

Sonova Denmark A/S

Østre Hougvej 42-44, 5500 Middelfart

Annual report

2015/16

Company reg. no. 10 31 74 87

The annual report have been submitted and approved by the general meeting on the 26 August 2016.

Tommy Lehmann Nielsen
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Sonova Denmark A/S for the financial year 1 April 2015 to 31 March 2016.

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

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position as on 31 March 2016 and of the company's results of its activities in the financial year 1 April 2015 to 31 March 2016.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

The annual report is recommended for approval by the general meeting.

Middelfart, 26 August 2016

Managing Director

Björn Rudolf Wallentin
Executive Board

Board of directors

Evert Dijkstra
Chairman

Björn Rudolf Wallentin

Claudio Diversi

The independent auditor's reports

To the Shareholders of Sonova Denmark A/S

Report on the Financial Statements

We have audited the Financial Statements of Sonova Denmark A/S for the financial year 1 April 2015 to 31 March 2016, which comprise income statement, balance sheet, notes and summary of significant accounting policies. The Financial Statements are prepared in accordance with the Danish Financial Statements Act.

Management's Responsibility for the Financial Statement

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

Auditor's responsibility

Our responsibility is to express an opinion on the Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatements.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Financial Statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

The independent auditor's reports

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 March 2016 and of the results of the Company operations for the financial year 1 April 2015 to 31 March 2016 in accordance with the Danish Financial Statements Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Statements Act. We have not performed any procedures additional to the audit of the Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Financial Statements.

Hellerup, 26 August 2016

PricewaterhouseCoopers

State Authorised Public Accountants
Company reg. no. 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant

Henrik Forthoft Lind
State Authorised Public Accountant

Company data

The company

Sonova Denmark A/S
Østre Hougvej 42-44
5500 Middelfart

Phone +45 64 41 78 87

Fax +45 38 10 46 86

Web site www.sonova.com

Company reg. no. 10 31 74 87

Established: 1 July 1986

Domicile: Middelfart

Financial year: 1 April - 31 March
29th financial year

Board of directors

Evert Dijkstra, Chairman
Björn Rudolf Wallentin
Claudio Diversi

Managing Director

Björn Rudolf Wallentin, Executive Board

Auditors

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

Financial highlights

DKK in thousands.

	<u>2015/16</u>	<u>2014/15</u>	<u>2013/14</u>	<u>2012/13</u>	<u>2011/12</u>
Profit and loss account:					
Gross profit	20.169	20.033	17.590	21.945	26.921
Results from operating activities	491	146	269	577	-1.011
Net financials	17	-2	-254	-417	-90
Results for the year	508	144	15	326	-838
Balance sheet:					
Balance sheet sum	34.305	39.535	42.133	33.164	42.753
Equity	7.821	7.313	7.169	7.154	6.828
Employees:					
Average number of full time employees	33	34	32	35	48
Key figures in %: *)					
Acid test ratio	151,2	134,0	123,6	132,3	114,3
Solvency ratio	22,8	18,5	17,0	21,6	16,0
Return on equity	6,7	2,0	0,2	4,7	-13,3

*) The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark. As to definitions, please see the section on accounting policies used.

Management's review

The principal activities of the company

Sonova Denmark A/S is a 100% owned subsidiary of Sonova Holding AG.

The Company's object is sale and service of hearing instruments, cochlear implants, personal hearing protection and other electronic equipment.

The market is primarily Denmark but the products are also sold to a small limited geographical part of the healthcare sector in Sweden.

Market overview

The Sonova Group is specialized in design, development, manufacture and distribution of technologically advanced hearing instruments and personal hearing protection and FM systems. The combination of expertise within hearing technology and a strong distribution network makes it possible for Sonova Denmark A/S - together with our customers and business partners - to improve the quality of life for people with hearing impairment.

Development in the year

The income statement of the Company for 2015/16 shows a profit of DKK 508k, and at 31 March 2016 the balance sheet of the Company shows equity of DKK 7,824k.

Strategy

Sonova Denmark offers a complete range of digital hearing instruments, wireless FM systems and personal hearing protection.

