



**Hearing Instrument
Manufacturers Software
Association A/S**

Lyngbyvej 28, 1., 2100 København Ø
CVR No. 19647196

Annual report 2019

The Annual General Meeting adopted the
annual report on 02.04.2020

Søren Nielsen

Chairman of the General Meeting

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Entity details

Entity

Hearing Instrument Manufacturers Software Association A/S
Lyngbyvej 28, 1.
2100 København Ø

CVR No.: 19647196

Registered office: Copenhagen

Financial year: 01.01.2019 - 31.12.2019

Board of Directors

André Ernst Vonlanthen
Søren Nielsen, Chariman
Pär Olof Thuresson
Søren Erik Westermann

Executive Board

Arild Vincent Rasmussen, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab
Weidekampsgade 6
P.O. Box 1600
0900 Copenhagen C

Statement by Management

The Board of Directors and the Executive Board have today considered and approved the annual report of Hearing Instrument Manufacturers Software Association A/S for the financial year 01.01.2019- 31.12.2019.

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

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019- 31.12.2019.

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

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

Copenhagen, 02.04.2020

Executive Board



Arild Vincentz Rasmussen

Chief Executive Officer

Board of Directors

André Ernst Vonlanthen

Søren Nielsen

Chairman

Pär Olof Thuresson

Søren Erik Westermann

Independent auditor's report

To the shareholders of Hearing Instrument Manufacturers Software Association A/S

Opinion

We have audited the financial statements of Hearing Instrument Manufacturers Software Association A/S for the financial year 01.01.2019 - 31.12.2019, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2019 and of the results of its operations for the financial year 01.01.2019 - 31.12.2019 accordance with the Danish Financial Statements Act.

Basis for opinion

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

Management's responsibilities for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Statement on the management commentary

Management is responsible for the management commentary.

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

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

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

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

Copenhagen, 02.04.2020

Deloitte

Statsautoriseret Revisionspartnerselskab

CVR No.: 33963556



Thomas Hermann

State Authorised Public Accountant

Identification No (MNE) 26740

Management commentary

Primary activities

The Entity's activity has primarily comprised sale, maintenance, and further development of its core product, NOAHlink, a product for programming of digital hearing aids.

Development in activities and finances

2019 has been a satisfactory year with an operating profit of DKK 649k, which was slightly above expectations.

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019

	Notes	2019 DKK	2018 DKK
Revenue		11,881,009	16,163,158
Cost of sales		(8,883,750)	(13,168,315)
Other external expenses		(2,223,618)	(2,178,375)
Gross profit/loss		773,641	816,468
Other financial income		75,639	30,712
Other financial expenses		(19,196)	(402,342)
Profit/loss before tax		830,084	444,838
Tax on profit/loss for the year	1	(181,529)	(97,491)
Profit/loss for the year		648,555	347,347
Proposed distribution of profit and loss:			
Ordinary dividend for the financial year		600,000	500,000
Retained earnings		48,555	(152,653)
Proposed distribution of profit and loss		648,555	347,347

Balance sheet at 31.12.2019

Assets

	Notes	2019 DKK	2018 DKK
Manufactured goods and goods for resale		111,831	373,998
Inventories		111,831	373,998
Other receivables		2,883,981	3,240,317
Income tax receivable		54,842	0
Receivables		2,938,823	3,240,317
Cash		1,842,328	2,304,508
Current assets		4,892,982	5,918,823
Assets		4,892,982	5,918,823

Equity and liabilities

	Notes	2019 DKK	2018 DKK
Contributed capital	2	1,000,000	1,000,000
Retained earnings		2,057,617	2,009,062
Proposed dividend		600,000	500,000
Equity		3,657,617	3,509,062
Income tax payable		0	166,180
Other payables		1,235,365	2,243,581
Current liabilities other than provisions		1,235,365	2,409,761
Liabilities other than provisions		1,235,365	2,409,761
Equity and liabilities		4,892,982	5,918,823

Statement of changes in equity for 2019

	Contributed capital DKK	Retained earnings DKK	Proposed dividend DKK	Total DKK
Equity beginning of year	1,000,000	2,009,062	500,000	3,509,062
Ordinary dividend paid	0	0	(500,000)	(500,000)
Profit/loss for the year	0	48,555	600,000	648,555
Equity end of year	1,000,000	2,057,617	600,000	3,657,617

Notes

1 Tax on profit/loss for the year

	2019	2018
	DKK	DKK
Current tax	183,158	98,256
Adjustment concerning previous years	(1,629)	(765)
	181,529	97,491

2 Share capital

	Number	Par value	Nominal
		DKK	value
			DKK
The share capital consists of	80	12500	1,000,000
	80		1,000,000

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

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

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Revenue

Revenue from the sale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

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

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including office supplies, marketing costs, etc.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital gains on transactions in foreign currencies etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital losses on transactions in foreign currencies etc.

Tax on profit/loss for the year

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

Balance sheet**Inventories**

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

Cost consists of purchase price plus delivery costs. Cost of manufactured goods and work in progress consists of costs of raw materials, consumables, direct labour costs and indirect production costs.

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

Receivables

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

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Cash

Cash comprises bank deposits.

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Other financial liabilities

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

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"By my signature I confirm all dates and content in this document."

André Ernst Vonlanthen

Signatory

Serial number: andi.vonlanthen@sonova.com

IP: 46.126.xxx.xxx

2020-04-03 05:13:37Z



Søren Nielsen

Signatory

Serial number: PID:9208-2002-2-317622658273

IP: 2.108.xxx.xxx

2020-04-04 10:39:18Z

NEM ID 

Søren Erik Westermann

Signatory

Serial number: PID:9208-2002-2-268394172361

IP: 188.177.xxx.xxx

2020-04-05 15:27:57Z

NEM ID 

PÄR THURESSON

Signatory

Serial number: 19640911xxxx

IP: 81.232.xxx.xxx

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