

Interim Report 2024



Demant

Key figures and financial ratios

(DKK million)	H1 2024	H1 2023	Full year 2023
Income statement			
Revenue	11,087	10,694	21,601
Organic growth	3%	15%	14%
Gross margin	76.8%	75.0%	75.6%
EBITDA	2,897	2,789	5,799
EBITDA margin	26.1%	26.1%	26.8%
Operating profit (EBIT) before special items	2,068	2,162	4,506
EBIT margin before special items	18.7%	20.2%	20.9%
EBIT	2,192	2,162	4,506
EBIT margin	19.8%	20.2%	20.9%
Net financial items	-410	-362	-761
Profit after tax - continuing operations	1,354	1,371	2,823
Profit after tax - discontinued operations	-154	-789	-1,025
Profit for the period	1,200	582	1,798
Balance sheet			
Total assets	32,390	29,833	30,546
Net interest-bearing debt (NIBD)	13,853	12,197	12,280
Equity	9,522	8,990	9,338
Cash flow statement			
Cash flow from operating activities (CFFO)	1,491	1,918	4,458
Investments in property, plant and equipment, net	286	301	621
Free cash flow	1,157	1,551	3,622
Share buy-backs	1,137	17	846

	H1 2024	H1 2023	Full year 2023
Other key figures			
Gearing multiple (NIBD/EBITDA)	2.3	2.4	2.1
Earnings per share (EPS), DKK - continuing operations	6.18	6.14	12.64
Earnings per share (EPS)	5.47	2.60	8.04
Free cash flow per share (FCFPS)	5.28	6.95	16.23
Share price, end of period	301.40	288.50	296.00
Average number of shares outstanding	218.97	223.17	223.13
Average number of employees	21,373	20,429	20,690
Scope 1 & 2 CO ₂ e emissions (market-based) ¹ , tonnes	16,219	15,760	31,036
Scope 1 & 2 CO ₂ e emissions (location-based) ¹ , tonnes	16,381	15,851	31,256
Renewable electricity share ¹	24%	23%	22%
Gender diversity, Board of Directors (women/men) ²	25/75%	40/60%	40/60%
Gender diversity, all managers (women/men)	49/51%	47/53%	48/52%
Gender diversity, top-level management (women/men)	30/70%	27/73%	29/71%
Gender diversity, top-level management teams (on/off target)	81/19%	72/28%	80/20%

As a consequence of the review of the strategic options for Communications, comparative figures for 2023 in the income statement and cash flow statement as well as related key figures and financial ratios excluding organic growth have been restated.

¹2023 numbers are restated due to a methodological improvement.

²Shareholder-elected members.

Group financial review

Income statement

(DKK million)	H1 2024	H1 2023	Growth
Revenue	11,087	10,694	4%
Production costs	-2,577	-2,677	-4%
Gross profit	8,510	8,017	6%
Gross margin	76.8%	75.0%	
R&D costs	-733	-607	21%
Distribution costs	-5,154	-4,726	9%
Administrative expenses	-586	-562	4%
Share of profit after tax, associates and joint ventures	31	40	-23%
Operating profit (EBIT) before special items	2,068	2,162	-4%
Operating profit (EBIT) margin before special items	18.7%	20.2%	
Special items	124	-	
Operating profit (EBIT)	2,192	2,162	1%

Introduction

The Group reports revenue and growth rates on a quarterly basis, whereas full income statement, balance sheet and cash flow statement are only reported on a half-yearly basis. Unless otherwise indicated, the commentary below relates to H1 2024.

As a result of the discontinuation of Hearing Implants and the decision to undertake a review of the strategic options for Communications, these business areas are recognised as discontinued operations, and comparative figures have been restated to reflect this.

Revenue

Group revenue amounted to DKK 11,087 million, corresponding to a growth rate of 5% in local currencies. Organic growth was 3%, which was below our expectations, even if we take a strong comparative base in H1 2023 into account where the Group saw very significant growth. This development was driven by a shortfall of revenue in Hearing Aids and Diagnostics, and the Group unexpectedly did not see growth improving from Q1 to Q2, as both quarters delivered 3% organic growth.

Growth from acquisitions was 2% for the Group, primarily related to Hearing Care, but we also saw a small positive contribution from Hearing Aids. Exchange rates impacted revenue by -1% driven by minor movements in our main trading currencies.

In terms of geography, we saw growth being relatively evenly split between regions,

with North America and the Pacific region delivering the highest organic growth rates.

North America saw moderate organic growth despite very strong growth in the comparative period. This growth was supported by positive market developments but was negatively impacted by a significant

Revenue by business area

(DKK million)	Q2 2024	Q2 2023	Growth				
			Org.	Acq.	LCY	FX	Rep.
Hearing Aids	3,123	3,040	3%	1%	4%	-2%	3%
Internal sales to Hearing Care	-609	-530	12%	3%	14%	0%	15%
Sales to external customers	2,514	2,510	1%	1%	2%	-2%	0%
Hearing Care	2,516	2,290	5%	4%	9%	0%	10%
Diagnostics	634	632	0%	0%	0%	0%	0%
Group	5,664	5,432	3%	2%	5%	-1%	4%
(DKK million)	H1 2024	H1 2023	Growth				
			Org.	Acq.	LCY	FX	Rep.
Hearing Aids	6,230	6,088	3%	1%	4%	-1%	2%
Internal sales to Hearing Care	-1,208	-1,100	6%	3%	10%	0%	10%
Sales to external customers	5,022	4,988	2%	0%	2%	-2%	1%
Hearing Care	4,834	4,508	3%	4%	7%	0%	7%
Diagnostics	1,231	1,198	3%	0%	3%	0%	3%
Group	11,087	10,694	3%	2%	5%	-1%	4%

Revenue by geographic region

(DKK million)	H1 2024	H1 2023	Change		
			DKK	LCY	Org.
Europe	4,569	4,273	7%	6%	2%
North America	4,609	4,461	3%	4%	3%
Asia	1,058	1,120	-6%	2%	2%
Pacific region	536	532	1%	6%	6%
Rest of world	315	308	2%	2%	2%
Total	11,087	10,694	4%	5%	3%

loss of market share in managed care due to our chosen brand strategy in Hearing Aids in the US.

In Europe, organic growth was driven by several smaller countries with Poland and Spain as the largest positive contributors. France and the UK, on the other hand, both saw negative organic growth. In terms of acquisitions, we saw positive contributions from Germany and Belgium.

Asia saw slight organic growth despite continuing challenging market dynamics in China. Organic growth in our Rest of world region was also positive and mainly driven by Brazil.

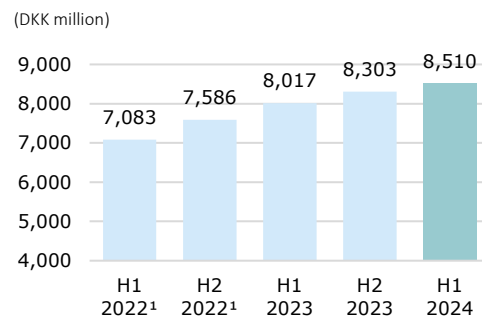
In the Pacific region, Australia saw solid organic growth, but on a reported basis, revenue development was mostly offset by headwinds from exchange rate effects.