The development and manufacture of hearing instruments take place primarily in Stäfa, (Switzerland) where the Sonova Group has its headquarters and in Kitchener (Ontario, Canada), whereas wireless communication systems are manufactured in Murten (Switzerland).

Product innovation, customer focus and cost management are the three pillars in the strategy.

Research and development

All research and development activities are performed by the Parent Company in Switzerland.

External environment

Sonova Denmark A/S complies with existing rules on sorting and disposal of waste.

Subsequent events

No events materially affecting the assessment of the Annual Report have occurred after the balance sheet date.

Targets and expectations for the year ahead

For the coming year Sonova Denmark A/S expects the sale to increase slightly. The Company's operation is expected to generate positive liquidity in 2016/17.

Accounting policies used

Financial Statements of Sonova Denmark A/S for 2015/16 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to medium-sized enterprises of reporting class C.

The accounting policies used are unchanged compared to last year.

Financial Statements for 2015/16 are presented in DKK thousands.

With reference to section 86(4) of the Danish Financial Statements Act and to the cash flow statement included in the consolidated financial statements of Sonova Holding AG, the Company has not prepared a cash flow statement.

Recognition and measurement in general

The Financial Statements have been prepared under the historical cost method.

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Danish kroner is used as the measurement currency. All other currencies are regarded as foreign currencies.

Translation of foreign currency

Transactions in foreign currencies are translated at the exchange rates at the date of the transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Accounting policies used

Receivables, payables, and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rate at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

The profit and loss account

Gross profit

With reference to section 32 of the Danish Financial Statements Act, revenue has not been disclosed in the Annual Report.

Revenue

Revenue from the sale of goods for resale and finished goods is recognised in the income statement when the sale is considered effected based on the following criteria:

- delivery has been made before year end;
- a binding sales agreement has been made;
- the sales price has been determined; and
- payment has been received or may with reasonable certainty be expected to be received.

Revenue is recognised exclusive of VAT and net of discount relating to sales.

Expenses for raw materials and consumables

Expenses for raw materials and consumables comprise the raw materials and consumables consumed to achieve revenue for the year.

Other operating income and expenses

Other operating income and other operating expenses comprise items of a secondary nature to the core activities of the enterprise, including gains and losses on the sale of intangible assets and property, plant and equipment.

Other external expenses

Other external expenses comprise indirect production costs and expenses for premises, sales and distribution as well as office expenses etc.

Staff costs

Staff costs include salaries and wages including holiday allowances, pensions and other costs for social security etc. for staff members. Staff costs are less public reimbursements.

Depreciation, amortisation and writedown

Depreciation, amortisation and writedown comprise depreciation on, amortisation of and writedown relating to intangible and tangible fixed assets respectively.

Accounting policies used

Net financials

Financial income and expenses comprise interest, realised and unrealised exchange adjustments, amortisation of mortgage loans as well as extra payments and repayment under the on account taxation scheme.

Tax on profit/loss for the year

Tax for the year consist of current tax for the year and deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly to equity.

The tax recognised in the income statement is classified as tax on ordinary activities and tax on extraordinary items respectively.

Any changes in deferred tax due to changes to tax rates are recognised in the income statement.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises. The company acts as an administration company in relation to the joint taxation. This means that the total Danish tax payable of the income of the Danish consolidated companies is paid to the tax authorities by the company.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Intangible fixed assets

Goodwill acquired is measured at cost less accumulated amortisation. Goodwill is amortised on a straight-line basis over its useful life, which is assessed at 7 years.

Software is measured at cost less accumulated amortisation. Cost comprises the cost of acquisition up until the time when the assets is ready for use. Software is amortised over 3-5 years.

Tangible fixed assets

Property, plant and equipment are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use.

Accounting policies used

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are

Buildings	30-40 years
Other fixtures and fittings, tools and equipment	3-7 years

Impairment of fixed assets

The carrying amounts of intangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, an impairment test is carried out to determine whether the recoverable amount is lower than the carrying amount, and the asset is written down to its lower recoverable amount.

The recoverable amount of the asset is calculated as the higher of net selling price and value in use. Where a recoverable amount cannot be determined for the individual asset, the assets are assessed in the smallest group of assets for which a reliable recoverable amount can be determined based on a total assessment.

