2022/23

Annual Report

Jürgen | OC user

Company registration (CVR) No. 69 74 99 17

Ostomy Care | Continence Care | Advanced Wound Care | Interventional Urology | Voice and Respiratory Care

Coloplast

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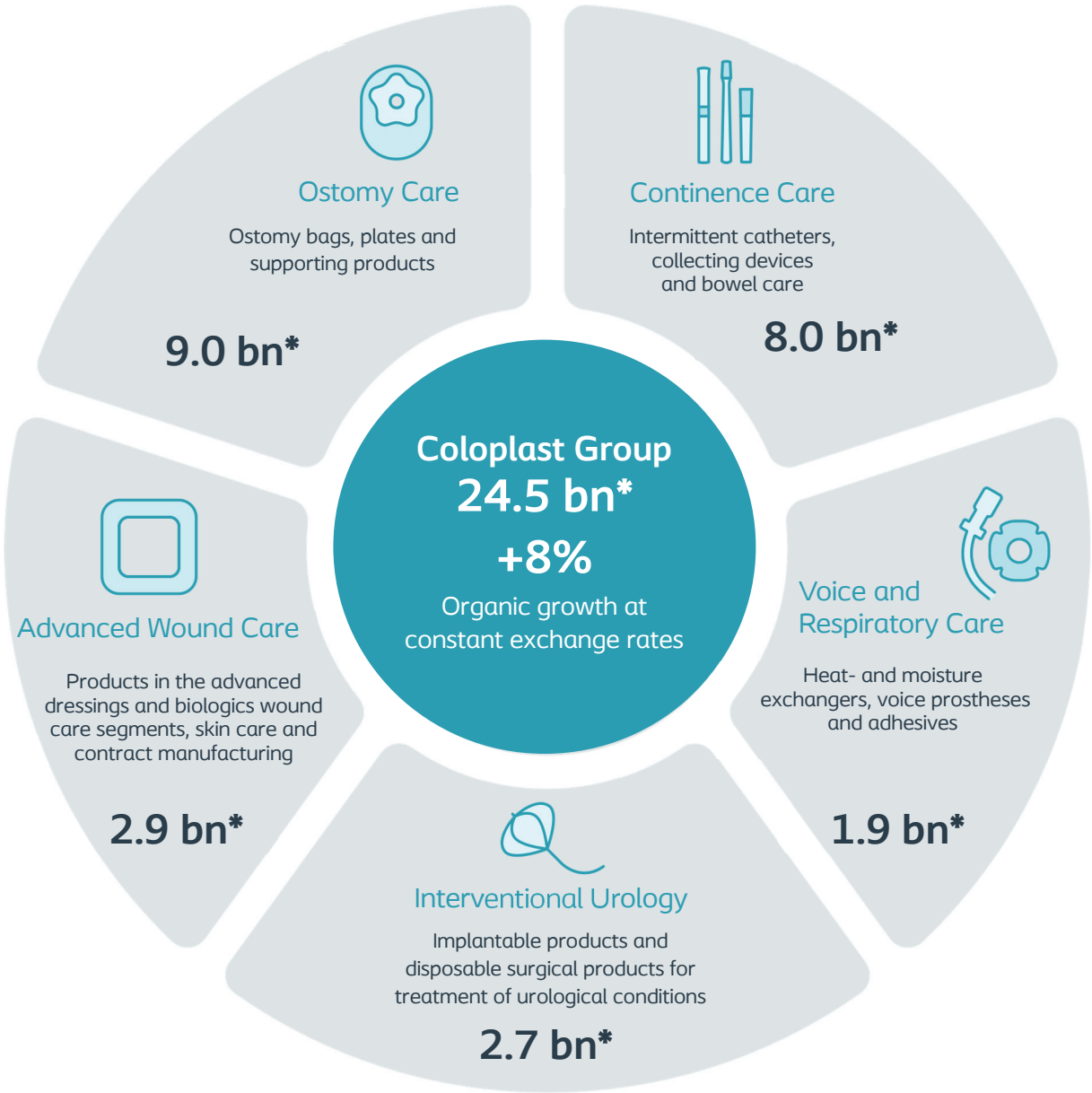
Regions and business areas revenue