Gross profit

The Group's gross profit amounted to DKK 8,510 million, which is an increase of 6% compared to H1 2023. The gross margin was 76.8%, an increase of 1.8 percentage

points compared to H1 2023, which is better than expected. This development can be attributed to a positive ASP development in Hearing Aids due to our continuous focus to improve our product mix and to a meaningful gross margin improvement in Diagnostics. Moreover, the gross margin development was positively impacted by changes in the business mix, and exchange rate effects also had a slightly positive impact.

Gross profit by half-year



¹2022 figures have not been restated to reflect the review of the strategic options for Communications.

OPEX by function

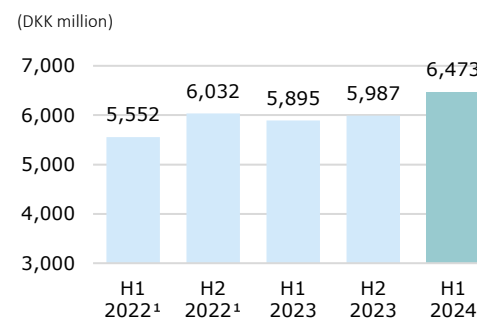
(DKK million)	H1 2024	H1 2023	Change		
			DKK	LCY	Org.
R&D costs	733	607	21%	21%	21%
Distribution costs	5,154	4,726	9%	9%	5%
Administrative expenses	586	562	4%	4%	4%
Total	6,473	5,895	10%	10%	7%

Operating expenses (OPEX)

Total OPEX amounted to DKK 6,473 million, corresponding to 10% growth in local currencies compared to H1 2023.

OPEX grew by 7% organically, but our organic OPEX growth declined sequentially from Q1 to Q2. The OPEX growth was due to increased spending in H2 2023, reflecting our continuous commitment to invest in R&D and distribution. After having annualised the increased spending from H2 2023 and due to us having generated lower-than-expected revenue in H1, we have taken certain cost-saving initiatives across the Group to achieve a better balance between revenue and OPEX growth in H2.

OPEX by half-year



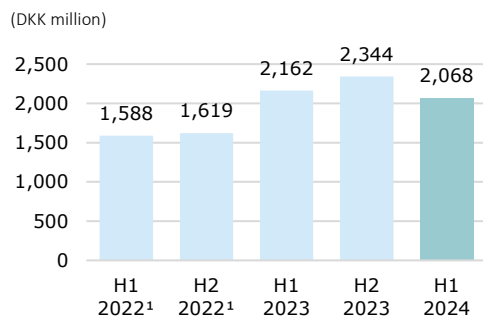
¹2022 figures have not been restated to reflect the review of the strategic options for Communications.

Acquisitions, primarily in Hearing Care, added 3% to the Group's OPEX, while exchange rate effects were 0%.

Operating profit (EBIT) before special items

The Group's EBIT before special items amounted to DKK 2,068 million, corresponding to a growth rate of -4% compared to H1 2023. The EBIT margin before special items was 18.7%, a contraction of 1.5 percentage points compared to H1 2023. The decline is due to weaker-than-expected revenue growth in H1 2024, leading to lower operating leverage, as well as strong profitability in the comparative period. Relative to H1 2023, exchange rates had an insignificant impact on the Group's EBIT before special items.

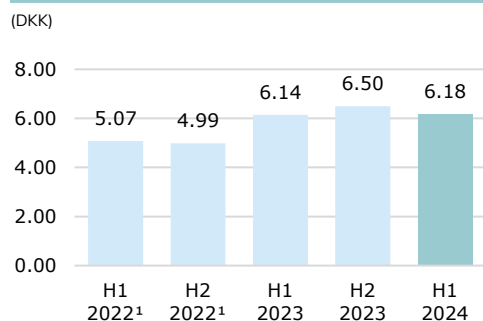
EBIT before special items by half-year



¹2022 figures have not been restated to reflect the review of the strategic options for Communications.

In line with our acquisition strategy, we recognised fair value adjustments of non-controlling interests in step acquisitions, contingent considerations etc., totalling a net positive fair value adjustment on EBIT before special items of DKK 8 million (DKK 29 million in H1 2023).

EPS for continuing operations by half-year



¹2022 figures have not been restated to reflect the review of the strategic options for Communications.

Special items

We recognised two extraordinary non-operational and non-cash items totalling DKK 124 million, which are recognised as special items. This relates to a positive impact from the fair value adjustment of a large acquisition, which was partly offset by an updated accounting treatment of certain earnout payments related to acquisitions.

Operating profit (EBIT)

Reported EBIT amounted to DKK 2,192 million, resulting in an EBIT margin of 19.8%.

Financial items

Reported net financial items amounted to an expense of DKK 410 million, which is an increase of DKK 48 million compared to last year, primarily due to higher interest expenses.

Profit for the period

Reported profit before tax amounted to DKK 1,782 million, a minor decrease of 1%, driven by a lower operating profit and increased financial expenses, which were partially offset by positive special items. Tax for the period amounted to DKK 428 million, corresponding to an effective tax rate of 24.0%. This resulted in profit after tax generated by the Group's continuing operations of DKK 1,354 million, which is a decrease of 1% compared to H1 2023, corresponding to earnings per share (EPS) of DKK 6.18.

Profit after tax from discontinued operations amounted to DKK -154 million. The loss was higher than expected and is

Cash flow by main items

(DKK million)	H1 2024	H1 2023	Change
CFFO	1,491	1,918	-22%
Net investments	-334	-367	-9%
Free cash flow before acquisitions and divestments	1,157	1,551	-25%
Acquisitions and divestments etc.	-763	-313	>100%
Share buy-backs	-1,137	-17	>100%
Other financing activities	946	-1,069	n.a.
Cash flow for the period	203	152	34%

attributable to operating losses in Communications and in our cochlear implants (CI) business, where the latter also saw certain one-off charges related to the divestment of our CI business to Cochlear in May 2024. The operating activities of our bone anchored hearing systems (BAHS) business were positive. Please refer to Note 2 for more details.

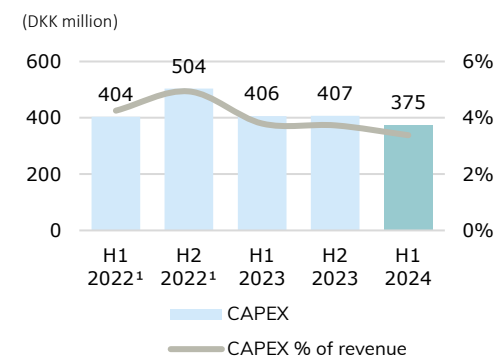
For the Group as a whole, profit after tax was DKK 1,200 million, corresponding to EPS of DKK 5.47, an increase of 110% compared to H1 2023 where we saw profit after tax being negatively impacted by non-recurring, non-cash write-downs of assets related to the CI business.