Leasing contracts

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Inventories

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

The net realisable value of inventories is calculated at the amount expected to be generated by sale in the process of normal operations with deduction of selling expenses and cost of completion. The net realisable value is determined allowing for marketability, obsolescence and development in expected sales sum.

The cost of inventories equals landed cost.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which correspond to nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, subscriptions and interest.

Available funds

Available funds comprise cash at bank and in hand.

Accounting policies used

Deferred tax assets and liabilities

Deferred tax is recognised in respect of all temporary differences between the carrying amount and the tax base of assets and liabilities.

Sonova Denmark A/S is jointly taxed with the Danish group companies and acts in this respect as the administration company. According to the rules of joint taxation, Sonova Denmark A/S is unlimited, jointly and severally liable towards the Danish tax authorities for the total corporation tax, including withholding tax on interest, royalties and dividends, arising within the jointly taxed group of companies.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallise as current tax. In cases where the computation of the tax base may be made according to alternative tax rules, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realised, either by elimination in tax on future earnings or by set-off against deferred tax liabilities.

Current tax receivables and liabilities

Current tax receivables and liabilities are recognised in the balance sheet at the amount calculated on the basis of the expected taxable income for the year adjusted for tax on taxable incomes for prior years. Tax receivables and liabilities are off-set if there is a legally enforceable right of set-off and an intention to settle on a net basis or simultaneously.

Other provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Other provisions include warranty obligations in respect of repair work within the warranty period of 1-5 years. Provisions are measured and recognised based on experience with guarantee work.

Financial debts

Fixed-interest loans, such as mortgage loans and loans from credit institutions, are recognised initially at the proceeds received net of transaction expenses incurred. Subsequently, the loans are measured at amortised cost; the difference between the proceeds and the nominal value is recognised as an interest expense in the income statement over the loan period.

Other debts are measured at amortised cost, substantially corresponding to nominal value.

Accounting policies used

The key figures

The key figures have been laid out in accordance with the publication "Anbefalinger & Nøgletal 2015" ("Recommendations & Key Figures 2015") published by the CFA Society Denmark.

The key figures in the survey appear as follows:

Acid test ratio	$\frac{\text{Current assets} \times 100}{\text{Short-term liabilities}}$
Equity share	$\frac{\text{Equity, closing balance} \times 100}{\text{Assets in total, closing balance}}$
Return on equity	$\frac{\text{Results for the year} \times 100}{\text{Average equity}}$

Profit and loss account 1 April - 31 March

DKK in thousands.

<u>Note</u>	<u>2015/16</u>	<u>2014/15</u>
Gross profit	20.169	20.033
1 Staff costs	-18.659	-19.360
Depreciation and writedown relating to tangible fixed assets	<u>-1.019</u>	<u>-527</u>
Operating profit	491	146
Other financial income	75	73
2 Other financial costs	<u>-58</u>	<u>-75</u>
Results before tax	508	144
Tax on ordinary results	<u>0</u>	<u>0</u>
Results for the year	508	144
 Proposed distribution of the results:		
Allocated to results brought forward	<u>508</u>	<u>144</u>
Distribution in total	508	144

Balance sheet 31 March

DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Assets		
Fixed assets		
3 Acquired concessions, patents, licenses, trademarks and similar rights	0	0
4 Goodwill	0	0
Intangible fixed assets in total	<u>0</u>	<u>0</u>
5 Land and buildings	5.840	6.607
6 Other plants, operating assets, and fixtures and furniture	232	601
Tangible fixed assets in total	<u>6.072</u>	<u>7.208</u>
7 Other debtors	157	251
Financial fixed assets in total	<u>157</u>	<u>251</u>
Fixed assets in total	<u>6.229</u>	<u>7.459</u>
Current assets		
Manufactured goods and trade goods	10.671	12.093
Inventories in total	<u>10.671</u>	<u>12.093</u>
Trade debtors	10.800	13.471
Amounts owed by group enterprises	6.586	6.490
8 Deferred tax assets	0	0
Other debtors	10	9
Accrued income and deferred expenses	0	3
Debtors in total	<u>17.396</u>	<u>19.973</u>
Cash funds	9	10
Current assets in total	<u>28.076</u>	<u>32.076</u>
Assets in total	<u>34.305</u>	<u>39.535</u>

Balance sheet 31 March

DKK in thousands.

