HIGH DEFINITION HEARING

ANNUAL REPORT
2019/20

THE ANNUAL REPORT WAS APPROVED AT THE COMPANY'S ORDINARY GENERAL MEETING HELD ON 28 FEBRUARY 2021.
CHAIRMAN OF THE MEETING:

SØREN WESTH LONNING

Widex A/S, Nymøllevej 8, 3540 Lynge, CVR no.: 1577 1100

CONTENT

COMPANY INFORMATION

Company:	WIDEX A/S Nymøllevej 6 DK-3540 Lynge Phone: 44 35 56 00 CVR no: 15 77 11 00 Financial year: 1 October 2019 – 30 September 2020 Municipial of residence : Lynge
Board of Directors:	Jan Tøpholm, Chairman Peter Henrik Balslev Julian Tøpholm Kasper Grundtvig Knokgaard
Executive Management:	Eric Alain Bernard, CEO Søren Westh Lonning, CFO
Auditor:	Deloitte Statsautoriseret Revisionspartnerselskab

The General meeting will be held on 28 February 2021 at the company’s address.

FINANCIAL REVIEW

Key figures:

m.DKK	2019/20 (IFRS) 12 months	2018/19 (IFRS) 17 Months	2017/18 (IFRS) 12 Months	2016/17 (DK GAAP) 12 Months	2015/16 (DK GAAP) 12 Months
Income statement					
Revenue	1,062	2,110	1,684	1,689	1,786
Gross Profit	277	984	960	878	819
R&D Cost	-390	-416	-220	-223	-191
Amortisations, Depreciations etc.	-194	-225	-77	-66	-50
EBITDA	-1	-173	458	414	579
Operating Profit (EBIT)	-195	-398	416	348	529
Net Financial Items	-233	153	7	91	-148
Profit / (Loss) before tax	-428	-245	430	439	381
Profit / (Loss) for the year	-279	-180	369	357	271
Balance sheet					
Assets	6,666	4,664	3,889	3,932	2,973
Equity	391	672	2,245	1,884	1,521
Financial ratios					
Gross profit margin	26%	47%	57%	52%	46%
EBITDA margin	0%	-8%	27%	25%	32%
EBIT margin	-19%	-19%	25%	21%	30%
Return on equity	-71%	-27%	16%	19%	18%
Equity ratio	6%	14%	58%	48%	51%
Other key figures					
Investments in property, plants and equipment	43	69	62	34	22
Free cashflow to firm	511	418	-35	-11	-85
Average number of employees	911	889	829	794	781

Ratio	Calculation formula
Gross profit margin(%):	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
EBITDA margin(%):	$\frac{\text{EBITDA x 100}}{\text{Revenue}}$
EBIT margin(%):	$\frac{\text{EBIT x 100}}{\text{Revenue}}$
Return on equity(%):	$\frac{\text{Net result for the year x 100}}{\text{Equity}}$
Equity ratio(%):	$\frac{\text{Equity x 100}}{\text{Assets}}$

Financial highlights are defined and calculated in accordance with "Recommendations and Ratios" issued by the Danish Sociecty of Financial Analysis.

MANAGEMENT COMMENTARY

Widex A/S' primary activity is developing, producing and selling hearing aids to its subsidiaries and thereby also act as parenting hub for Widex A/S subsidiaries.

Widex A/S is supporting its entities with a strong supply of leading technology hearing aids, and is investing heavily in building capabilities, and continuously realize optimizations also f rom the merger to drive a global sustainable growth.

The primary revenue is created from sales to subsidiaries, geographically located close to end users. Equal to previous years the dominant part of sales is related to Hearing Aids, with only a smaller portion consisting of accessories and spare parts.

On 28 February 2019 Widex A/S and Sivantos Pte. decided to merge, and create a combined Group under the name WS Audiology A/S. To align accounting periods in the combined group, Widex A/S in 2018/19 changed its accounting period end from 30 April to 30 September 2019, such that the accounting period is from 1 October to 30 September. The Financial statements for 2018/19 covered 17 months from 1 May 2018 to 30 September 2019. The comparative figures and financial ratios for 2019/20, 2018/19 and 2017/18 are prepared in accordance with IRFS. All other figures have been prepared in accordance with the Danish Financial Statements Act.

FINANCIAL REVIEW

Revenue

As for many companies, fiscal year 2019/20 was an eventful year, during which we recognized a total revenue of DKK 1,062 million(2018/19, 17 months:DKK 2,110 million). Returning back to a 12 month reporting period in 2019/20 from the 17 month in the year of the merger reduced revenue by DKK 620 million compared to 2018/19.

Due to the global spread of Covid-19, the company, similarly to the entire hearing aid industry, experienced a major drop in underlying sales starting in March 2020. However, during summer sales started to recover to a more normal level, albeit with some regional differences.

Also the lack of Widex Lithium-ion rechargeable solution negatively impacted sales in the product portfolio in the earlier part of the year, but this was successfully mitigated by several product launches including Widex Moment in March 2020 as well as other organic growth initiatives.

The substantial impact from Covid-19 and to lesser extent the lack of the lithium-ion rechargeable solution meant that sales in 2019/20 ended below 2018/19 when adjusting for the difference in reporting periods.

R&D

With a high focus on developing future innovative products, Widex A/S has invested DKK 715 million (2018/19, 17 months: DKK 528 million) in R&D activities in the financial year out of which DKK 390 million have been expensed (2018/19, 17 months: 416) The Company continues to focus on creating new and better solutions for its customers.

EBITDA

The income statement shows an EBITDA of DKK -1 million. Adjusting for one-time costs related to the merger and integration, the adjusted EBITDA for the financial year 2019/20 ends at DKK 170 million (2018/19, 17 months: DKK 422 million).

FINANCIAL ITEMS

Financial items have an overall negative effect on the net result with a cost of DKK -233 million (2018/19, 17 months: DKK 153 million). Included in the amount is received dividend from the subsidiaries of DKK 12 million (2018/19, 17 months: DKK 94 million).

Net income

In 2018/19 the company decided to change its accounting method from measuring its investments in subsidiaries from previously equity method to cost.

Net income is highly affected by the previously mentioned merger in 2018/19 with Sivantos Pte. still driving one-time costs maintaining and further building onit's position as leading global hearing aid company. The recognized impact is DKK 46 million. Excluding the merger related cost, Widex A/S would have achieved an adjusted net profit of DKK -233 million (2018/19, 17 months: 417 million).

The result of the year ended below the original expectations for the year as a result of the unexpected global spread of Covid-19 and its major adverse impact on the company's sales and thus also profitability.

FINANCIAL OUTLOOK

Solid financial improvements are expected in 2020/21, and outlook includes strong underlying sales growth compared to the financial year of 2019/20 as the markets are expected to further normalize from COVID-19 as well as stronger earnings from the improved sales, realization of synergies from the merger as well as fewer one-off costs related to the merger.

