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# Sivantos A/S

Ove Gjeddes Vej 9  
5220 Odense SØ

CVR no. 20 04 15 87

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## Annual report 2018/19

The annual report was presented and approved at  
the Company's annual general meeting on

27 February 2020

Henrik Skak Bender  
chairman

Sivantos A/S  
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## Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Sivantos A/S for the financial year 1 October 2018 – 30 September 2019.

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

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 30 September 2019 and of the results of the Company's operations for the financial year 1 October 2018 – 30 September 2019.

Further, in our opinion, the Management's review gives a fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the annual general meeting.

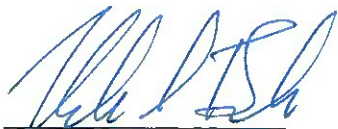
Odense, 27 February 2020

Executive Board:



Martin Damm Jensen

Board of Directors:



Henrik Skak Bender  
Chairman



Vivian Herforth Sommer



Martin Damm Jensen



## Independent auditor's report

### To the shareholders of Sivantos A/S

#### Opinion

We have audited the financial statements of Sivantos A/S for the financial year 1 October 2018 – 30 September 2019 comprising income statement, balance sheet, statement of changes in equity and notes, including 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 Company's assets, liabilities and financial position at 30 September 2019 and of the results of the Company's operations for the financial year 1 October 2018 – 30 September 2019 in accordance with the Danish Financial Statements Act.

#### Basis for opinion

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

#### 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 the Danish Financial Statements Act and for such internal control that 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, disclosing, as applicable, matters related to going concern and 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 responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to 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 in Denmark will always detect a material misstatement when it exists. Misstatements may 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 made 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 company 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.



## Independent auditor's report

- 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 Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, 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's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, 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's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review 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's review.

Kolding, 27 February 2020

**KPMG**

Statsautoriseret Revisionspartnersekskab

CVR no. 25 57 81 98

Nikolaj Møller Hansen  
State Authorised  
Public Accountant  
mne33220

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**Sivantos A/S**  
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## **Management's review**

### **Company details**

Sivantos A/S  
Ove Gjeddes Vej 9  
5220 Odense SØ

Telephone: + 45 63 15 40 00  
Website: [www.sivantos.dk](http://www.sivantos.dk)

CVR no.: 20 04 15 87  
Financial year: 1 October – 30 September

### **Board of Directors**

Henrik Skak Bender, Chairman  
Vivian Herforth Sommer  
Martin Damm Jensen

### **Executive Board**

Martin Damm Jensen

### **Auditor**

KPMG  
Statsautoriseret Revisionspartnerselskab  
Jupitervej 4  
6000 Kolding

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## Management's review

### Operating review

#### Principal activities

The Company's main activities are sale and service of hearing aids, which primarily are sold to the healthcare sector in Denmark and Sweden. Furthermore, Sivantos A/S markets individually manufactured hearing protection for the prevention of hearing impediments as a result of noise.

#### Development in activities and financial position

Gross profit for the year came in at DKK 30,898 thousand (2017/18: DKK 31,198 thousand), representing a decrease of 1% on the 2017/18 financial year.

Management considers the profit of DKK 4,082 thousand satisfactory. Dividends of DKK 4,082 thousand are expected to be distributed.

#### Events after the balance sheet date

No significant events materially affecting the assessment of the annual report have occurred after the balance sheet date.

#### Outlook

Management expects to report a higher profit in 2019/20 than in 2018/19.

## Financial statements 1 October – 30 September

### Income statement

DKK'000	Note	2018/19	2017/18
<b>Gross profit</b>		30,889	31,198
Distribution costs	2	-22,132	-21,777
Administrative expenses	2	-1,649	-3,723
Other operating income		10	0
<b>Operating profit</b>		7,118	5,698
Financial income	3	40	569
Financial expenses	4	-1,620	-1,328
<b>Profit before tax</b>		5,538	4,939
Tax on profit for the year		-1,456	-1,495
<b>Profit for the year</b>		4,082	3,444
<b>Proposed profit appropriation</b>			
Proposed dividends for the year		4,082	3,444
Retained earnings		0	0
		4,082	3,444



