TW Group Canada Ltd. and Lifestyle Hearing Corporation Inc. were amalgamated into Helix Hearing Inc. during 2023/24.

5.10 Significant events after the balance sheet date

There have been no adjusting or non-adjusting besides above mentioned events after the balance sheet date that would be expected to influence the economic decisions that users make on the basis of these financial statements.

5.11 Approval of the consolidated financial statements

The financial statements of T&W Medical A/S were approved by the Board of Directors and authorised for issue on 31 March 2024.

Parent financial statements

Income statement

DKKm	Notes	1 October 2023 – 30 September 2024	1 October 2022 – 30 September 2023
Gross Profit		**6**	**5**
Selling and general admin expenses		(102)	(55)
Operating (loss)/profit		**(96)**	**(50)**
Income from group enterprises	3.2	(4.481)	(97)
Income from associate investements	3.3	2	(22)
Interest income		120	135
Interest expenses		(369)	(299)
Other financials net		(25)	5
Profit before tax		**(4.849)**	**(328)**
Tax on profit/(loss)	2.1	(11)	41
Profit for the year		**(4.860)**	**(287)**

Statement of comprehensive income

(Loss)/profit for the year	**(4.860)**	**(287)**
Items that may be reclassified subsequently to profit or loss		
Share of other comprehensive income in group enterprises, net	(177)	(321)
Other comprehensive income for the year, net of tax	**(177)**	**(321)**
Total comprehensive income for the year	**(5.037)**	**(608)**

Balance sheet

DKKm	Notes	30 September 2024	30 September 2023
Assets			
Property, Plant & equipment	3.1	1	1
Investments in group enterprises	3.2	8.922	11.048
Investments in associates	3.3	27	26
Deferred tax asset		17	1
Other non-currents financial assets	3.4	698	2.138
Total non-current assets		**9.665**	**13.214**
Intragroup receivables		187	224
Current income tax receivables		16	81
Other current financial assets	3.4	-	-
Other current assets		11	89
Cash and cash equivalents		-	-
Total currents assets		**214**	**394**
Total assets		**9.879**	**13.608**

DKKm	Notes	30 September 2024	30 September 2023
Equity and Liabilities			
Share capital	4.1	564	564
Retained earnings		2.584	6.465
Other reserves		25	202
Total equity		**3.173**	**7.231**
Long-term debts		2.040	2.040
Intragroup payables		4.652	4.027
Other non-current liabilities		1	3
Total non-current liabilities	4.3	**6.693**	**6.070**
Short-term debts		-	294
Trade payables		5	4
Other current liabilities		8	9
Total current liabilities		**13**	**307**
Total liabilities		**6.706**	**6.377**
Total equity and liabilities		**9.879**	**13.608**

Statement of changes in equity

DKKm	Share capital	Other re-serves	Foreign exchange adjust-ments	Hedging reserve	Retained earnings	Equity of sharehold-ers in T&W Medical A/S
Equity at 30 September 2022	**500**	**(28)**	**241**	**318**	**3.746**	**4.777**
Effect of mergers	64	-	-	-	2.946	**3.010**
Profit for the period	-	-	-	-	(287)	**(287)**
Paid dividend	-	-	-	-	-	**-**
Other comprehensiv income, net	-	-	(186)	(143)	8	**(321)**
Other transactions	**-**	**-**	**-**	**-**	52	**52**
Total comprehensive income for the year	**64**	**(28)**	**(186)**	**(143)**	**2.726**	**2.454**
Equity at 30 September 2023	**564**	**(28)**	**55**	**175**	**6.465**	**7.231**
Capital contribution	-	-	-	-	-	**-**
Profit for the period	-	-	-	-	(4.860)	**(4.860)**
Other comprehensiv income, net	-	5	12	(194)	-	**(177)**
Other transactions*	-	-	-	-	979	**979**
Total comprehensive income for the year	**-**	**5**	**12**	**(194)**	**(3.881)**	**(4.059)**
Equity at 30 September 2024	**564**	**(23)**	**67**	**(19)**	**2.584**	**3.173**