*Reported revenue in DKK

***European** markets*

Western, Northern and Southern Europe

13.9 bn

Reported revenue in DKK

+5%

Organic growth at constant exchange rates

***Other developed** markets*

USA, Canada, Japan, Australia and New Zealand

6.5 bn

Reported revenue in DKK

+9%

Organic growth at constant exchange rates

***Emerging** markets*

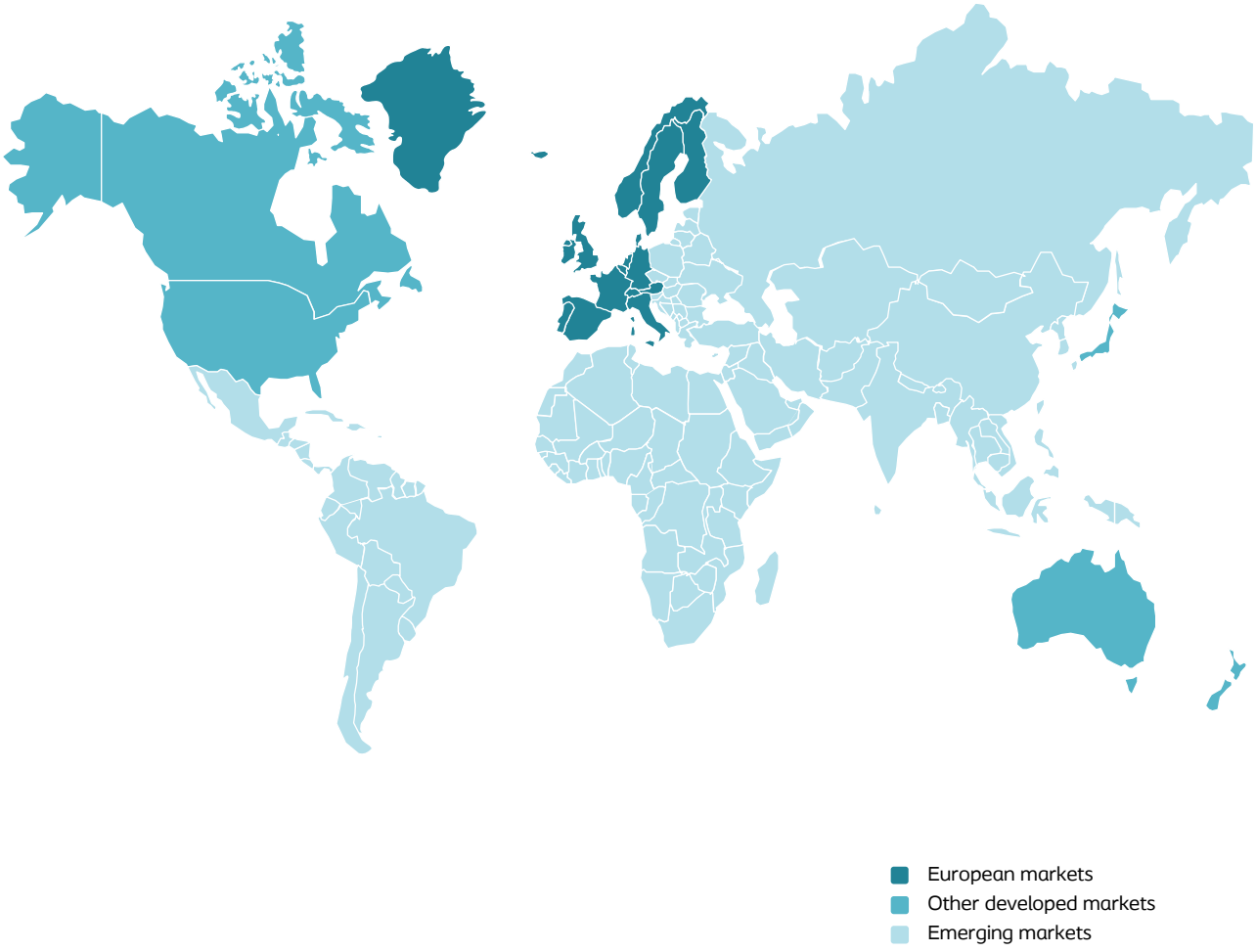
All other markets

4.1 bn

Reported revenue in DKK

+14%

Organic growth at constant exchange rates



HIGHLIGHTS
2022/23 in brief

8%

Organic revenue growth in 2022/23. Growth was broad-based

28%*

EBIT margin impacted by higher input costs

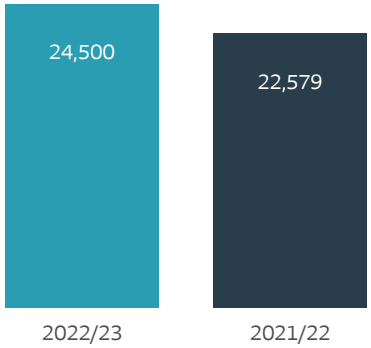
* Before special items

17%*

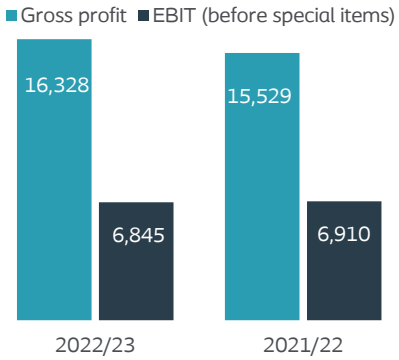
ROIC after tax impacted by acquisitions

* Before special items

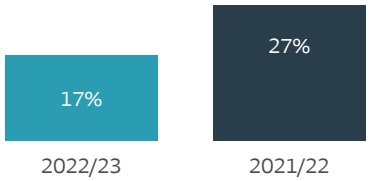
REVENUE (DKK MILLION)



GROSS PROFIT AND EBIT (DKK MILLION)



DEVELOPMENT IN ROIC AFTER TAX BEFORE SPECIAL ITEMS



Organic growth was 8%, with all business areas contributing to growth. Our Chronic Care businesses, Ostomy Care and Continence Care, were the main growth contributors, growing 8% and 7% respectively. Solid contribution from Interventional Urology and Voice and Respiratory Care, both growing 10%, as well as our Advanced Wound Care business which posted 7% organic growth.

Revenue in DKK amounted to 24,500 million, which was a 9% increase from 22,579 million last year. Revenue from acquisitions contributed 3%-points to reported growth and includes a four-months impact from the acquisition of Atos Medical and a one-month impact from the acquisition of Kerecis. Currencies had a negative impact and detracted 2%-points from reported growth.