## Financial statements 1 October – 30 September

### Balance sheet

DKK'000	Note	30/9 2019	30/9 2018
<b>ASSETS</b>			
<b>Fixed assets</b>			
<b>Property, plant and equipment</b>	5		
Fixtures and fittings, tools and equipment		473	925
Leasehold improvements		33	70
		<u>506</u>	<u>995</u>
<b>Investments</b>	6		
Other securities and equity investments		1,966	1,966
Other receivables		562	450
Deposits		249	286
		<u>2,777</u>	<u>2,702</u>
<b>Total fixed assets</b>		<u>3,283</u>	<u>3,697</u>
<b>Current assets</b>			
<b>Inventories</b>			
Finished goods and goods for resale		618	4,147
<b>Receivables</b>			
Trade receivables		14,880	11,504
Receivables from group entities		959	2,453
Other receivables		0	1,042
Deferred tax asset	7	92	20
Prepayments		80	104
		<u>16,011</u>	<u>15,123</u>
<b>Cash at bank and in hand</b>		<u>2,158</u>	<u>2,009</u>
<b>Total current assets</b>		<u>18,787</u>	<u>21,279</u>
<b>TOTAL ASSETS</b>		<u>22,070</u>	<u>24,976</u>

## Financial statements 1 October – 30 September

### Balance sheet

DKK'000	Note	30/9 2019	30/9 2018
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Contributed capital		500	500
Retained earnings		1,619	1,619
Proposed dividends for the financial year		<u>4,082</u>	<u>3,444</u>
<b>Total equity</b>		<u>6,201</u>	<u>5,563</u>
<b>Provisions</b>			
Other provisions		<u>3,664</u>	<u>5,389</u>
<b>Total provisions</b>		<u>3,664</u>	<u>5,389</u>
<b>Liabilities other than provisions</b>			
<b>Current liabilities other than provisions</b>			
Trade payables		0	900
Corporation tax		692	741
Other payables		8,084	8,540
Deferred income		<u>3,429</u>	<u>3,843</u>
		<u>12,205</u>	<u>14,024</u>
<b>Total liabilities other than provisions</b>		<u>12,205</u>	<u>14,024</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>22,070</u>	<u>24,976</u>

## Financial statements 1 October – 30 September

### Statement of changes in equity

DKK'000	Contributed capital	Retained earnings	Proposed dividends for the financial year	Total
Equity at 1 October 2018	500	1,619	3,444	5,563
Ordinary dividends paid	0	0	-3,444	-3,444
Transferred over the profit appropriation	0	0	4,082	4,082
<b>Equity at 30 September 2018</b>	<b>500</b>	<b>1,619</b>	<b>4,082</b>	<b>6,201</b>

## Financial statements 1 October – 30 September

### Notes

#### 1 Accounting policies

The annual report of Sivantos A/S for 2018/19 has been prepared in accordance with the provisions applying to reporting class B entities under the Danish Financial Statements Act with opt-in from higher reporting classes.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Explanation of the accounting estimates effect of the transition to the amended Danish Financial Statements Act:

Effect on:

#### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

### Income statement

#### Gross Profit

Pursuant to Section 32 of the Danish Financial Statements Act, the Company has decided only to disclose gross profit.

#### Revenue

Income from the sale of goods, is recognised in revenue when delivery and transfer of risk to the buyer have taken place, and the income may be measured reliably and is expected to be received. The date of transfer of the most significant benefits and risks is determined using standard Incoterms ® 2010.

Revenue is measured at the fair value of the agreed consideration excluding VAT and taxes charged on behalf of third parties. All discounts granted are recognised in revenue.

#### Production costs

Production costs comprise costs, including depreciation, amortization, wages and salaries, incurred to generate revenue for the year. Commercial entities recognise their cost of sales, whereas production entities recognise production costs incurred to generate revenue for the year. Such costs include direct and indirect costs for raw materials and consumables, wages and salaries, rent and leases and depreciation of production plant.

## Financial statements 1 October – 30 September

### Notes

#### 1 Accounting policies (continued)

##### Distribution costs

Distribution costs comprise costs incurred to distribute goods sold during the year and to conduct sales campaigns, etc., including costs relating to sales staff, advertising and exhibitions as well as depreciation.

##### Administrative expenses

Administrative expenses comprise expenses incurred during the year for management and administration of the Group, including expenses for administrative staff, Management, office premises, office expenses and depreciation.