For 2021 /21 management expects double digit revenue growth, and EBITDA growing faster than topline, and hence over the level of 2019/20 due to a combination of realization of synergies related to the merger, scalability from the revenue growth as well as continued cost discipline.

Widex A/S will continue to support its entities with a strong supply of leading technology hearing aids, and is expected to invest heavily in building capabilities, and realize optimizations from the merger to drive a global sustainable growth.

STATUTORY REPORT ON CORPORATE SOCIAL RESPONSIBILITY

In accordance with section 99a of the Danish Financial Statements Act, refer to page 7-10 of the annual report for the parent WS Audiology A/S, CVR no. 40 29 66 38 for information regarding CSR.

STATUTORY REPORT ON THE UNDER-REPRESENTED GENDER

Widex A/S wishes to promote diversity at all levels of the Company. Discrimination and harassment are not tolerated in any form. A series of new policies, including the updated code of conduct, has been introduces to support this commitment, including an updated working environment policy and an antiharassment policy. All employees will have the same opportunities regardless of gender, age, race, ethnicity, sex, religion, sexual orientation, etc. Personal privacy will be respected; discrimination and verbal or psychological harassment will not be
tolerated.

The company is focused on ensuring that gender diversity is promoted. This is for example the case when hiring for leadership positions where at least one female candidate must be found and when organizing leadership courses where female representations is examined.

The board of directors currently consist of four members. At present there are no female board members, but the target is that the share of women should be one member by 2022. The target has not been reached in the reporting year, as the best qualified candidates for the board members who joined during the year were men. The board composition will be reviewed on an ongoing basis to ensure the ambition is met.

For the Executive Management team the gender balance for the financial year is 2 men and no women.

EVENTS AFTER THE BALANCE SHEET DATE

After the balance sheet date the Covid situation is still causing waves in the activity levels across our main markets. The estimated impacts are assessed and included in the outlook above.

There have been no events that materially affect the assessment of this Annual Report 2019/20 after the balance sheet date and up to today.

RISK MANAGEMENT

FINANCIAL RISK MANAGEMENT

Widex A/S is exposed to 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.

Financial risks are managed by Group Treasury in WS Audiology A/S (parent).

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 Company may incur losses if the credit quality of its customers deteriorates or if they default on their payment obligations to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables including loans to customers.

The Company's follows the Group credit policy 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 considered country's credit ratings. Credit evaluations are performed on all customers requiring credit over a certain amount. The Company does not require collateral in respect of financial assets. However, the Company 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 financial assets and note 3.8 Trade receivables.

There were no significant concentrations of credit risk as of the 30 September 2020.

The maximum exposure to credit risk of financial assets is represented by their carrying amount. In terms of 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 2020, that defaults in payment obligations will occur.

LIQUIDITY RISK

Liquidity risk results from the Company's potential inability to meet its financial liabilities. in particular paying its suppliers and servicing its interest-bearing debt. In addition to having implemented effective working capital and cash management, the Company has implemented short-term and medium term-liquidity forecasts. Treasury monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Cash from its related entities is pooled centrally for an efficient cash management and treasury purposes. The arrangement is governed by agreements signed by the Group and related entities, which limits joint and several liabilities to each party's net credit balance at any time with the Company.

The Company finances itself from its operating cash flow and utilizing the Group's cash pooling and cash management systems, in which excess liquid funds are deposited at Treasury by its affiliates.

The Company had cash and cash equivalents of DKK 943 million as of 30 September 2020 (30 September 2019: DKK 426 million). With its strong operating cash flow the Company expects to be able to meet all of its present and future obligations arising from operational cash needs.

The below table reflects all contractually fixed pay-offs for settlement, repayments and interest resulting from recognized financial liabilities. Such expected net cash outflows are undiscounted net cash outflows for the respective upcoming fiscal years, based on the earliest date on which the Company 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 2020.

The risk implied from the values in the table below reflects the one-sided scenario of cash outflows only. Obligations under trade payables originate from the financing of assets used in the Company'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 Company's overall liquidity risk management.

FOREIGN CURRENCY RISK

Widex A/S has exposure towards foreign currency exchange rate risk arising from fluctuations in exchange rates, in connection with international operations. The exposure is particularly regarding fluctuations of the USD, EUR, JPY, AUD and GBP in the ordinary course of business.

Foreign currency exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Company manufactures most of its products at its headquarter in Denmark. The products are sold to its regional entities and invoiced in the currency of the buying entities, mostly in EUR and USD. As most of the material cost are also EUR and USD denominated, the Company is able to significantly reduce the net currency exposure.

The foreign currency risk is centrally managed by

Contractually fixed payoffs from recognized financial liabilities	**30 September 2020**		
m.DKK	Less than 1 year	More than 1 years	Total
Interest-bearing debt	3	3,726	3,729
Trade payables	144	0	144
Lease liabilities	32	669	701
Intragroup payables	1,237	140	1,377
Total non-derivative financial liabilities	**1,416**	**4,535**	**5,951**

Group Treasury. It is the Group's policy not to undertake any financial transactions in foreign currencies of a speculative nature.

As part of its operations, Widex A/S provides its entities with loans to support the general business. The loans are subject to currency risk as given in the entity's local currency and repaid likewise. The primary loan currency are USD and falls under the same exposure risk as described above.

SENSITIVITY ANALYSIS FOR FOREIGN CURRENCY RISK

The below table demonstrates the approximate effect on the Company's Total comprehensive income Statement (financial items) in response to fluctuation of the currencies other than the respective Company's entities' functional currencies which the Company's entities have significant exposure at the balance sheet date. This analysis assumes that all other variables, in particular interest rates remain constant.

TRANSLATION RISK AND EFFECTS OF FOREIGN CURRENCY TRANSLATION

Most of the Company's entities are located outside the EUR zone. Since Widex A/S's presentation currency is the DKK, the financial statements of foreign operations are translated into DKK for the preparation of the financial statements.

Included in the non-current assets of the financial position is a loan to the Company's subsidiairies of DKK 1,012 million (2019: DKK 1,180 million), originating in USD.

Also included in the non-current financial liabilities of the financial position is the loan from the Parent company of DKK 3,003 million, which originates in EUR.

INTEREST RATE RISK

The Company's long-term debt consists of secured term loans of DKK 3,003 million with a fixed interest rate of 4 %.

As all debt uses a fixed interest rate, no sensitivity analysis has been performed as all are measured to amortized cost.

Sensitivity foreign currency risk	**30 September 2020**	
m.DKK	Financial income / (expenses)	Total comprehensive income and equity
AUD +5%	973	973
CAD +5%	949	949
USD + 5%	724	724
GBP +5%	-489	-489
PLN + 5%	465	465

INTEREST RATE RISK

The Company's long-term debt consists of secured term loans of DKK 3,003 million with a fixed interest rate of 4-4.5 %.

As all debt uses a fixed interest rate, no sensitivity analysis has been performed as all are measured to amortized cost.