**Dilution effect from capital increase in subsidiary*

Statement of cash flow

DKKm	Notes	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
(Loss)/profit for the year		**(4.860)**	**(287)**
Income from group enterprises		4.481	96
Income from associate investments		(2)	22
Interest expenses, net		274	159
Depreciation		-	-
Tax on profit/(loss)		11	(41)
Cash flow from operating activities before changes in working capital		**(96)**	**(50)**
Change in current assets		78	16
Change in trade payables		2	2
Change in other assets/liabilities		(3)	(233)
Cash flow from operating activities before financial items and tax		**(19)**	**(265)**
Financial income received		120	141
Income tax paid		37	7
Cashflow from operating activities		**138**	**(117)**
Acquisitions of companies		(1.652)	(418)
Dividend received		125	25
Investments in other assets, net		1.410	(117)
Cash flow used in investing activities		**(117)**	**(510)**
Cashflow from operating and investing activities		**21**	**(627)**
Proceeds from long-term & short term debt		-	554
Repayments of long-term & short-term debt		(294)	-
Financial expenses, paid		(362)	(299)
Dividens paid to shareholders		-	-
Change in intercompany balances		635	372
Cash flow from/(used in) financing activities		**(21)**	**(627)**
Net cash flow		**-**	**-**
Cash & cash equivalents beginning og period		-	-
Cash and cash equivalents, end of period		**-**	**-**

Notes to the parent financial statements

1 Basis of preparation

The parent financial statements for T&W Medical A/S have been prepared in accordance with IFRS as adopted by the European Union (EU) and further require-ments in the Danish Financial Statements Act.

The parent financial statements are presented in Danish Krone (DKK) which is the functional currency of T&W Medical A/S. All values are rounded to the nearest million (DKK) with one decimal, except where indicated otherwise.

The Parent's general accounting policies are described in each of the individual notes to the parent financial statements. The accounting policies set out below and in each note have been used consistently in respect of the financial year and the comparative figures.

The financial statements for all periods presented have been prepared in accordance with all IFRS as adopted by EU effective for accounting periods ending 30 September 2024.

2 Result of the year

2.1 Tax

DKKm	1 October 2023 – 30 September 2024	1 October 2022 – 30 September 2023
Tax on profit/(loss)		
Current tax for the year	-	41
Tax regarding last year	(28)	
Deferred tax for the year	17	-
Total(	**(11)**	**41**

Reconciliation of effective tax rate	1 October 2023 – 30 September 2024	1 October 2022 – 30 September 2023
Danish tax rate	22%	22%
Expected income tax (expense)/benefit	1.067	72
Non-taxable items	(1.050)	(31)
Adjustment of tax with respect to prior year	(28)	-
Total	**(11)**	**41**

T&W Medical A/S serves as the administration company in a Danish joint taxation arrangement with all subsidiaries. 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 these entities.

3 Operating assets and liabilities

3.1 Property, plant and equipment

DKKm	30 September 2024
Cost beginning of year	**2**
Additions	-
Cost end of year	**2**
Amortisations and depreciation beginning of year	**(1)**
Depreciation	(-)
Amortisations and depreciation end of year	**(1)**
Carrying amount end of year	**1**

Accounting policies

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and costs directly attributable to bringing the asset to its location and condition necessary for its intended use. In addition, the initial estimate of the costs related to dismantling and removing the asset and restoring the site on which the asset is located are added to the cost, if relevant. Where individual components of an item of property, plant and equipment, that is material, have different useful lives, they are accounted for as separate items, and depreciated separately. Borrowing costs are included in the cost for assets that necessarily take a substantial period of time to get ready for the intended use.

Depreciation is recognised on a straight-line basis over the expected useful lives of property, plant and equipment, taking into account the expected residual value after the end of the useful life. The expected useful lives are as follows:

The estimated useful lives are as follows:

- Other fixtures and fittings, tools and equipment, furniture etc. 5-8 years

Estimated useful lives and residual values are reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued. When changing the expected useful lives or the expected residual value, the effect on the depreciation is recognised prospectively as a change in accounting estimates.

Depreciation is recognised in the income statement as production costs, development costs, distribution costs and administrative expenses.