Cash flow statement

For the Group's continuing operations, cash flow from operating activities (CFFO) was very solid and amounted to DKK 1,491 million. This is a 22% decrease compared to H1 2023, primarily due to higher tax payments and increased net financial expenses.

Net investments resulted in a cash flow of DKK -334 million of which DKK -375 million, or 3% of Group revenue, relates to net investments in property, plant and equipment and in intangible assets (CAPEX). Compared to H1 2023, CAPEX decreased by DKK 31 million, or 8%, due to slightly lower investments in property, plant and equipment. Net investments in other non-current assets, which mostly comprise loans to customers and associates, amounted to DKK 41 million compared to DKK 39 million in H1 2023.

CAPEX by half-year



¹2022 figures have not been restated for the review of the strategic options for Communications.

The free cash flow before acquisitions and divestments decreased by 25% to DKK 1,157 million because of the lower CFFO.

Cash spent on acquisitions totalled DKK 763 million and mainly relates to the acquisition of a value-added distributor in Hearing Aids and to bolt-on acquisitions in Hearing Care.

Share buy-backs amounted to DKK 1,137 million as of 30 June, as the Group bought back 3,300,002 shares at an average price of DKK 344.52. The Group remains committed to continuing to buy back shares, however subject to profitability, cash flow generation and acquisitions.

Balance sheet by main items

(DKK million)	H1 2024	FY 2023	Change
Lease assets	2,630	2,596	1%
Other non-current assets	19,108	18,566	3%
Inventories	2,674	2,845	-6%
Trade receivables	3,705	3,650	2%
Cash	1,048	1,138	-8%
Other current assets	1,429	1,468	-3%
Assets held for sale	1,796	283	>100%
Total assets	32,390	30,546	6%
Equity	9,522	9,338	2%
Lease liabilities	2,732	2,686	2%
Other non-current liabilities	13,292	12,301	8%
Trade payables	858	799	7%
Other current liabilities	5,634	5,333	6%
Liabilities related to assets held for sale	352	89	>100%
Total equity and liabilities	32,390	30,546	6%

Other financing activities resulted in a cash inflow of DKK 946 million, which primarily relates to the continuous refinancing of our borrowings.

Net cash flow from continuing operations amounted to DKK 203 million and net cash flow from discontinued operations to DKK -292 million. Please refer to Note 2 for more details.

Balance sheet

As of 30 June 2024, total assets amounted to DKK 32,390 million, which is a 6% increase since 31 December 2023. This increase was predominantly driven by additions from acquisitions of 6%, while the organic contribution and exchange rate

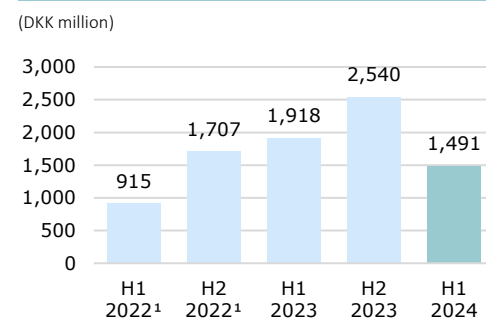
effects were both roughly flat. The amount includes DKK 1,796 million relating to Communications and Hearing Implants, which are recognised as assets held for sale.

The increase in total assets was primarily driven by an increase in other non-current assets, most of which relates to goodwill in respect of acquisitions.

The Group's net working capital decreased by 2% to DKK 3,546 million relative to the end of 2023. This change is primarily a reflection of the reclassification of Communications to assets held for sale. Adjusted for balance sheet reclassifications, net working capital increased slightly, mainly driven by higher inventories.

Net interest-bearing debt (NIBD) amounted to DKK 13,853 million as of 30 June 2024, an increase of 13% compared to 31 December 2023. Relative to a 12-month rolling EBITDA, this corresponds to a gearing multiple of 2.3 at the end of H1. Thus, the gearing multiple is comfortably within our medium- to long-term target of 2.0-2.5.

CFFO by half-year



¹2022 figures have not been restated for the review of the strategic options for Communications.

The Group's equity increased by DKK 184 million, or 2%, to DKK 9,522 million relative to the end of 2023, as profit for the period more than offset the share buy-backs made during the period.

Employees

At the end of H1, Demant had 21,501 employees compared to 21,081 at the beginning of the year and 20,679 at the end of H1 2023. The increase in employees mainly relates to acquisitions made during the year.

Hedging activities

The material forward exchange contracts in place as of 30 June 2024 to hedge against the Group's exposure to movements in exchange rates are shown in the table below.

Hedging activities

Currency	Hedging period	Average hedging rate
USD	11 months	679
JPY	9 months	4.70
AUD	10 months	450
GBP	12 months	855
CAD	11 months	504
PLN	9 months	167

Sustainability

Our core commitment to society is to help people overcome hearing loss and improve their quality of life through innovative solutions. Caring for people's hearing loss goes hand in hand with caring for the environment and society, which is why Demant works with two strategic sustainability priorities: climate impact and diversity, equity and inclusion.

Climate impact

In H1, total scope 1 and 2 CO₂e emissions amounted to 16,219 tonnes (market-based emissions), which represents a 3% increase compared to H1 2023. The increase in our scope 1 and 2 emissions is mainly related to new acquisitions in our Hearing Care business.

For the first time, and in order to provide more transparency on the mechanisms that drive our transition to renewable electricity, we also include location-based emissions in our reporting, as they do not take purchased off-site renewable electricity into account. Our total scope 1 and 2 location-based emissions amounted to 16,381 tonnes.

Demant's renewable electricity share remains stable with a 1 percentage point increase compared to same period last year. The slight change is due to increased capacity from onsite renewable electricity projects already implemented. Demant aims to reach 50% renewable electricity in 2025 and 100% by 2030. The transition to renewable electricity is an important step towards reducing our scope 1 and 2

CO₂e emissions and meeting our commitments to the Science Based Targets initiative. In that context, Demant has committed to reducing its aggregate scope 1 and 2 market-based emissions by 46% from a 2019 base year.

Diversity, equity and inclusion

In 2022, Demant introduced targets for gender diversity in top-level management, and during the last years, we have actively worked towards improving the gender balance in the Group. In H1, we reached our 2025 target of having 30% women in top-level management (VP level and above), with leadership training and recruitment initiatives driving the progress. Furthermore, we aim to increase the number of top-level management teams that have a diverse gender composition by improving the balance of the gender composition in each team. We have already surpassed our target of having at least 75% of top-level management teams with a maximum of 75% of the same gender in 2025. In H1, 81% of teams were on target.

There is also an increase in women among all managers in Demant. The share of women and men in management positions was 49% and 51%, respectively, at the end of H1.