Specification of interest-bearing debt

m.DKK	2020	2019
Cash and cash equivalents	943	426
Intragroup receivables	715	198
Non-current financial assets	1,464	1,547
Total net interest bearing assets	**3,122**	**2,171**
Intragroup debt	-140	-60
Intragroup payables	-1,237	-464
Bank loan	-726	0
Loan from Parent company	-3,003	-2,979
Total net interest-bearing debt	**-1,984**	**-1,332**

MANAGEMENT STATEMENT

The Board of Directors and the Executive Management have today considered and approved the annual report 2019/20 of Widex A/S for the financial year 1 October 2019 - 30 September 2020.

The annual report is presented in accordance with International Financial Reporting Standards as adopted by the EU, and disclosure requirements of the Danish Financial Statement Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30 September 2020 and of the results of its operations and cash flows for the financial year 1 October 2019 - 30 September 2020.
We believe that the management commentary contains a fair review of the affairs and conditions referred to herein.

We recommend the Annual Report 2019/20 for adoption at the annual general meeting.

Lynge, 28 February 2021.

Executive Management

Eric Alain Bernard, CEO

Søren Westh Lonning, CFO

Board of directors

Jan Tøpholm, Chairman

Julian Tøpholm

Peter Henrik Balslev

Kasper Grundtvig Knokgaard

THE INDEPENDENT AUDITOR'S REPORT

To the shareholder of Widex A/S

OPINION

We have audited the financial statements of Widex A/S for the financial year 01.10.2019 - 30.09.2020, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's financial position at 30.09.2019, and of the results of its operations and cash flows for the financial year 01.10.2019 - 30.09.2020 in accordance with International Financial Reporting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

BASIS OF 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 financial statements section of this auditor's report. We are independent of the company in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON THE MANAGEMENT COMMENTERY

Management is responsible for the management commentary.

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

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

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

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

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE FINANCIAL STATEMENT

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company 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, 28 February 2021

Deloitte
Statsautoriseret Revisionspartnerselskab
Business Registration No 33 96 35 56

Nikolaj Thomsen	Casper Hjerresen Buhl Christensen
State-Authorised Public Accountant MNE no 33276	State-Authorised Public Accountant MNE no 41363

FINANCIAL STATEMENTS

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

m.DKK	Section	2019/20 (12 months)	2018/2019 (17 months)
Revenue	2.1	1,062	2,110
Cost of goods sold		-785	-1,126
Gross Profit		**277**	**984**
Research and development costs	3.1	-390	-416
Selling and general administration costs		-511	-951
Other operating income and costs, net		439	-16
Share of profit loss in associates	5.4	-9	1
Operating profit/(loss)		**-194**	**-398**
Interest income	4.3	66	49
Interest expenses	4.3	-168	-101
Other financials, net	4.3	-131	205
Profit/(loss) before tax		**-428**	**-245**
Tax on profit/(loss)	2.3	148	65
Profit/(loss) for the year		**-279**	**-180**
Statement of comprehensive income:			
Profit/(loss) for the year		-279	-180
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange rate adjustment		-2	0
Other comprehensive income for the year, net of tax			**0**
Total comprehensive income for the year		**-281**	**-180**

STATEMENT OF FINANCIAL POSITION

m.DKK	Section	2020	2019
ASSETS			
Intangible assets	3.1	600	283
Tangible assets	3.2	145	148
Right of use assets	3.3	655	0
Associates	5.4	20	29
Investments in subsidiaries	5.1	1,453	1,474
Deferred tax assets	2.3	176	28
Other financial assets	3.5	1,463	1,547
Other assets		0	35
Non-Current Assets		**4,512**	**3,544**
Inventories	3.7	341	280
Trade receivables	3.8	76	91
Intragroup receivables		715	198
Prepayments		0	51
Other assets	3.6	79	74
Cash and cash equivalents		943	426
Current assets		**2,154**	**1,120**
Total assets		**6,666**	**4,664**

STATEMENT OF FINANCIAL POSITION

m.DKK	Section	2020	2019
EQUITY AND LIABILITIES			
Share capital	4.1	30	30
Reserve for development cost		426	159
Retained earnings		-65	483
Total Equity		**391**	**672**
Bank loan		723	0
Intragroup debt		140	60
Lease liabilities		669	0
Provisions		27	2
Loan from Parent company		3,003	2,979
Other liabilities		7	0
Non-Current liabilities		**4,569**	**3,041**
Debt		3	0
Trade payables		144	286
Intragroup payables		1,237	464
Lease liabilities		32	0
Other liabilities	3.9	290	201
Current liabilities		**1,706**	**951**
Total liabilities		**6,275**	**3,992**
Total Equity and liabilities		**6,666**	**4,664**

STATEMENT OF CHANGES IN EQUITY

m.DKK	Share Capital	Reserve for development cost	Retained earnings	Total Equity
Equity at 30 April 2018	**30**	**21**	**2,215**	**2,245**
Profit/(loss) for the period	0	138	-318	**-180**
Total comprehensive income	**0**	**138**	**-318**	**-180**
Free capital contribution	0	0	307	**307**
Paid dividends	0	0	-1,700	**-1,700**
Equity at 30 September 2019	**30**	**159**	**483**	**672**
Profit/(loss) for the period	0	267	-546	**-279**
Total comprehensive income	**0**	**267**	**-546**	**-279**
Foreign exchange adjustment, etc.	0	0	-2	**-2**
Equity at 30 September 2020	**30**	**426**	**-65**	**391**

CASH FLOW STATEMENT

m.DKK	Section	2019/20 (12 months)	2018/19 (17 months)
Profit/(loss) for the year		-279	-180
Depreciations. amortisations and impairment	3.4	194	225
Income tax expense, net	2.3	-148	-65
Interest expense, net	4.3	233	-153
Share of profit/(loss) in associates		12	-1
Other non-cash adjustments		-4	11
Cash flow from operating activities before changes in working capital		**8**	**-163**
Change in inventories		-61	-43
Change in trade- and other receivables		-603	138
Change in other current assets		69	30
Change in trade- and other payables		712	488
Change in other current liabilities		122	-46
Change in provisions		25	1
Cash flow from operating activities before financial items and tax		**272**	**405**
Financial income received		3	7
Cash flow from operating activities		**275**	**412**
Disposals of companies		21	31
Investments in tangible and intangible assets		-465	-312
Loan to affiliated companies, net		3	-259
Received dividend from subsidiaries		12	92
Disposals of tangible and intangible assets		0	18
Cash flow from investing activities		**-429**	**-430**
Loan from Parent company, net		0	423
Transaction costs paid for issuance of long-term debt		-12	0
External loan facilitiy		746	0
Lease payments		-52	0
Financial expenses paid		-17	-58
Change in other financing activites		0	71
Cash flow from financing activites		**665**	**436**
Net cash flow		**511**	**418**
Cash and cash equivalents, begining of period		426	8
Foreign exchange rate, adjustment		6	0
Cash and cash equivalents, end of period		**943**	**426**

NOTES

SECTION 1

SECTION 2

SECTION 3

SECTION 4

SECTION 5

SECTION 1

1.1 BASIS OF PREPARATION

The financial statements for the Company have been prepared in accordance with IFRS as adopted by the European Union (EU) and further requirements in the Danish Financial Statements Act.