3.2 Investment in subsidiaries

DKKm	30 September 2024	30 September 2023
Cost beginning of year	**9.450**	**6.022**
Additions	5.058	3.428
Disposals	(3.402)	-
Transfers	(5)	-
Cost end of year	**11.101**	**9.450**
Revaluations beginning of year	**1.598**	**1.988**
Share of profit/loss for the year	(4.481)	(97)
Share of other comprehensive income, net	(177)	(321)
Share of other transactions	1006	53
Dividend	(125)	(25)
Revaluations end of year	**(2.179)**	**1.598**
Carrying amount end of year	**8.922**	**11.048**

Group companies are listed on Note 5.10 of the Group financial statements. As set out in Note 1 to the Consolidated financial statements, the investment in subsidiary represents a significant non-cash transaction.

Accounting policies

Investments in subsidiaires are recognized and measured under the equity method. This means that investments are measured at the pro rate share of the enterprises equity plus or less unamortized positive, or negative, goodwill and plus or less unrealized intra-group profits or losses.

The Parent's share of the enterprises' profits or losses after elimination of unrealized intra-group profits and losses and less or plus amortization of positive, or negative, goodwill is recognized in the income statement.

Subsidiaries with negative equity value are measured at zero value, and any receivables from these enterprises are written down by the Parent's share of such negative equity if it is deemed irrecoverable. If the negative equity exceeds the amount receivable, the remaining amount is recognized under provisions if the Parent has a legal or constructive obligation to cover the liabilities of relevant enterprises.

Upon distribution of profit or loss, net revaluation of investments in subsidiaries is transferred to reserve for net revaluation according to the equity method under equity.

3.3 Investment in associates

DKKm	30 September 2024	30 September 2023
Cost beginning of year	**27**	**67**
Additions	-	5
Transfer	5	(45)
Cost end of year	**32**	**27**
Revaluations beginning of year	**(1)**	**(20)**
Impairment losses	(3)	(4)
Depreciation for the year, goodwill	-	(18)
Dividend	(1)	(2)
Transfer	(2)	43
Other adjustments	2	-
Revaluations end of year	**(5)**	**(1)**
Carrying amount end of year	**27**	**26**

Accounting policies

Associates are those entities in which the Group has significant influence but not control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control over the financial and operating policies, and where the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Investments in associates and joint ventures are accounted for using the equity method. This entails that the investments are initially recognised at cost and adjusted thereafter to recognise the Parent's share of the profit or loss and other comprehensive income of the associate calculated in accordance with the Parent's accounting policies. When the Parent's share of losses of an associate exceeds the Parent's interest in such associate, the Group discontinues recognising its share of future losses. Additional losses are recognised only to the extent that the Parent has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

3.4 Other non-current and current financial assets

DKKm	30 September 2024	30 September 2023
Other non-current financial assets		
Other loans	-	1.431
Intragroup loans	576	553
Securities and other equity investments	122	154
Total	**698**	**2.138**
Other current financial assets		
Others	0	0
Total	**0**	**0**

Other loans are loans issued to non-controlling interests in WS Audiology for the purpose of such non-controlling interests acquisition of shares in Auris Lux II S.A., which was ultimately exchanged for shares in WS Audiology. The loans become due at 28 February 2025, at which date T&W Medical may at its election require that the repayment of the loans be satisfied in full through the transfer of shares in WS Audiology from the borrower to T&W Medical. No fair value adjustments are recognized in 2022/23.

Intragroup loans are loans to subsidiaries of WS Audiology A/S. Credit risk related to the loans is insignificant.

Accounting policies

Issued loans with conversion options are measured in their entirety at fair value through profit or loss. Fair value is determined using discounted cash flows based on forward rate curve (level 2).

Other loans and receivables, including intragroup loans are recognized initially at fair value less directly attributable transactions costs. Subsequently, they are measured at amortised cost using the effective interest method less impairment. A loss allowance is recognized at initial recognition and subsequently based on 12-months expected credit losses, unless a significant increase has arisen since the initial recognition of the loans and receivables, in which case the loss allowance is based on lifetime expected credit losses.

4 Other disclosures

4.1 Outstanding shares

For more information regarding outstanding shares, please refer to Note 4.1 in the consolidated financial statements.

4.2 Contingent assets and liabilities

The parent company has issued letter of support to subsidiary.