Following the 2024 annual general meeting where Anja Madsen stepped down from the Board of Directors, the Board of Directors will only have four shareholder-elected members until the next annual general meeting. Currently, the shareholder-elected members of the Board consist of one woman and three men. This

gender distribution is considered balanced for a Board of its size, and according to the guidance of the Danish Business Authority, it constitutes an even distribution. The Board of Directors plans to propose to expand with a fifth member again at the annual general meeting in 2025 and remains committed to its stated target of having a 40/60% gender diversity ratio in the Board.

Events after the reporting period

On 14 August 2024, the Group announced the conclusion of the review of strategic options for its Communications business. Despite EPOS being well-exposed in the market with leading technology, a robust go-to-market set-up and a strong brand, the current loss-making financial condition of the business was a barrier for reaching an agreement. Consequently, we have decided to initiate a significant restructuring plan of the EPOS business, which entails an intention to rightsize the organisation and creating a more focused business. The process will commence immediately, and following the restructuring, we intend to carry on with the divestment of EPOS.

There have been no other events that materially change the assessment of this Interim Report 2024 from the balance sheet date and up to today.

Key sustainability figures by half-year

	H1 2024	H1 2023	Change
Scope 1 and 2 CO ₂ e emissions (market-based) ¹ , tonnes	16,219	15,760	3%
Scope 1 and 2 CO ₂ e emissions (location-based) ¹ , tonnes	16,381	15,851	3%
Renewable electricity share ¹	24%	23%	1 p.p.
	H1 2024	FY 2023	Change
Gender diversity, Board of Directors (women/men) ²	25/75%	40/60%	-15 p.p.
Gender diversity, all managers (women/men) ¹	49/51%	48/52%	1 p.p.
Gender diversity, top-level management (women/men) ¹	30/70%	29/71%	1 p.p.
Gender diversity, top-level management teams (on/off target) ¹	81/19%	80/20%	1 p.p.

¹2023 numbers are restated due to the review of the strategic options for Communications and a methodological improvement.

²Shareholder-elected members.

Outlook for 2024

Outlook for 2024

Our outlook for 2024, which is summarised in the table below, is updated to reflect higher expectations of share buy-backs:

Organic growth	2-4%
EBIT before special items	DKK 4,300-4,600 million
Share buy-backs	Around DKK 2,300 million (previously more than DKK 2,000 million)

Assumptions for 2024

The outlook is based on a number of key assumptions as described below

- We expect the unit growth rate in the global hearing aid market in 2024 to be in line with the structural growth rate of 4-6% and the hearing aid market to see flattish ASP development for the year.
- We expect the cash allocated to bolt-on acquisitions in 2024 to be higher than normal due to acquisitions already made in 2024 and a continuously good pipeline of attractive opportunities.
- In Hearing Aids, the loss of market share in managed care and the lack of ability to fully compensate through additional sales to independents in the US are assumed to continue at the current low level for the remainder of 2024.
- In order to achieve a better balance between revenue and OPEX growth, we have taken certain cost-saving initiatives across the Group. When including the effect of these initiatives, we expect OPEX to grow organically in the low-to-mid single digits in H2 compared to the same period last year.
- We expect the loss after tax related to Communications to be DKK 500 million (previously loss after tax of DKK 100-150 million). This follows a higher operating loss than expected in H1 as well as one-off costs of DKK 400 million related to the intended restructuring of EPOS.
- Following the divestment of our cochlear implants business in May 2024, our bone anchored hearing systems

Modelling assumptions for 2024

For modelling purposes, we provide further assumptions for 2024 below:

Acquisitive growth	2% based on revenue from acquisitions completed as of 13 August 2024
FX growth	-1% based on exchange rates as of 13 August 2024 and including the impact of hedging
Effective tax rate	Around 24%
Loss from discontinued operations	Around DKK 550 million (previously DKK 100-150 million), of which around DKK 500 million relates to Communications and DKK 50 million to Hearing Implants
Special items	Positive by around DKK 125 million

business will remain with the Group for now, pending a review of our strategic options. For the full year 2024, we expect the loss after tax related to Hearing Implants to be around DKK 50 million (previously DKK 0 million) due to a slightly higher operating loss in Cochlear Implants in H1 and certain one-off costs related to the divestment of our CI business to Cochlear.

Management commentary

Market trends

Overall, the hearing healthcare market, which comprises the markets for hearing aids and diagnostic instruments and services, saw growth in line with the structural growth rate of 4-6%.

Hearing aid market

Based on available market statistics, covering approximately two-thirds of the market, and on our own assumptions, we estimate that the global hearing aid market saw unit growth of around 4% in H1, with 3% in Q1 and 5% in Q2 compared to the same periods in 2023. The acceleration in unit growth from Q1 to Q2 was primarily driven by slightly easier comparative figures, and from a geographical perspective, we estimate that all regions saw positive unit growth in the period under review.

We estimate that in H1, ASP development was flattish, as geography and channel mix changes drove slightly positive ASP developments in Q1 and slightly negative ASP developments in Q2. Overall, value growth in the hearing aid market was within our medium- to long-term expectations.

In H1, we estimate that unit growth in Europe was 4%, with accelerating growth trends from Q1 into Q2. The strong unit growth in Q2 was driven primarily by strong double-digit growth in the NHS due to soft comparative figures. When excluding this channel, growth in Europe was slightly positive. In Germany, market

growth was solid in Q2, which was also the case in several other smaller European markets. In France, the market continues to see flat growth following the hearing healthcare reform in 2021, and growth was slightly negative in Q2.

In North America, the market saw strong growth of 8% in H1, driven by the US commercial market where growth was driven equally by independents and managed care. Growth in the US commercial market decelerated from Q1 to Q2 following very strong growth in Q1, but despite the deceleration, growth continued to develop at a good pace. In VA, growth in H1 was flat, as slightly negative growth in Q1 was offset by modest growth in Q2. In Canada, growth was strong in H1.

Looking beyond Europe and North America, we estimate that market unit growth in Rest of world was slightly positive at 1% in H1, with growth driven by smaller export markets and Australia. We estimate that unit growth in China was slightly positive in Q2, which was supported by easy comparative figures. However, the overall market dynamics continue to remain challenging. In Japan, growth was negative throughout H1 following good development throughout most of 2023.

Estimated hearing aid market unit growth in 2024 by region

(vs. 2023)	Q1	Q2	H1
Europe	1%	8%	4%
North America	10%	6%	8%
US (commercial)	13%	6%	9%
US (VA)	-1%	1%	0%
Rest of world	1%	2%	1%
Global	3%	5%	4%

Diagnostic instruments market

We estimate that compared to H1 last year, growth in the market for diagnostic instruments and services was at the low end of the estimated structural market growth rate of 4-6% per year due to the current market slowdown, including headwinds in the Chinese market from the ongoing Made in China initiatives.