<u>Note</u>	<u>2016</u>	<u>2015</u>
Equity and liabilities		
Equity		
9	11.075	11.075
10	-3.254	-3.762
Equity in total	7.821	7.313
Provisions		
11	7.366	7.604
Provisions in total	7.366	7.604
Liabilities		
12	544	688
Long-term liabilities in total	544	688
Short-term part of long-term liabilities	144	139
Trade creditors	556	863
Debt to group enterprises	10.099	14.190
Other debts	7.775	8.738
Short-term liabilities in total	18.574	23.930
Liabilities in total	19.118	24.618
Equity and liabilities in total	34.305	39.535

13 Mortgage and securities

14 Contingencies

15 Related parties

Statement of changes in equity

DKK in thousands.

	<u>Contributed capital</u>	<u>Results brought forward</u>	<u>In total</u>
Equity 1 April 2014	11.075	-3.906	7.169
Profit or loss for the year brought forward	0	144	144
Equity 1 April 2015	11.075	-3.762	7.313
Profit or loss for the year brought forward	0	508	508
	11.075	-3.254	7.821

Notes

DKK in thousands.

	<u>2015/16</u>	<u>2014/15</u>
1. Staff costs		
Salaries and wages	15.880	16.641
Pension costs	1.241	1.204
Other costs for social security	465	445
Other staff costs	<u>1.073</u>	<u>1.070</u>
	<u>18.659</u>	<u>19.360</u>
Average number of employees	<u>33</u>	<u>34</u>
Remuneration to the Executive Board has not been disclosed in accordance with section 98 B(3) of the Danish Financial Statements Act.		
2. Other financial costs		
Financial costs, group enterprises	5	15
Other financial costs	<u>53</u>	<u>60</u>
	<u>58</u>	<u>75</u>
3. Acquired concessions, patents, licenses, trademarks and similar rights		
Cost 1 April 2015	<u>983</u>	<u>983</u>
Cost 31 March 2016	<u>983</u>	<u>983</u>
Amortisation and writedown 1 April 2015	-983	-967
Amortisation for the year	<u>0</u>	<u>-16</u>
Amortisation and writedown 31 March 2016	<u>-983</u>	<u>-983</u>
Book value 31 March 2016	<u>0</u>	<u>0</u>

Notes

DKK in thousands.

	<u>31/3 2016</u>	<u>31/3 2015</u>
4. Goodwill		
Cost 1 April 2015	15.298	15.298
Cost 31 March 2016	15.298	15.298
Amortisation and writedown 1 April 2015	-15.298	-15.298
Amortisation and writedown 31 March 2016	-15.298	-15.298
Book value 31 March 2016	0	0
5. Land and property		
Cost 1 April 2015	10.184	10.184
Cost 31 March 2016	10.184	10.184
Depreciation and writedown 1 April 2015	-3.577	-3.325
Depreciation for the year	-767	-252
Depreciation and writedown 31 March 2016	-4.344	-3.577
Book value 31 March 2016	5.840	6.607
Public land assessment value as at 1 October 2015	3.400	3.400

Notes

DKK in thousands.

	<u>31/3 2016</u>	<u>31/3 2015</u>
6. Other plants, operating assets, and fixtures and furniture		
Cost 1 April 2015	6.827	7.269
Additions during the year	0	49
Disposals during the year	<u>-352</u>	<u>-491</u>
Cost 31 March 2016	<u>6.475</u>	<u>6.827</u>
Depreciation and writedown 1 April 2015	-6.226	-6.458
Depreciation for the year	-252	-259
Depreciation, amortisation and writedown for the year, assets disposed of	<u>235</u>	<u>491</u>
Depreciation and writedown 31 March 2016	<u>-6.243</u>	<u>-6.226</u>
Book value 31 March 2016	<u>232</u>	<u>601</u>
7. Other debtors		
Cost 1 April 2015	541	927
Additions during the year	3	0
Disposals during the year	<u>-97</u>	<u>-386</u>
Cost 31 March 2016	<u>447</u>	<u>541</u>
Writedown 1 April 2015	<u>-290</u>	<u>-290</u>
Writedown 31 March 2016	<u>-290</u>	<u>-290</u>
Book value 31 March 2016	<u>157</u>	<u>251</u>

Notes

DKK in thousands.