The financial statements are presented in Danish kroner (DKK) which is the functional currency of Widex A/S. All values are rounded to the nearest million (DKK), except where indicated otherwise.

The Company's general accounting policies are described in 1.3 Significant general accounting policies below. In addition to this, specific accounting policies are described in each of the individual notes to the financial statement. The accounting policies, set out below, in each note have been used consistently in respect of the financial year and the comparative figures, except as explained in note 1.2 First-time adoption of IFRS.

CONSOLIDATION

Widex A/S is included in the consolidated financials statements of WS Audiology A/S, why Widex A/S does not prepare seperate consolidated financial statements in accordance with section 112(1) of the Danish Financial Statements Act. The consolidated financial statements of WS Audiology A/S can be acquired from the company's website at www.wsa.com.

1.2 GENERAL ACCOUNTING POLICIES

TRANSLATION OF FOREIGN CURRENCY

Transactions denominated in other than 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.

STATEMENT OF CASH FLOWS

The statement of cash flows shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and 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 less short-term bank loans repayable on demand.

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

APPLYING MATERIALITY

The 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 financial statements. If a line item is not individually material, it is aggregated with other items of a similar nature in the financial statement or in the sections.

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.

1.3 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparation of the financial statements, Management makes various accounting estimates and judgements that form the basis of presentation, recognition and measurement of the Company'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 Company's accounting policies may require Management to make judgements that can have a significant effect on the amounts recognised in the financial statement. 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 below individual sections to the financial statement:

SIGNIFICANT ESTIMATES	SECTION
Measurement of deferred tax assets and uncertain tax positions	2.3 Tax
Recognition and measurement of development projects	3.1 Intangible assets
Recognition of APA agreement with Sivantos Pte Ltd	3.1 Intangible assets
Impairment testing, useful lives and residual values	3.4 Depreciation, amortisation and impairment

1.4 ADOPTION OF NEW AND AMENDED IFRS
On 1 October 2019, the Company has adopted the new or amended IFRS Standards and IFRIC interpretations that are mandatory for application for the financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the repective IFRS and IFRIC guidances.

The adoption of these new or amended IFRS standards and IFRIC interpretations did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the adoption of IFRS 16 Leases.

ADOPTION OF IFRS 16 LEASES

Prior to the adoption of IFRS 16, non-cancellable operating lease payments were not recognised as liabilities in the balance sheet. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Company's accounting policy on leases after the adoption of IFRS16 is as disclosed in Note 3.3.

On initial application of IFRS 16, the Company has elected to apply the following practical expedients:

i) For all contracts entered into before 1 October 2019 and that were previously identified as leases under IAS 17 Leases and IFRIC 4 Determining whether an Arrangement contains leases, the Company has not reassessed if such contracts contain leases under IFRS 16; and

ii) On a lease-by-lease basis, the Company has:

a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;

c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 October 2019 as short-term leases;

d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and

e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 October 2019.

For leases previously classified as operating leases on 1 October 2019, the Company has applied the following transition provisions:

(i) On a lease-by-lease basis, the Company chose to measure its ROU assets at a carrying amount as if IFRS 16 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 October 2019.

(ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 October 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristics.

(iii) The standard was implemented on 1 October 2019 using the modified retrospective approach, where the right-of-use asset on transition are measured at an amount equal to the lease liability at the date of initially applying the standard without restating comparative figures.

(iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liability as at 1 October 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

m.DKK	1 October 2019
Right of use assets	720
Deferred tax assets	0
Right of use lease liabilities	720

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using the applicable incremental borrowing rates at 1 October 2019. The borrowing rates applied for the Company was 3.4%.

An explanation of the differences between the operating lease commitments previously disclosed in the Company's financial statements as at 30 September 2019 and the lease liabilities recognised in the balance sheet as at 1 October 2019 are as follows :

m.DKK	1 October 2019
Operating lease commitments at 30 September 2019 as disclosed under IAS 17 in the Company's financial statements	955
Discounted using the incremental borrowing rate at 1 October 2019	
-Recognition exemption for leases of low-value assets	0
-Recognition exemption for leases with less than 12 months of lease term	0
-Previously recognised non-lease components	0
-Extension options reasonably certain to be exercised	0
-Others	-235
Lease liabilities recognised at 1 October 2019	**720**

SECTION 2

2.1 REVENUE

m.DKK	2019/20 (12 months)	2018/2019 (17 months)
Revenue by geographical region:		
EMEA-LA	702	1,262
North America	0	621
Asia Pacific	360	227
Total	**1,062**	**2,110**
Hereof:		
United States	64	142
Germany	181	224
Japan	159	225
Other	658	1,519
Total	**1,062**	**2,110**

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" consists of Europe, the Middle East, Africa and Latin-America. The Region "North-America" includes the United States and Canada. The Region "Asia-Pacific" consists of Asia, Australia and the Pacific region.

ACCOUNTING POLICIES

Revenue from sale of products is recognised when the Company has transferred control of products sold to the buyer and it is probable that the Company 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.

2.2 STAFF COSTS

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Wages, salaries and remuneration	577	628
Statutory social welfare contributions and expenses for optional support payments	6	10
Expenses relating to pension plans and employee benefits	53	91
Total	**636**	**729**
Average number of full-time employees	911	889

For information regarding remuneration of the Board of Directors, Executive Board and other Key Management Personnel, please refer to note 5.2 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 Company.

Where the Company provides long-term employee benefits, the costs are accrued to
match the rendering of the services by the employees concerned.

2.3 TAX

Income tax(expense)/benefit consists of the following:

m.DKK	2019/2020 (12 months)	2018/19 (17 months)
Tax on profit/(loss)		
Deferred tax for the year	148	58
Adjustment to current tax with respect to prior years	0	-1
Withholding tax	0	8
Total	**148**	**65**

Income tax expense differs from the amounts computed by applying the statutory Denmark income tax rate of 22% (2019: 22%) as follows:

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Expected income tax (expense)/benefit	94	54
Non-deductible expenses	41	-20
Non-taxable income	0	21
Adjustment of tax with respect to prior years	13	8
Tax incentives	0	2
Withholding tax	0	0
Other, net	0	0
Total	**148**	**65**

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Deferred tax, net 1 May	28	1
Changes related to the transition to IFRS	4	0
Changes in deferred tax assets	144	58
Adjustment of deferred tax, prior years	0	-31
Deferred tax, net	**176**	**28**

Breakdown of the Company's temporary differences and Changes

m.DKK	Temporary differences at 1 October 2019	Recognised in profit for the year	Temporary differences at 30 September 2020
Financial assets	1	-1	0
Intangible assets	-57	122	65
Tangible assets	0	8	8
Inventories	-5	-2	-7
Receivables	-7	5	-2
Right of use assets/lease liabilities	0	4	4
Liabilities	12	-11	1
Tax loss carried forward	90	17	107
Other	-6	6	0
Total	**28**	**148**	**176**

m.DKK	Temporary differences at 1 May 2018	Adjustment to prior year	Recognised in profit for the year	Temporary differences at 30 September 2019
Financial assets	1	0	0	1
Intangible assets	-38	0	-19	-57
Tangible assets	-5	0	5	0
Inventories	-4	0	-1	-5
Receivables	-4	0	-3	-7
Liabilities	51	-32	-7	12
Tax loss carried forward	0	0	90	90
Other	0	1	-7	-6
Total	**1**	**-31**	**58**	**28**

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 Company will realize the benefits of these deductible differences.