Revenue and growth

(DKK million)	Q2 2024	Q2 2023	Growth				
			Org.	Acq.	LCY	FX	Rep.
Hearing Aids	3,123	3,040	3%	1%	4%	-2%	3%
Internal sales to Hearing Care*	-609	-530	12%	3%	14%	0%	15%
Sales to external customers	2,514	2,510	1%	1%	2%	-2%	0%

(DKK million)	H1 2024	H1 2023	Growth				
			Org.	Acq.	LCY	FX	Rep.
Hearing Aids	6,230	6,088	3%	1%	4%	-1%	2%
Internal sales to Hearing Care*	-1,208	-1,100	6%	3%	10%	0%	10%
Sales to external customers	5,022	4,988	2%	0%	2%	-2%	1%

*Revenue from internal sales to Hearing Care is eliminated from the reported revenue for the Group, i.e. we only include revenue from external customers. The pricing used in internal transactions is determined on an arm's length basis and thus reflects normal commercial terms.

Hearing Aids

Total revenue in Hearing Aids was DKK 6,230 million, an increase of 2% (Q2: 3%) compared to H1 2023. Growth was primarily driven by organic growth of 3% (Q2: 3%). Acquisitions in Hearing Aids added growth of 1% (Q2: 1%), which was, however, offset by exchange rate effects of -1% (Q2: -2%).

Hearing Aids

(DKK million)	H1 2024	H1 2023
Revenue	6,230	6,088
Growth		
Organic	3%	
Acquisitions	1%	
Local currencies	4%	
FX	-1%	
Total	2%	

Internal revenue from sales to our Hearing Care business area accounted for 19% of total revenue and external sales for the remaining 81%. The commentary below focuses on total revenue, including revenue from sales through our own retail clinics.

Growth in the period under review was below our expectations, even if we take very strong comparative figures into account. This is primarily the result of lower-than-expected revenue growth in the US due to a significant loss of market share with managed care and of a generally intense competitive environment in more price-focused channels and segments. In Q1, we launched Oticon Intent, which was, as expected, received well by the independent channel.

Growth in units and ASP

(local currencies)	H1 2023	H2 2023	H1 2024
Units	18%	11%	-6%
ASP	4%	7%	11%
Total	23%	18%	4%

When we look at our total hearing aid sales, the adverse developments mentioned before resulted in unit growth of -6%, which has, however, been more than offset by a positive development in the average selling price (ASP) of 11% due to product and channel mix changes.

Compared to 2023, organic growth in Europe was solid. Following a flat Q1, growth accelerated in Q2, with growth supported by market improvement. In H1, growth was primarily driven by our medium-sized markets, including Spain and Poland. As far as our major markets are concerned,

growth in Germany was slightly positive, while growth in France was slightly negative, although both markets saw improving growth rates in Q2. In the UK, growth was slightly negative despite positive market development, but sales to independents in the UK market saw solid growth.

North America delivered slight organic growth in H1, driven by increased sales to VA due to market share gains realised in 2023. Following our strategic decision to position our brands more clearly across channels in the US, we saw significant loss of market share with managed care in Q2, which has not been fully compensated by additional sales to independents in the US. Despite the current headwinds, we remain firmly committed to our brand strategy in the US. Outside the US, growth in Canada was strong in the reporting period.

Organic growth in Asia was slightly negative despite good growth in several medium-sized markets. This was, however, not enough to offset negative growth in Japan due to soft market dynamics. Organic growth in China was slightly positive, but continues to be impacted by the competitive dynamics in the market.

Our Pacific region saw growth in the period under review, as both Australia and New Zealand delivered good growth. Our Rest of world region, which mostly comprises emerging markets, saw flat growth.

Hearing Care

Revenue in Hearing Care amounted to DKK 4,834 million, an increase of 7% compared to H1 2023. Organic growth was

3% (Q2: 5%) and acquisitive growth 4% (Q2: 4%). The latter is mainly attributable to acquisitions in Germany and Belgium. Exchange rate effects were 0% (Q2: 0%)

Hearing Care

(DKK million)	H1 2024	H1 2023
Revenue	4,834	4,508
Growth		
Organic	3%	
Acquisitions	4%	
Local currencies	7%	
FX	0%	
Total	7%	

Following a slow start to the year with flat organic growth in Q1, momentum accelerated in Q2 as expected, with many of our medium-sized markets delivering strong organic growth and with improved momentum in France. Growth was driven equally by growth in units sold and a positive ASP development due to geography mix.

In Europe, we saw positive developments in most of our markets, with particularly strong organic growth in Spain and Poland. However, organic growth in France was slightly negative in H1, although growth accelerated from Q1 and was positive in Q2. Acquisitive growth was strong, primarily in Germany and Belgium.

Organic growth in North America was positive, driven by solid growth in Canada. In the US, growth accelerated in Q2, leading to slightly positive organic growth in H1, despite a negative impact of lower

customer traffic covered by managed care. Growth, although to a lesser extent, was also supported by acquisitions, primarily in Canada.

In Australia, we saw solid organic growth supported by positive market developments and in China, we saw negative growth, with the market being continuously impacted by market headwinds.

Diagnostics

In Diagnostics, revenue was DKK 1,231 million, an increase of 3% (Q2: 0%) compared to the same period last year. Growth was entirely driven by organic growth of 3% (Q2: 0%), while acquisitions and exchange rate effects were both 0% (Q2: 0%).

Following a strong Q1, which was supported by slightly easier comparative figures due to the ramp-up of the new Diagnostics production facility in Q1 2023, organic growth – unexpectedly – decelerated to 0%, primarily because of a soft market for diagnostic equipment. This includes market-specific headwinds in China from the ongoing Made in China initiatives and negative growth in our balance products category. Overall, growth was primarily driven by the services and consumables categories, although growth in instrument revenue was also positive, and particularly strong within hearing instrument fitting solutions.

Diagnostics

(DKK million)	H1 2024	H1 2023
Revenue	1,231	1,198
Growth		
Organic	3%	
Acquisitions	0%	
Local currencies	3%	
FX	0%	
Total	3%	

In terms of geographies, absolute growth was highest in North America, which saw solid organic growth in both Canada and the US, but the Pacific region also delivered good growth. In Asia, growth was slightly positive, despite negative growth in China due to the earlier mentioned market dynamics. European markets were a drag on growth, primarily due to soft sales in the UK following lower growth in the NHS.

Management statement

We have today discussed and approved this Interim Report 2024 for Demant A/S.

Interim Report 2024 has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and further Danish disclosure requirements in respect of interim reports for listed companies. Interim Report 2024 has not been audited or reviewed by our auditors.

In our opinion, Interim Report 2024 gives a true and fair view of the Group's assets, liabilities and financial position at 30 June 2024 as well as of the results of our activities and cash flows for the first six months of 2024.

We also believe that the financial review and management commentary contain a fair review of the development in the Group's business and financial position, the results for the period and the Group's financial position as a whole as well as a description of the principal risks and uncertainties facing Demant A/S.