	<u>31/3 2016</u>	<u>31/3 2015</u>
8. Deferred tax assets		
Deferred tax assets 1 April 2015	0	0
Deferred tax of the results for the year	0	0
Adjustment of deferred tax, opening account	0	0
	<u>0</u>	<u>0</u>

The following items are subject to deferred tax:

Tangible fixed assets	780	916
Inventories	-142	-290
Trade debtors	-13	-11
Provisions	-337	-337
Losses brought forward from previous years	-1.121	-1.230
Write-down to assessed value	833	952
	<u>0</u>	<u>0</u>

9. Contributed capital

Contributed capital 1 April 2015	<u>11.075</u>	<u>11.075</u>
	<u>11.075</u>	<u>11.075</u>

The share capital consists of 11.075 shares, each with a nominal value of DKK 1,000. No shares hold particular rights.

There have been no changes in the share capital during the last 5 years.

10. Results brought forward

Results brought forward 1 April 2015	-3.762	-3.906
Profit or loss for the year brought forward	508	144
	<u>-3.254</u>	<u>-3.762</u>

Notes

DKK in thousands.

	<u>31/3 2016</u>	<u>31/3 2015</u>
11. Other provisions		
Other provisions 1 April 2015	7.604	7.604
Change of the year in other provisions	<u>-238</u>	<u>0</u>
	<u>7.366</u>	<u>7.604</u>
0-1 year	3.396	3.193
1-5 year	<u>3.970</u>	<u>4.411</u>
	<u>7.366</u>	<u>7.604</u>

Provisions include expected expenses relating to warranty obligations. Warranty obligations include the obligation to provide repair work within the 3-4 year warranty period. The provisions for this are calculated on the basis of our experience with warranty work.

12. Mortgage debt

Mortgage debt in total	688	827
Share of amount due within 1 year	<u>-144</u>	<u>-139</u>
	<u>544</u>	<u>688</u>
Share of liabilities due after 5 years	<u>0</u>	<u>85</u>

13. Mortgage and securities

Mortgage deeds registered to the mortgagor totalling DKK 1.938k providing security on land and buildings at a total carrying amount of DKK 5.840k.

Mortgage deeds registered to the mortgagor totalling DKK 1.200k providing security on land and buildings at a total carrying amount of DKK 5.840k.

Notes

DKK in thousands.

14. Contingencies

Operational leasing

In addition to financial leasing contracts, the company has entered into operational leasing contracts with an average annual leasing payment of DKK 920k. The leasing contracts have 8-35 months left to run, and the total outstanding leasing payment is DKK 1.487k, of which DKK 838k is due within 1 year and DKK 649k is due between 1-5 years.

The Company has entered into a lease obligations with an average annual leasing payment of DKK 36k.

Joint taxation

The company is the administration company of the group of companies subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

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

The liability relating to obligations in connection with corporation tax represents an estimated maximum of DKK 0 thousand. The liability relating to obligations in connection with withholding taxes represents an estimated maximum of DKK 0 thousand.

Any subsequent adjustments of corporate taxes or withheld taxes etc. may cause changes in the company's liabilities.

Deferred tax of DKK 833k has been provided at 22% corresponding to the future tax rate. Due to uncertainty as to when the Company will be able to utilise the deferred tax asset, the Company has recognised a value of DKK 0 at 31 March 2016.

Notes

DKK in thousands.

15. Related parties

Ownership

According to the company's list of shareholders, the following shareholders own 100 % of the share capital of Sonova Denmark A/S:

Sonova Holding AG, Laubisrütisstrasse 28, CH-8712 Stäfa, Schweiz

The Company is included in the Group Annual Report of the Parent Company Sonova Holding AG.

The Group Annual Report of Sonova Holding AG may be obtained at the following address:

Sonova Holding AG
Laubisrütisstrasse 28
8712 Stäfa
Schweiz