EBIT before special items amounted to DKK 6,845 million, a 1% decrease from DKK 6,910 million last year.

The decrease in EBIT was a result of inflationary headwinds on input costs and an increase in operating expenses, which also included PPA amortisation related to acquisitions of around DKK 219 million. Currencies also had a negative impact on the EBIT margin. The negative impact on EBIT was only partly offset by pricing benefit, leverage on fixed costs and efficiency gains from Global Operations Plan 5, as well as prudent management of operating expenses.

The EBIT margin after special items was also 28%.

ROIC after tax before special items was 17%, against 27% last year. 2022/23 ROIC includes a full year impact from the increase in invested capital related to the Atos Medical acquisition in January 2022. ROIC was further impacted by the acquisition of Kerecis in August 2023.

-4,713 m

Free cash flow in DKK impacted by acquisitions

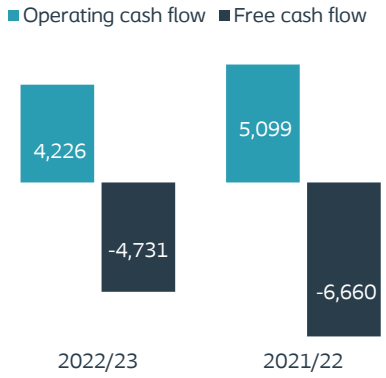
10%

Scope 1 and 2 emissions reduction since 2018/19 base year

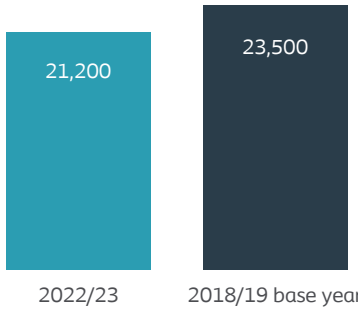
260,000+

New users in the Coloplast® Care patient support programme

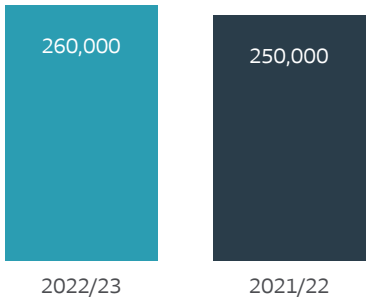
CASH FLOW (DKK MILLION)



SCOPE 1 AND 2 EMISSIONS (TONNES CO2)



NEW USERS ENROLLED IN OUR PATIENT SUPPORT PROGRAMME



Cash flows from operating activities amounted to DKK 4,226 million, against DKK 5,099 million last year. The negative development in cash flows from operating activities was mainly due to higher income tax paid and increases in financial items and inventories, partly offset by an increase in operating profit (EBIT).