Smørum, 14 August 2024

Executive Board

Søren Nielsen, President & CEO

René Schneider, CFO

Niels Wagner, President Hearing Care

Board of Directors

Niels B. Christiansen, Chair

Niels Jacobsen, Vice Chair

Thomas Duer

Charlotte Hedegaard

Heidir Hørby

Sisse Fjelsted Rasmussen

Kristian Villumsen

Consolidated income statement

(DKK million)	H1 2024	H1 2023	Full year 2023
Revenue	11,087	10,694	21,601
Production costs	-2,577	-2,677	-5,281
Gross profit	8,510	8,017	16,320
R&D costs	-733	-607	-1,226
Distribution costs	-5,154	-4,726	-9,554
Administrative expenses	-586	-562	-1,102
Share of profit after tax, associates and joint ventures	31	40	68
Operating profit (EBIT) before special items	2,068	2,162	4,506
Special items	124	-	-
Operating profit	2,192	2,162	4,506
Financial income	53	44	95
Financial expenses	-463	-406	-856
Profit before tax	1,782	1,800	3,745
Tax on profit for the period	-428	-429	-922
Profit after tax - continuing operations	1,354	1,371	2,823
Profit after tax - discontinued operations	-154	-789	-1,025
Profit for the period	1,200	582	1,798

(DKK million)	H1 2024	H1 2023	Full year 2023
Profit for the period attributable to:			
Demant A/S' shareholders	1,199	581	1,795
Non-controlling interests	1	1	3
	1,200	582	1,798
Earnings per share (EPS), DKK - continuing operations	6.18	6.14	12.64
Diluted earnings per share (DEPS), DKK - continuing operations	6.18	6.14	12.64
Earnings per share (EPS), DKK	5.47	2.60	8.04
Diluted earnings per share (DEPS), DKK	5.47	2.60	8.04

Discontinued operations

The Hearing Implants and Communications businesses are presented as discontinued operations. Comparative figures have been restated.

Consolidated statement of comprehensive income

(DKK million)	H1 2024	H1 2023	Full year 2023
Profit for the year	1,200	582	1,798
Foreign currency translation adjustment, subsidiaries	135	-177	-177
Value adjustments of hedging instruments:			
Value adjustment for the period	-41	36	41
Value adjustment transferred to revenue	-3	-46	-106
Tax on items that have been or may subsequently be reclassified to the income statement	10	2	17
Items that have been or may subsequently be reclassified to the income statement	101	-185	-225
Actuarial gains/losses on defined benefit plans	-3	-	-19
Tax on items that will not subsequently be reclassified to the income statement	-1	-	4
Items that will not subsequently be reclassified to the income statement	-4	-	-15
Other comprehensive income/loss	97	-185	-240
Comprehensive income	1,297	397	1,558
Comprehensive income attributable to:			
Demant A/S' shareholders	1,296	396	1,555
Non-controlling interests	1	1	3
	1,297	397	1,558
Breakdown of tax on other comprehensive income:			
Foreign currency translation adjustment, foreign enterprises	-	-	3
Value adjustment of hedging instruments for the period	9	-8	-9
Value adjustment of hedging instruments transferred to revenue	1	10	23
Actuarial gains/losses on defined benefit plans	-1	-	4
Tax on other comprehensive income	9	2	21

Consolidated balance sheet

(DKK million)	H1 2024	H1 2023	Full year 2023
Assets			
Goodwill	13,335	11,898	12,381
Patents and licences	14	16	15
Other intangible assets	925	826	812
Prepayments and assets under development	219	288	332
Intangible assets	14,493	13,028	13,540
Land and buildings	1,131	1,123	1,135
Plant and machinery	303	251	260
Other plant, fixtures and operating equipment	519	482	508
Leasehold improvements	723	644	685
Prepayments and assets under construction	185	188	225
Property, plant and equipment	2,861	2,688	2,813
Lease assets	2,630	2,391	2,596
Investments in associates and joint ventures	354	763	728
Receivables from associates and joint ventures	191	270	277
Other investments	14	19	19
Customer loans	482	501	477
Other receivables	165	102	170
Deferred tax assets	548	544	542
Other non-current assets	4,384	4,590	4,809
Non-current assets	21,738	20,306	21,162

(DKK million)	H1 2024	H1 2023	Full year 2023
Inventories	2,674	2,739	2,845
Trade receivables	3,705	3,826	3,650
Receivables from associates and joint ventures	191	157	188
Income tax	142	203	236
Customer loans	156	212	191
Other receivables	397	363	378
Unrealised gains on financial contracts	30	101	60
Prepaid expenses	513	464	415
Cash	1,048	1,158	1,138
Assets held for sale	1,796	304	283
Current assets	10,652	9,527	9,384
Assets	32,390	29,833	30,546

Assets held for sale

The assets of the Hearing Implants and Communications businesses are presented as assets held for sale. Comparative figures have not been restated.

Consolidated balance sheet

(DKK million)	H1 2024	H1 2023	Full year 2023
Equity and liabilities			
Share capital	44	45	45
Other reserves	9,395	8,939	9,211
Equity attributable to Demant A/S' shareholders	9,439	8,984	9,256
Equity attributable to non-controlling interests	83	6	82
Equity	9,522	8,990	9,338
Non-current liabilities	15,374	11,587	14,346
Borrowings	11,112	7,661	10,171
Lease liabilities	2,082	1,853	2,045
Deferred tax liabilities	620	606	633
Provisions	189	177	201
Other liabilities	589	654	661
Deferred income	782	636	635
Current liabilities	7,494	9,256	6,862
Borrowings	1,983	4,275	1,597
Lease liabilities	650	621	641
Trade payables	858	825	799
Payables to associates and joint ventures	-	-	1
Income tax	439	492	578
Provisions	90	72	77
Other liabilities	2,526	2,328	2,497
Unrealised losses on financial contracts	47	22	35
Deferred income	549	564	548
Liabilities related to assets held for sale	352	57	89
Liabilities	22,868	20,843	21,208
Equity and liabilities	32,390	29,833	30,546

Liabilities related to assets held for sale

The liabilities of the Hearing Implants and Communications businesses are presented as liabilities related to assets held for sale. Comparative figures have not been re-stated.

Consolidated cash flow statement

(DKK million)	H1 2024	H1 2023	Full year 2023
Operating profit (EBIT)	2,192	2,162	4,506
Non-cash items etc.	579	691	1,280
Change in receivables etc.	-314	-315	-158
Change in inventories	-271	13	-120
Change in trade payables and other liabilities etc.	196	-77	103
Change in provisions	-11	11	51
Dividends received	32	30	85
Cash flow from operating profit	2,403	2,515	5,747
Financial income etc. received	44	37	80
Financial expenses etc. paid	-445	-332	-707
Income tax paid	-511	-302	-662
Cash flow from operating activities (CFFO)	1,491	1,918	4,458
Acquisition of enterprises, participating interests and activities	-763	-313	-935
Investments in intangible assets	-89	-105	-192
Investments in property, plant and equipment	-288	-310	-643
Disposal of property, plant and equipment	2	9	22
Investments in other non-current assets	-88	-132	-269
Disposal of other non-current assets	129	171	246
Cash flow from investing activities (CFFI)	-1,097	-680	-1,771

Discontinued operations

The Hearing Implants and Communications businesses are presented as discontinued operations. Comparative figures have been restated.