4.3 Short- and long-term debts

DKKm	Less than 1 year	Between 1-5 years	More than 5 years	Total
30 September 2024				
Interest-bearing debt	-	2.040	-	2.040
Intragroup payables	-	4.652	-	4.652
Trade payables	5	-	-	5
Other financial liabilities	8	1	-	9
Total non-derivative financial liabilities	**13**	**6.693**	**-**	**6.706**

DKKm	Less than 1 year	Between 1-5 years	More than 5 years	Total
30 September 2023				
Interest-bearing debt	294	2.040	-	2.334
Intragroup payables	-	4.027	-	4.027
Trade payables	4	-	-	4
Other financial liabilities	9	3	-	12
Total non-derivative financial liabilities	**307**	**6.070**	**-**	**6.377**

The risk implied from the values in the table above reflects the one-sided scenario of cash outflows only. Obligations under trade payables and other financial liabilities mainly originate from the financing of assets ongoing operations such as investments in working capital and trade receivables.

4.4 Related parties

T&W Medical A/S is the parent entity and ultimate parent controlling WS Audiology A/S.

DKKm	1 October 2023 - 30 September 2024	1 October 2022 - 30 September 2023
Transactions with related parties		
- Intergroup loans, granted	576	553
- Loans, received	4.652	4.027
- Receivables, intergroup	214	224
- Interest on loans, paid	237	218
- Interest on loans, received	79	54

4.5 Business Combinations

Accounting policies

The Entity has been established through the contribution of an existing company. The uniting-of-interests method has been applied in drawing up the opening balance sheet in which the uniting of interests is considered completed at the time of formation on 01.10.2021 without restatement of comparative figures (the book value method). When the opening balance sheet is drawn up applying the uniting-of-interests method, the assets and liabilities of the contributed company are recognised at carrying amounts based on the Entity's accounting policies. Any difference between the consideration agreed and the carrying amount of the net assets contributed is recognised in equity.

4.6 Significant events after the balance sheet date

There have been no non-adjusting events afther the balance sheet date that would be expected to influence the economic decisions that users make on the basis of these financial statements.

4.7 Approval of the consolidated financial statements

The financial statements of T&W Medical A/S were approved by the Board of Directors and authorised for issue on 31 March 2025.

Entity Information

Entity
T&W Medical A/S
Nymøllevej 6
3540 Lynge

Business Registration No (CVR): 28511809
Founded: 22.03.2005
Registered in: Allerød
Financial year: 01.10.2022 – 30.09.2023

Board of Directors
Jan Tøpholm, Chairman
Julian Tøpholm
Richard Tøpholm
Søren Erik Westermann
Anders Steen Westermann
Adam Westermann

Executive Management
Lars Nørgaard, Chief Executive Officer

Auditors
Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
2300 København S

Statement by Management on the Annual Report

The Board of Directors and the Executive Management have today considered and approved the Annual Report of T&W Medical A/S for the financial year October 1, 2023 to September 30, 2024.

The Annual Report is presented in accordance with the IFRS Accounting Standards, which have been adopted by the EU and disclosure requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's assets, liabilities and financial position at September 30, 2023 and of their financial performance and cash flows for the financial year October 1, 2023 to September 30, 2024.

We also find that the Management commentary provides a fair statement of developments in the activities and financial situation of the Group and the Parent, financial results for the period, the general financial position of the Group and the Parent, and a description of conditions referred to therein.

We recommend that the Annual Report be approved at the Annual General Meeting.

Lynge, 31 March 2025

Executive Manangement

Lars Nørgaard
Chief Executive Officer

Board of Directors

Jan Tøpholm *Chairman*	Julian Tøpholm	Richard Tøpholm
Søren Erik Westermann	Anders Steen Westermann	Adam Westermann

Independent auditors' report

To the shareholders of T&W Medical A/S

Opinion

We have audited the consolidated financial statements and the parent financial statements of T&W Medical A/S for the financial year October 1, 2023 to September 30, 2024, which comprise the income statement, statement of comprehensive income, balance sheet, statement of cash flow, statement of changes in equity and notes, including a summary of significant accounting policies, for the Group as well as the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 30 September 2024, and of the results of their operations and cash flows for the financial year October 1, 2023 to September 30, 2024 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements* section of this auditor's report. We are independent of the Group 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent 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 consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements by relevant law and regulations. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

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

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group's and the Parent'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 consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent 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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent 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 Group and the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial informationof the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Copenhagen, 31 March 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

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