##### Financial income and expenses

Financial income and expenses comprise interest income and expense, financial costs regarding finance leases, gains and losses on securities, payables and transactions denominated in foreign currencies, amortisation of financial assets and liabilities as well as surcharges and refunds under the on-account tax scheme, etc.

##### Tax on profit/loss for the year

Tax for the year comprises current corporation tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity.

### Balance sheet

#### Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date on which the asset is available for use. Indirect production overheads and borrowing costs are not recognised in cost.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

The basis of depreciation is cost less any projected residual value after the end of the useful life. Depreciation is provided on a straight-line basis over the estimated useful life. The estimated useful lives are as follows:

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

## Financial statements 1 October – 30 September

### Notes

#### 1 Accounting policies (continued)

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

Gains and losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains and losses are recognised in the income statement as other operating income or other operating costs, respectively.

#### Receivables

Receivables are measured at amortized cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a portfolio of receivables has been impaired. If there is an objective indication that an individual receivable has been impaired, write-down is made on an individual basis.

#### Prepayments and deferred income

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

#### Securities and equity investments

Other securities and equity investments included in investment comprise unlisted shares that Management considers investment securities. The equity investments are measured at cost.

#### Equity

##### *Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

#### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities based on the planned use of the asset or settlement of the liability. However, deferred tax is not recognised on temporary differences relating to goodwill non-deductible for tax purposes and on office premises and other items where the temporary differences arise at the date of acquisition without affecting either profit/loss or taxable income.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

## Financial statements 1 October – 30 September

### Notes

#### 1 Accounting policies (continued)

##### Provisions

Provisions comprise anticipated costs of #. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation. Provisions are measured at value in use.

##### Other operating income

Other operating income comprises items secondary to the activities of the entity, including gains on the disposal of intangible assets and property, plant and equipment.

#### 2 Staff costs and incentive schemes

	2018/19	2017/18
Average number of full-time employees	42	48

#### 3 Financial income

Interest income from group entities	7	13
Income from fixed asset investments	0	525
Exchange adjustments	33	31
	40	569

#### 4 Financial expenses

Interest expense to group entities	790	642
Other financial costs	37	20
Exchange adjustments costs	793	666
	1,620	1,328

## Financial statements 1 October – 30 September

### Notes

#### 5 Property, plant and equipment

DKK'000	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
Cost at 1 October 2018	3,968	1,637	5,605
Additions for the year	262	0	262
Disposal for the year	-96	0	-96
Cost at 30 September 2019	4,134	1,637	5,771
Depreciation and impairment losses at 1 October 2018	-3,043	-1,567	-4,610
Depreciation for the year	-667	-37	-704
Depreciation on disposals	49	0	49
Depreciation and impairment losses at 30 September 2019	-3,661	-1,604	-5,265
<b>Carrying amount at 30 September 2019</b>	<b>473</b>	<b>33</b>	<b>506</b>

#### 6 Investments

DKK'000	Other securities and equity investments	Other receivables	Deposits
Cost at 1 October 2018	1,966	450	286
Cost at 30 September 2019	1,966	450	286
<b>Carrying amount at 30 September 2019</b>	<b>1,966</b>	<b>450</b>	<b>286</b>

Portion falling due for payment within one year after the financial year end DKK 148 thousand.

#### 7 Deferred tax

DKK'000	2018/19	2017/18
Deferred tax at 1 January	20	94
Deferred tax adjustment for the year in the income statement	72	-74
	92	20
Recognised as follows:		
Property, plant and equipment	92	20



## Financial statements 1 October – 30 September

### Notes

#### **8 Contractual obligations, contingencies, etc.**

##### **Operating lease obligations**

Remaining operating lease obligations at the balance sheet date fall due at DKK 1,525 thousand within three years (2017/18: DKK 1,583 thousand).

#### **9 Related party disclosures**

The Company's related parties comprise the Board of Directors, Executive Board and executives and their family members. In addition, related parties comprise companies in the Sivantos Pte. Ltd Group.

The consolidated financial statements of Sivantos Pte. Ltd. can be obtained at the following address:

Sivantos Pte. Ltd., 28 Ayer Rajah Crescent 06-08, Singapore 139959.