(DKK million)	H1 2024	H1 2023	Full year 2023
Repayments of borrowings	-2,536	-2,598	-6,743
Proceeds from borrowings	3,428	2,131	6,034
Change in short-term bank facilities	414	-275	-168
Repayments of lease liabilities	-359	-326	-687
Transactions with non-controlling interests	-1	-1	-3
Share buy-backs	-1,137	-17	-846
Cash flow from financing activities (CFFF)	-191	-1,086	-2,413
Cash flow for the period, net - continuing operations	203	152	274
Cash flow for the period, net - discontinued operations	-292	-93	-232
Cash flow for the year, net	-89	59	42
Cash and cash equivalents at the beginning of the year	1,138	1,130	1,130
Foreign currency translation adjustment of cash and cash equivalents	-1	-31	-34
Cash and cash equivalents at the end of the year	1,048	1,158	1,138
Breakdown of cash and cash equivalents at the end of the year:			
Cash	1,048	1,158	1,138
Cash and cash equivalents at the end of the year	1,048	1,158	1,138

Consolidated statement of changes in equity

(DKK million)

	Share capital	Other reserves			Demant A/S' share-holders' share	Non-controlling interests' share	Equity
		Foreign currency translation reserve	Hedging reserve	Retained earnings			
Equity at 1.1.2024	45	-103	22	9,292	9,256	82	9,338
Comprehensive income:							
Profit for the period	-	-	-	1,199	1,199	1	1,200
Other comprehensive income:							
Foreign currency translation adjustment, subsidiaries	-	135	-	-	135	-	135
Value adjustments of hedging instruments:							
Value adjustment for the period	-	-	-41	-	-41	-	-41
Value adjustment transferred to revenue	-	-	-3	-	-3	-	-3
Actuarial gains/losses on defined benefit plans	-	-	-	-3	-3	-	-3
Tax on other comprehensive income	-	-	10	-1	9	-	9
Other comprehensive income/loss	-	135	-34	-4	97	-	97
Comprehensive income/loss for the period	-	135	-34	1,195	1,296	1	1,297
Share buy-backs	-	-	-	-1,137	-1,137	-	-1,137
Share-based compensation	-	-	-	24	24	-	24
Capital reduction through cancellation of treasury shares	-1	-	-	1	-	-	-
Equity at 30.06.2024	44	32	-12	9,375	9,439	83	9,522

Consolidated statement of changes in equity

(DKK million)

	Share capital	Other reserves			Demant A/S' share-holders' share	Non-controlling interests' share	Equity
		Foreign currency translation reserve	Hedging reserve	Retained earnings			
Equity at 1.1.2023	46	71	73	8,371	8,561	1	8,562
Comprehensive income:							
Profit for the period	-	-	-	581	581	1	582
Other comprehensive income:							
Foreign currency translation adjustment, subsidiaries	-	-177	-	-	-177	-	-177
Value adjustments of hedging instruments:							
Value adjustment for the period	-	-	36	-	36	-	36
Value adjustment transferred to revenue	-	-	-46	-	-46	-	-46
Tax on other comprehensive income	-	-	2	-	2	-	2
Other comprehensive income/loss	-	-177	-8	-	-185	-	-185
Comprehensive income/loss for the period	-	-177	-8	581	396	1	397
Share buy-backs	-	-	-	-17	-17	-	-17
Share-based compensation	-	-	-	45	45	-	45
Capital reduction through cancellation of treasury shares	-1	-	-	1	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-1	-1
Non-controlling interests on acquisition	-	-	-	-	-	4	4
Equity at 30.06.2023	45	-106	65	8,981	8,985	5	8,990

Note 1 – Acquisition of enterprises and activities

(DKK million)	H1 2024				H1 2023
	Europe	North America	Pacific region	Total	Total
Intangible assets	8	24	-	32	31
Property, plant and equipment	8	3	-	11	42
Other non-current assets	73	13	3	89	130
Inventories	7	1	-	8	35
Current receivables	9	45	-	54	72
Cash and cash equivalents	10	77	-	87	27
Non-current liabilities	-92	-14	-2	-108	-337
Current liabilities	-31	-44	-1	-76	-88
Acquired net assets	-8	105	-	97	-88
Goodwill	177	1,272	6	1,455	604
Acquisition cost	169	1,377	6	1,552	516
Carrying amount of non-controlling interests on obtaining control	-25	-301	-	-326	-80
Fair value adjustment of non-controlling interests on obtaining control	-8	-327	-	-335	-26
Contingent consideration and deferred payments	-13	-69	-	-82	-121
Acquired cash and cash equivalents	-10	-77	-	-87	-27
Cash acquisition cost	113	603	6	722	262

Figures are shown at fair value on the acquisition date.

In H1 2024, the Group acquired a number of minor retail entities in North America, Europe and the Pacific region in Hearing Care as well as a value-added distributor in Hearing Aids.

The Group paid acquisition costs exceeding the fair values of the acquired assets, liabilities and contingent liabilities. Such positive balances in value can be attributed to expected synergies between the activities of the acquired entities and our existing

activities, to future growth opportunities and to the value of staff competencies in the acquired entities. These synergies are not recognised separately from goodwill, as they are not separately identifiable.

At the time of acquisition, non-controlling interests' shares of acquisitions were measured at their proportionate shares of the total fair value of the acquired entities, including goodwill. On obtaining a controlling interest through step acquisitions,

previously held non-controlling interests are at the time of obtaining control included in the income statement at their fair value with fair value adjustments.

Note 1 – Acquisition of enterprises and activities

In H1 2024, a few adjustments were made to the preliminary recognition of acquisitions made in 2023. These adjustments were made in respect of payments made, contingent considerations provided and net assets and goodwill acquired. The impact of these adjustments on goodwill was DKK 5 million (DKK 3 million in H1 2023), and the impact on contingent considerations was DKK -1 million (DKK 2 million in H1 2023). In relation to acquisitions with final recognition in 2020-2023, adjustments were made in 2024 in respect of estimated contingent considerations. Such adjustments were recognised in the income statement.

The total impact on the income statement of fair value adjustments of non-controlling interests in step acquisitions amounted to DKK 335 million (DKK 26 million in H1 2023). For acquisitions, adjustments of contingent considerations made via the income statement in the amount of DKK 0 million (DKK 3 million in H1 2023) are recognised under distribution costs.

Of total acquisition costs in the reporting period, the fair value of estimated contingent considerations in the form of earnouts or deferred payments accounted for DKK 82 million (DKK 121 million in H1 2023). Earnouts depend on the results of the acquired entities for a period of 1-5 years after takeover and can total a maximum of DKK 82 million (DKK 121 million in H1 2023) for acquisitions.