Unrecognized deferred tax assets

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

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Tax loss carry forwards	486	410
Total unrecognized tax carry forwards	**486**	**410**

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.

Widex A/S is jointly taxed with it's Parent Company WS Audiology A/S, Danish parent entities exercising control over WS Audiology A/S (T&W Medical A/S) and any Danish subsidiaries of such parent entities. 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

- 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 termporary 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 entacted 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.

SIGNIFICANTS ACCOUNTING ESTIMATES
Via intragroup sales, transfer pricing and APA agreement, Widex A/S “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 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 Widex A/S 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.

SECTION 3

3.1 INTANGIBLE ASSETS

m.DKK	Development projects	Software	Patents and rights	Total
Cost at 1 October 2019	319	52	100	471
Additions	421	0	0	421
Cost at 30 September 2020	**740**	**52**	**100**	**892**
Amortisation and impairment at 1 October 2019	-95	-34	-59	-188
Amortisation	-70	-10	-24	-104
Amortisation and impairment at 30 September 2020	**-165**	**-44**	**-83**	**-292**
Carrying amount at 30 September 2020	**575**	**8**	**17**	**600**

m.DKK	Development projects	Software	Patents and rights	Total
Cost at 1 May 2018	84	44	100	228
Additions	235	8	0	243
Cost at 30 September 2019	**319**	**52**	**100**	**471**
Amortisation and impairment at 1 May 2018	0	-16	-24	-40
Amortisation	-33	-18	-35	-86
Impairment	-62	0	0	-62
Amortisation and impairment at 30 September 2019	**-95**	**-34**	**-59**	**-188**
Carrying amount at 30 September 2019	**224**	**18**	**41**	**283**

ACCOUNTING POLICIES

INTANGIBLE ASSETS

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 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 shown in below table.

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.

SIGNIFICANTS ACCOUNTING ESTIMATES AND JUDGEMENTS

RECOGNITION OF APA ARRANGEMENT WITH SIVANTOS Pte Ltd.

During FY2019/20 Widex A/S entered into a Research and Development Cost Contribution Arrangement ("R&D CCA") and an Advance Pricing Arrangement ("APA") with the group company Sivantos Pte Ltd. The R&D CCA and APA entail a number judgements in terms of the accounting treatment of these. The most significant judgement in this regard is to whether the agreements entail a transfer of licenses comprising the intellectual property ("IP") rights owned by the respective parties. It is Management's assessment that the R&D CCA and APA grants a mutual, unlimited but non-exclusive rights to all IP rights developed by Widex A/S and Sivantos Pte Ltd., respectively, in the past as well as in the future. At the same time, it is Management's assessment that the agreements thereby provide each party with right to access to the IP rights in accordance IFRS 15, and hence there are no exchange of intangible assets at the time of entering into the agreement.

DETERMINATION OF USEFUL LIFETIME

Management applies an estimate 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.

:

INTANGIBLE ASSETS	USEFUL LIFETIME
Completed development projects	3 years
Patents, licenses and other similar rights	3-10 years
Trademarks	20 years
Acquired intellectual property	8-12 years
Software and other internally generated intangible asset	3-10 years

Development costs:

m.DKK	**2019/2020** (12 months)	**2018/2019** (17 months)
Research and development cost incurred	715	528
Development costs capitalised as development projects	-421	-235
Depreciation of operating assets etc., used for development purposes	9	20
Amotisation and impairment of capitalised development projects	87	103
Total	**390**	**416**

3.2 TANGIBLE ASSETS

m.DKK	Plant and Machinery	Other plant, fixtures and operating equipment	Leasehold im-provements	Assets under construction	Total
Cost at 1 October 2019	219	10	1	9	239
Additions	33	0	2	8	42
Exchange rate adjustment	0	0	0	-1	-1
Cost at 30 September 2020	**252**	**10**	**3**	**16**	**281**
Depreciations and impairment at 1 October 2019	-88	-3	0	0	-91
Depreciations	-43	-2	0	0	-45
Depreciations and impairment at 30 September 2020	**-131**	**-5**	**0**	**0**	**-136**
Carrying amount at 30 September 2020	**121**	**5**	**3**	**16**	**145**

m.DKK	Plant and Machinery	Other plant, fixtures and operating equipment	Leasehold improvements	Assets under construction	Total
Cost at 1 May 2018	152	27	0	30	209
Additions	38	5	1	25	69
Disposals	-9	-22	0	-9	-40
Transfers	38	0	0	-38	0
Cost at 30 September 2019	**219**	**10**	**1**	**9**	**239**
Depreciations and impairment at 1 May 2018	-32	-4	0	0	-36
Depreciations	-58	-3	0	0	-61
Disposals	9	4	0	8	21
Impairment	-7	0	0	-8	-15
Depreciations and impairment at 30 September 2019	**-88**	**-3**	**0**	**0**	**-91**
Carrying amount at 30 September 2019	**131**	**7**	**1**	**8**	**148**

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 shown in below table.

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.

TANGIBLE ASSETS	USEFUL LIFETIME
Factory and office buildings	30-40 years
Technical machinery & equipment	4-10 years
Other fixtures and fittings, tools and equipment, furniture etc	3-5 years

3.3 Right of use assets and liabilities

Right of use assets

m.DKK	Buildings	Vehicle fleet	Total
At 1 October 2019	720	11	731
IAS 17, straightlining	-30	0	-30
Disposals during the year	0	-2	-2
Depreciations for the year	-42	-3	-45
Disposals during the year	0	1	1
At 30 September 2020	**649**	**6**	**655**

Leasing liabilities

m.DKK	Buildings	Vehicle fleet	Total
At 1 October 2019	720	11	731
Lease payments	-49	-3	-52
Interests	21	0	21
At 30 September 2020	**693**	**8**	**701**

Maturity analysis

m.DKK	0-1 year	1-5 years	+5 years	Total
Buildings	53	213	427	693
Vehicle fleet	3	5	0	8
At 30 September 2020	**56**	**218**	**427**	**701**

ACCOUNTNG POLICIES

The accounting policy for leases from 1 October 2019 are as follows:

(i) When the Company is the lessee:
At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract convey 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 asset is subsequently depreciated using the straight-line method from the commence-ment date to the earlier of the end of the useful life of the right-of-use asset 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 deter-mined, the incremental borrowing rate is used.