The acquired assets include contractual receivables amounting to DKK 50 million (DKK 33 million in H1 2023) of which DKK 1 million (DKK 0 million in H1 2023) was thought to be uncollectible at the date of the acquisition. Of total goodwill in the amount of DKK 1,455 million (DKK 604 million in H1 2023), DKK 65 million (DKK 11 million in H1 2023) can be amortised for tax purposes.

Transaction costs in connection with acquisitions made in 2024 amounted to DKK 5 million (DKK 4 million in H1 2023) and are recognised under distribution costs.

Revenue and profit after tax generated by the acquired enterprises since our acquisition in 2024 amount to DKK 87 million (DKK 99 million in H1 2023) and DKK 4 million (DKK 4 million in H1 2023), respectively. Had such revenue and profit been consolidated on 1 January 2024, we estimate that consolidated pro forma revenue and profit before tax would have been DKK 11,184 million (DKK 11,191 million in H1 2023) and DKK 1,205 million (DKK 584 million in H1 2023), respectively. Without taking synergies with our core business into account, we believe that these pro forma figures reflect the level of consolidated earnings after our acquisition of the enterprises.

The above statements of the fair values of acquisitions are not considered final until 12 months after takeover.

Acquisitions after the reporting period

Demant has acquired additional minor distribution enterprises from the reporting date and until the date of publication of this Interim Report 2024. We are in the process of estimating their fair values. The acquisition costs are expected to relate primarily to goodwill.

Note 2 – Discontinued operations and assets held for sale

Note 2.1 - Discontinued operations

(DKK million)	H1 2024	H1 2023	Full year 2023
Revenue	602	714	1,351
Expenses	-719	-1,516	-2,430
Gain/loss on sale of assets and businesses	-36	-	-
Amortisation, depreciation and impairment losses	-78	-31	-61
Profit before tax - discontinued operations	-231	-833	-1,140
Tax on profit for the period	77	44	115
Profit for the period - discontinued operations	-154	-789	-1,025
Profit for the period for discontinued operations attributable to:			
Demant A/S' shareholders	-154	-789	-1,025
	-154	-789	-1,025
Earnings per share (EPS), DKK	-0.71	-3.54	-4.60
Diluted earnings per share (DEPS), DKK	-0.71	-3.54	-4.60
Cash flow from discontinued operations:			
Cash flow from operating activities (CFFO)	-134	-67	-348
Cash flow from investing activities (CFFI)	-5	-10	-39
Cash flow from financing activities (CFFF)	-153	-16	155
Cash flow for the period, net - discontinued operations	-292	-93	-232

On 5 February 2024, the Group announced the decision to undertake a review of the strategic options for its Communications business. On 14 August 2024, the Group announced the conclusion of the review of strategic options for its Communications business. Consequently, we have decided to initiate a significant restructuring plan of the EPOS business. The process will commence immediately, and following the restructuring, the Group intends to carry on with the divestment of EPOS. Following the announcement, the Communications business still meets the criteria of being classified as held for sale and/or a discontinued operation.

On 21 May 2024, the Group finalised the divestment of the cochlear implants (CI) business to Cochlear Limited after all regulatory approvals and customary closing conditions had been fulfilled. The divestment of the CI business resulted in a loss of DKK 36 million in H1.

As previously communicated, the bone anchored hearing systems (BAHS) business will remain with Demant for now, pending the review of our strategic options of how we realise the decision to exit the business area. BAHS continues to be considered a discontinued operation.

In H1, discontinued operations realised a loss after tax of DKK 154 million, including a loss relating to the divestment of the CI business. The remaining amount of DKK -118 million is related to an operating loss in the CI business and Communications business, which has not been offset by positive developments in the BAHS business.

Accounting policies

Discontinued operations represent a separate line of business disposed of or in preparation for sale. The results of discontinued operations are presented separately in the income statement, and comparative figures are restated. Assets and liabilities of discontinued operations are presented as separate items in the balance sheet, and cash flow from discontinued operations are presented separately in the cash flow statement.

Note 2 – Discontinued operations and assets held for sale

Note 2.2 – Assets held for sale and liabilities related to assets held for sale

(DKK million)	H1 2024	H1 2023	Full year 2023
Balance sheet items			
Intangible assets	539	97	97
Property, plant and equipment	27	1	1
Lease assets	53	1	1
Deferred tax assets	54	32	44
Other non-current assets	155	3	1
Non-current assets	828	134	144
Current assets	968	170	139
Assets held for sale	1,796	304	283
Provisions	1	6	8
Deferred tax liabilities	19	6	-
Lease liabilities	54	2	1
Other liabilities	278	43	80
Liabilities related to assets held for sale	352	57	89

Following the divestment of the CI business, assets classified as held for sale at 30 June 2024 comprise the Communications business and the BAHS business. The comparative figures only include the Hearing Implants business.

Accounting policies

Assets and liabilities of discontinued operations and assets held for sale, except financial assets etc., are measured at the lower of their carrying amount and their fair value less costs to sell. Non-current assets held for sale are not depreciated.

Key accounting estimates and judgements

No key estimates were identified.

Note 2 – Discontinued operations and assets held for sale

Note 2.3 - Divestment of enterprises and activities

(DKK million)	H1 2024
Gain/loss on divestment of enterprises and activities	
Selling price for discontinued operations	-
Net assets sold	-619
Reversal of initial impairment of net assets	612
Provisions as a result of the transaction	-18
Foreign currency translation reserve and hedging of net investment	-
Transaction costs	-11
Gain/loss on divestment of enterprises and activities	-36
Net profit from divestment of enterprises and activities	
Profit from divested discontinued operations	-51
Gain/loss on divestment of enterprises and activities	-36
Net profit/loss from divestment of enterprises and activities	-87

In May 2024, the Group divested its CI business to Cochlear Limited, and no consideration was paid as part of the transaction.

In H1, the divestment resulted in a loss of DKK 36 million of which DKK 11 million relates to transaction costs. The total transaction costs incurred by the Group in relation to the divestment of the CI business amount to DKK 66 million.

Accounting policies

Gains or losses from the divestment of enterprises and activities are determined as the difference between the selling price and the carrying amount of the net assets divested.

Transaction costs and any provisions made for obligations related to the divestment of enterprises and activities are deducted.

Note 3 – Accounting policies and estimates

This Interim Report 2024 is presented in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and further Danish disclosure requirements in respect of interim reports for listed companies. We have not prepared a separate interim report for the Parent. The Report is presented in Danish kroner (DKK), which is the functional currency of the Parent.

The accounting policies used for this Interim Report 2024 are the same as the accounting policies used for our Annual Report 2023 to which we refer for a full description. The Group has adopted all new, amended and revised accounting standards and interpretations as published by the IASB and adopted by the EU, effective for the accounting period beginning on 1 January 2024. The amendments, revised standards and interpretations have not had a significant effect.