Lease payments include the following:
- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment 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 Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company 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 changes 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 prof-it or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases
The Company 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 arrange-ments. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments
Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company recognise those lease payments in profit or loss in the periods in which the event or condition that triggers those lease payments occurs.

3.4 DEPRECIATION, AMORTISATION AND IMPAIRMENT

m.DKK	Section	**2019/2020** (12 months)	**2018/2019** (17 months)
Amortisation of intangible assets	3.1	104	86
Depreciation of property, plant and equipment	3.2	45	61
Depreciation of right-of-use assets	3.3	45	0
Impairment of intangible assets	3.1	0	62
Impairment of property, plant and equipment	3.2	0	16
Amortisation, depreciation and impairment losses		**194**	**225**
Amortisation and depreciation by function			
Cost of goods sold		31	34
R&D costs		86	62
Selling and general administration costs		77	51
Net amortisation and depreciation		**194**	**147**
Impairment of intangible assets and property plant and equipment, net of reversal of impairment of property plant and equipment is recognised in the income statement as follows:			
R&D Costs		0	78
Net amortisation, depreciation and impairment losses		**194**	**225**

Depreciation, amortisation 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.

The impairment of intangible assets relate to capitalised development cost for a specific development project for which management no longer believe that there will be a market for the output from the development project if finished. The development project was terminated, and hence the recoverable amount is nil.

ACCOUNTING POLICIES

IMPAIRMENT

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.

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

If the carrying amount of an asset, 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 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.

SIGNIFICANT ACCOUNTING ESTIMATES

The Company uses discounted cash flows when determining the value in use and thereby recoverable amount of assets. The estimation of future cash flows is inherently associated with significant uncertainty.

The discounted cash flow calculation uses a four-year projection that represent managements best estimate of future cash flows generated by an asset. When testing for impairment on development projects, management bases expectation on a market growth rate of 5-10%, applied to revenue and EBITDA, and an average sales price from experience with launch of similar products. In addition, a sensitivity analysis is prepared to show the available headroom, using the projected revenue and applying a weighted average cost of capital of 8%.

3.5 OTHER NON-CURRENT FINANCIAL ASSETS

m.DKK	2020	2019
Loans to subsidiaries	1,278	1,416
Customers loans	185	126
Investment in joint ventures	0	5
Total	**1,463**	**1,547**

Customer loans have been evaluated individually for impairment and provisions for write-down, and for 2019/20 amount to DKK 10 million and 2018/19: DKK 1 million.

For the provision and impairment, a sensitivity analysis was performed for the loans with an ECL of 2%. The analysis proves an insignificant sensitivity of DKK 0 million for 2019/20 and DKK 0 million for 2018/19.

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.

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 in credit risk 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 of enforcement activities have been exhausted and there is no reasonable expectation of recovery.

OTHER LOANS AND RECEIVABLES, INCLUDING LOANS TO ASSOCIATES AND SUBSIDIARIES

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 in credit risk has arisen since the initial recognition of the loans and receivables, in which case the loss allowance is based on lifetime expected credit losses.

3.6 OTHER CURRENT ASSETS

m.DKK	2020	2019
Receivables from affiliated companies	22	25
Other receivables	57	49
Total	**79**	**74**

3.7 INVENTORIES

m.DKK	2020	2019
Raw materials and purchased components	279	41
Work in progress	28	162
Finished goods and goods for resale	34	77
Inventories	**341**	**280**
Write-downs, provisions for obsolescence etc. included in the above	-61	-44

Included in the income statement under production costs:

m.DKK	2019/20 (12 months)	2018/2019 (17 months)
Write-downs of inventories for the year	39	41
Cost of goods sold during the year	746	846
Total	**785**	**887**

ACCOUNTING POLICIES

Inventories are measured at the lower of cost and net realisable value, cost being generally determined on the basis of the 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

m.DKK	Not due	1-30 days	31-60 days	61-90 days	91-180 days	More than 181 days	Total
	Past due at 30 September 2020						
Gross carrying amount	27	11	15	14	13	58	138
Loss allowance	0	-1	0	0	-3	-58	-62
Total	**27**	**10**	**15**	**14**	**10**	**0**	**76**

m.DKK	2020	2019
Gross carrying amount	138	130
Opening loss allowance	**-39**	**-8**
Provisions recovered	0	8
General allowance	-3	-1
Individually impaired	-20	-38
Total	**76**	**91**

ACCOUNTING POLICIES

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

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

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

SIGNIFICANT ACCOUNTING ESTIMATES

Widex A/S 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 CURRENT LIABILITIES

m.DKK	2020	2019
Employee costs payable	109	112
Payroll and social security taxes	50	4
Bonus obligations	30	15
Other	101	70
Total	**290**	**201**

ACCOUNTING POLICIES

Other liabilities are measured at amortised cost.

SECTION 4

4.1 OUTSTANDING SHARES

m.DKK	Outstanding shares	Total number of shares	Nominal value of outstanding shares	Nominal value of total shares
Shares at October 1, 2019	30	**30**	30	**30**
Shares at 30 September 2020	**30**	**30**	**30**	**30**

All shares are fully issued and paid up. The share capital was nominally DKK 30 million divided into a corresponding number of shares of 30 million. There are no restrictions on the negotiability or voting rights of the shares.

CAPITAL MANAGEMENT

Widex A/S' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company has retained its earnings that have been accumulated to strengthen its equity.

The capital structure of the Company consists of net debt (short-term and long-term borrowings disclosed in notes 4.3 after deducting cash and cash equivlents) and equity of the Company (comprising issued capital, reserves, retained earnings and non-controlling interests).

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 LIABILITIES FROM FINANCING ACTIVITIES

m.DKK	Lease liabilities	Bank loan	Payables to related parties	Total
Liabilities at 1 October 2019	0	0	2,979	2,979
Recognized on adoption of IFRS 16 leases	731	0	0	731
Changes from financing cash flows	-52	734	17	699
Foreign exchange adjustments	0	1	-7	-6
Non-cash transactions	22	-9	14	27
Liabilities at 30 September 2020	**701**	**726**	**3,003**	**4,430**
Liabilities at 1 May 2018	0	0	918	918
Changes from financing cash flows	0	0	423	423
Non-cash transactions	0	0	1,638	1,638
Liabilities at 30 September 2019	**0**	**0**	**2,979**	**2,979**

ACCOUNTING POLICIES

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

4.3 FINANCIAL INCOME AND EXPENSES

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Interest Income	66	49
Total interest income	**66**	**49**
Interest expenses	-168	-101
Total interest expenses	**-168**	**-101**
Other financials, net		
Foreign currency translation gains/(losses)	-143	111
Dividends and other income from subsidiaries	12	94
Total other financial expenses, net	**-131**	**205**
Total financial expenses, net	**-233**	**205**

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, payables and transactions denominated in foreign currencies, credit card fees, amortisation and impairment of financial assets other than trade receivables and contract assets and liabilities.

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.

4.4 FINANCIAL RISK AND INSTRUMENTS

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.

Please refer to Management commentary for description of risks and risk management.

	Fair Value				
m.DKK	Level 1	Level 2	Level 3	Carrying amount	Total 2020
Trade receivables	0	0	0	76	76
Intragroup receivables	0	0	0	715	715
Customer loans and prepaid discount	0	0	0	1,463	1,463
Other receivables	0	0	0	55	55
Receivables from associates	0	0	0	23	23
Cash and cash equivalents	0	0	0	943	943
Loans and receivables	0	0	0	0	0
Financial assets measured at amortized cost	**0**	**0**	**0**	**3,275**	**3,275**
Loan from Parent company	0	0	0	-3,003	-3,003
Bank loan	0	-726	0	0	-726
Intragroup payables	0	0	0	-1,377	-1,377
Lease liabilities	0	0	0	-701	-701
Trade payables	0	0	0	-144	-144
Other liabilities	0	0	0	-297	-297
Financial liabilities measured at amortized cost	**0**	**-726**	**0**	**-5,522**	**-6,248**

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, loan from Parent company and borrowings under revolving credit facilities are approximately equal to their carrying amount, mainly due to the short-term maturities af these instruments.

SECTION 5

5.1 INVESTMENT IN SUBSIDIARIES

m.DKK	2020	2019
Cost at 1 October	1,476	1,507
Additions for the year	0	0
Disposals for the year	-21	-31
Cost end of period	**1,455**	**1,476**
Impairment at 1 October	-2	24
Revaluation for the year	0	0
Impairment for the year	0	-26
Impairment end of period	**-2**	**-2**
Carrying amount	**1,453**	**1,474**

ACCOUNTING POLICIES

The Company measures its investments in subsidiaries at cost price. If the cost exceeds the recoverable amount the value impaires to the lower amount.

Should the Company choose to sell its shares in one of its subsidiaries the earnings are calculated as the difference between the sales price and the carrying amount.

List of Widex A/S active investments included in the financial statements:

Company	Country	Equity interest in %
Subsidiaries:		
EMEA-LA		
Bloomhearing ApS	Denmark	100
Investment DK ApS	Denmark	100
Veenhuis Medical Audio BV	Netherlands	100
Widex UK Ltd.	UK	100
Widex Marketing Services Ltd.	UK	100
Coselgi UK Ltd.	UK	100
Widex DK A/S	Denmark	100
Coselgi DK ApS	Denmark	100
Clemont Distribution	France	98
Progression SAS	France	100
Savoire Audition SAS	France	100
Widex S.A.S	France	100
Winster House Ltd.	UK	100
Acuitis Optical & Hearing Limited	UK	100
Bloom Hearing Specialists Ltd.	UK	100
Aberdeen Hearing Services Ltd.	UK	100
Bonavox Limited	Ireland	100
Widex Chile SpA	Chile	100
Widex Uruguay	Uruguay	51
COW-Audición en Alta Definición S.A. de C.V	Mexico	99
Widex Argentina S.A	Argentina	51
Centro Auditivo Widex Brasitom Ltda	Brazil	100
Communicare Aparelhos Auditivos Ltda	Brazil	100
Sivantos Solucuoes Auditiva Ltd.	Brazil	100
Chestenbaum AG	Switzerland	100

Company	Country	Equity interest in %
EMEA-LA		
Widex Hörgeräte AG	Switzerland	100
Widex Hörgeräte GmbH	Germany	100
Widex AB	Sweden	100
Hörselhuset Aktiebolag	Sweden	100
Widex Biocord AB	Sweden	100
Widex OOO LLC	Russia	100
Widex Norge AS	Norway	100
Widex-Reabilitacão Auditiva Lda.	Portugal	100
Coselgi Portugal S.A.	Portugal	100
Widex Service OOO LLC	Russia	100
Widex Akustik OY	Finland	100
Widex Lines s.r.o	Czech Republic	100
Widex Poland Sp. Z.o.o	Poland	60
Widex South Africa Pty. Ltd.	South Africa	100
Widex Regional Operation Center EMEA	Poland	100
Widex Eesti OÜ	Estonia	100
Widex Italia S.r.l	Italy	100
ReOton LLC	Ukraine	100
Widex Slušni Aparati d.o.o	Bosnia	60
Widex-Slovton Slovakia s.r.o	Slovakia	100
Coselgi S.p.A	Italy	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	61
Widex-H Kft	Hungary	100
Audiofon Kft	Hungary	100

Company	Country	Equity interest in %
Asia Pacific		
Widex Hearing Aid Sdn Bhd	Malaysia	100
Widex Singapore Pte Ltd	Singapore	100
Bloom Hearing Co. Ltd.	Japan	100
Widex Co. Ltd.	Japan	100
Widex Hearing Aid (Shanghai) Co. Ltd.	China	100
Widex Korea Ltd.	South Korea	100
Widex India Private Ltd.	India	100
Widex New Zealand Ltd.	New Zealand	100
Widex Australia Pty. Ltd.	Australia	100
Active Hearing Pty. Ltd.	Australia	100
Hearclear Audiology 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
North America		
Widex Canada Ltd.	Canada	100
TW Group Canada Ltd.	Canada	100
Lifestyle Hearing Corporation Inc.	Canada	100
Lifestyle Hearing Corporation USA Inc.	USA	100
Widex USA Inc.	USA	100

Company	Country	Equity interest in %
Subsidiaries of Lifestyle Hearing Corporation Inc.		
Lifestyle Hearing Network Inc.	Canada	100
Helix Hearing Inc.	Canada	100
Hearcanada Inc.	Canada	100
Helix Service Corporation Inc.	Canada	100
Subsidiaries of Lifestyle Hearing Corporation USA Inc.		
Happy hearing LLC	USA	100
Audiology Management Group Inc.	USA	100
Helix Hearing Care (California) Inc.	USA	100
Lifestyle Managed Care LLC	USA	100
Lifestyle Hearing Professionals LLC	USA	100
New Asheville Audiology Services PLLC	USA	100
Helix Hearing Care (Ohio) LLC.	USA	100
Helix Hearing Care (Texas) LLC	USA	100
Helix Hearing Care (Florida) LLC	USA	100
Physician Audiology Services Inc.	USA	100
Hearing Center of Browards Inc.	USA	100
Randa Nashour-Shousher LLC	USA	51
Hear Again Hearing Auds LLC.	USA	60
Helix Hearing Care Naples LLC	USA	60
The Hearing Center of ENTA LLC	USA	60
Medical Hearing Systems LLC	USA	70
PAS Development LLC	USA	55
Hands on Hearing Inc.	USA	51

5.2 REMUNERATION OF KEY MANAGEMENT PERSONNEL

m.DKK	2019/20 (12 Months) Short-term benefits	Termination benefits	Total
Executive Management	28	0	28
Board of Directors	0	0	0
Total remuneration	**28**	**0**	**28**

m.DKK	2018/19 (17 Months) Short-term benefits	Termination benefits	Total
Executive Management	394	24	417
Board of Directors	4	0	4
Total remuneration	**398**	**24**	**421**

5.3 CONTINGENT LIABILITIES

GUARANTEES

For activities in Poland the Company has provided a guarantee to Danske Bank of DKK 1.5 million.

An additional guarantee has been provided to Danske Bank concerning payment liability for Widex UK Limited of DKK 2.7 million.

Furthermore, Widex A/S guaranteed to HSBC concerning payment liabilities for Widex Australia Pty. Ltd of DKK 2 million, Active Hearing Pty Limited (Australia) of DKK 3.9 million and Widex Canada Ltd. DKK 6 million

OUTSTANDING LAWSUITS AND DISPUTES

The Company 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 Company is involved, it cannot be ruled out that some of these proceedings could result in rulings against the Company.

Although the Company maintains liability insurance in its non-amounts the Company 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 Company may be party in the ordinary course of the Company's business.

At this time, however the Company does not expect any significant negative effects on the Company's financial position or finance and earnings situation resulting from legal disputes.

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

JOINT TAXATION

The Company is subject to a Danish joint taxation scheme and unlimited jointly and severally liable with the other jointly taxed companles for the total income tax.

The Company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withholding tax on interest, royalties and dividends.

Any subsequent adjustments of corporate taxes or withheld taxes, etc. may cause changes to the Company's
liabilities.

5.4 ASSOCIATES

m.DKK	Investments in associates and joint ventures	Receivables from associates
Cost at 1 October 2019	29	16
Additional receivables	0	7
Share of post acquisition of retained earnings	-9	0
Carrying amount at 30 September 2020	**20**	**23**

m.DKK	Investments in associates and joint ventures	Receivables from associates
Cost at 1 May 2018	30	68
Share of post acquisition of retained earnings	-1	-52
Carrying amount at 30 September 2019	**29**	**16**

The Company's share of associates' income and financial position

m.DKK	**2019/2020** (12 months)	**2018/2019** (17 months)
Non-current assets	15	25
Current assets	23	13
Current liabilities	-16	-11
Net assets	**22**	**27**
Revenue	61	24
Net loss from continuing operation	0	-2
Comprehensive income	0	-2

Company	Country	Equity interest in %
Other equity investments		
HIMSA A/S	Denmark	25
HIMSA II a/s	Denmark	17
HIMSA II K/S	Denmark	15
HIMP A/S	Denmark	9
K/S HIMPP	Denmark	10
Sound Advice Hearing Ltd.	UK	49
D Med Hearing Company	Thailand	38
Widex Columbia SAS	Columbia	20
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	44
Widex Macau Hearing & Speech Centre Ltd.	Macau	49

ACCOUNTING POLICIES

Associates are those entities in which the Company has significant influence but not control or joint control over the financial and operating policies. A joint venture is an arrangement in which the Company has joint control over the financial and operating policies, and where the Company 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 Company's share of the profit or loss and other comprehensive income of the associate or joint venture calculated in accordance with the Company's accounting policies. When the Company's share of losses of an associate or joint venture exceeds the Company's interest in such associate or joint venture, the Company discontinues recognising its share of future losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

5.5 NON-CASH ADJUSTMENTS

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Loans from related parties	0	2,561
Interest to related parties	0	30
Non-cash repayments	0	-2,561
Total	**0**	**30**

5.6 FEES TO AUDITORS APPOINTED AT THE ANNUAL GENERAL MEETING

m.DKK	Deloitte 2019/2020 (12 months)	2018/2019 (17 months)
Audit fees	1	1
Tax services	0	1
Other services	0	6
Total	**1**	**8**

5.7 RELATED PARTIES

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

Other related parties include those entities controlled by, or with significant influence in T&W Medical A/S.

Transactions with related parties

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Transactions with Parent company		
- Loans from related parties	0	-3,499
- Interest on loans	-124	-31
- Repayments on loans	92	1,470
Transactions with associated		
- Sales of goods and services	54	79
Other related parties		
- Sales of goods and services	4	18
- Purchase of goods and services	-69	-183
- Transaction with related individual	0	-3

Transactions with subsidiaries

m.DKK	2019/2020 (12 months)	2018/2019 (17 months)
Sale of goods and services	1,417	2,968
Purchase of goods and services	-203	-1
Interest received, net	48	56
Receivables, non-current	1,259	1,416
Receivables, current	802	173
Payables, non-current	-140	-61
Payables, current	-1,312	-442

Outstanding balances

m.DKK	2020 (12 months)	2019 (17 months)
Parent Company	3,003	2,979
Associates	23	16
Other related parties	-4	4

TRANSACTIONS WITH RELATED INDIVIDUALS

The Company's Executive management is defined as those persons, who are responsible for the Company's worldwide operating business, based on their function within the Company or the interests of Widex A/S.. For information about remuneration to Executive management and Board of Directors refer to note 5.2.

The following individuals belong or belonged to the Company's Executive management:

Executive Management	Director	Period
Year 2019/20		
Eric Alain Bernard	CEO Widex A/S	October 2019 - September 2020
Henrik Skak Bender	CFO Widex A/S	October 2019 - May 2020
Year 2018/19		
Eric Alain Bernard	CEO Widex A/S	August 2019
Henrik Skak Bender	CFO Widex A/S	August 2019
Dr. Wolfgang Ollig	CFO Widex A/S	February - August 2019

Board of directors	Director	Period
Year 2019/20		
Jan Tøpholm	Chairman Widex A/S	October 2019 - September 2020
Peter Henrik Balslev	Member	October 2019 - September 2020
Julian Tøpholm	Member	October 2019 - September 2020
Kasper Grundtvig Knokgaard	Member	October 2019 - September 2020
Year 2018/19		
Jan Tøpholm	Chairman Widex A/S	May 2018 - September 2019
Peter Henrik Balslev	Member	September 2019
Julian Tøpholm	Member	May 2018 - September 2019
Kasper Grundtvig Knokgaard	Member	September 2019
Richard Tøpholm	Member	May 2018 - September 2019
Anders Steen Westermann	Member	May 2018 - September 2019
Søren Erik Westermann	Member	May 2018 - September 2019
Lars Vinge Frederiksen	Member	May 2018 - May 2019

5.9 GROUP CONDITIONS

Name and residents of the parent company, who prepares the consolidated financial statements for the smallest group:

Company	Address	Country	CVR no.
WS Audiology A/S	Nymøllevej 6, 3540 Lynge	Denmark	40296638