Cash flows from investing activities was an outflow of DKK 8,957 million in 2022/23 due to the Kerecis acquisition compared with DKK 11,759 million last year mainly due to the acquisition of Atos Medical.

The free cash flow was an outflow of DKK 4,731 million compared to an outflow of DKK 6,660 million last year.

Coloplast's absolute scope 1 and 2 emissions decreased by 10% in 2022/23 compared to the base year 2018/19.

The scope 1 and 2 emissions reduction was mainly driven by energy efficiency improvements, phasing out natural gas usage and electrification of energy consumption. The reduction in scope 1 and 2 emissions was partly offset by increased emissions from the fleet of company cars and the inclusion of Atos Medical in sustainability-related metrics.

Excluding Atos Medical, scope 1 and 2 emissions decreased by 15% in FY 2022/23.

In 2022/23, more than 260,000 new users enrolled in Coloplast Care, compared to more than 250,000 in 2021/22.

Coloplast Care is our flagship patient support programme, designed to provide personalised support and education for people with intimate healthcare needs. The programme is available to users in more than 30 markets and is tailored to the needs of each individual market.

A message from the Chairman and the CEO

> Through a balanced mix of organic and inorganic initiatives during the first half of the Strive25 period, we are well positioned to accelerate our long-term organic growth to 8-10%, while maintaining our long-term commitment to industry leading profitability of more than 30%.

Dear shareholders,

While the COVID-19 pandemic is largely behind us, its consequences on healthcare systems globally continue to reverberate. In addition to the current staffing shortages and procedural backlogs, demographic trends and economic constraints will continue to put more pressure on healthcare systems in the coming decades. At the same time, current macroeconomic and geopolitical trends have significantly challenged our operating environment.

At Coloplast, we are building the consumer healthcare company of the future – a company that helps keep people out of the hospital and empowers them to take care of themselves. This is our business model.

While macroeconomic challenges, including COVID-19 and inflation, have put pressure on our performance in the first half of the Strive25 strategic period, they have also confirmed the strength of our model as we have been able to maintain solid organic growth and industry-leading profitability levels. We aim to emerge even stronger in the second half of Strive25 and position ourselves for long-term value creation.

Strive25 strategy update
Innovation remains a key driver of our organic growth. Through differentiated technologies, we have been winning in our Chronic Care core businesses, Ostomy Care and Continence Care, for decades. We have a strong pipeline in Chronic Care with a significant number of new product launches over the next few years, starting with Luja™, our new intermittent catheter.

This is the first product from our Clinical Performance Programme and the most important product launch in Continence Care in the last decade.

At the same time, with our Strive25 strategy we set out to actively pursue M&A opportunities to build growth and value creation options for the mid- and long-term. In the last three years, we have strengthened our portfolio with three significant acquisitions. First, the Intibia technology for treatment of over-active bladder in Interventional Urology, which we expect to launch in 2025/26. Second, the addition of Voice and Respiratory Care, a new chronic care business area, through the Atos Medical acquisition, which we expect to grow 8-10% p.a. And finally, with the latest addition of Kerecis we obtain a long-term growth business, expected to contribute around 1%-point to organic growth as of 2024/25, with strong profitability expansion potential and EPS accretion expected from 2026/27.

The current inflationary environment has represented a temporary setback for our profitability. As we look towards the second half of our Strive25 period, we expect to come back to an EBIT margin of 30%, before impact from the Kerecis acquisition, driven by an easing of the inflationary pressure and continued support from our Global Operations Plans.

Through a balanced mix of organic and inorganic initiatives during the first half of the Strive25 period, we are well positioned to accelerate our long-term organic growth to 8-10%, while maintaining our long-term commitment to industry leading profitability of more than 30%.

Acquisition of Kerecis
A key highlight from the past year is the acquisition of Kerecis, an emerging category leader in the biologics wound care segment, with a clinically differentiated technology based on intact fish skin. With Kerecis, we obtain a unique opportunity to transform our presence in the wound care market and accelerate group growth.

Our companies share many similarities and fit well together. We are both on a mission to help more people in need of advanced wound treatment, we are leaders in innovation and sustainability, and we both share values rooted in Nordic cultures. Kerecis has a strong commercial presence in the US, providing immediate scale in the market, while Coloplast's footprint and infrastructure provide a global expansion backbone for Kerecis' fish-skin technology beyond the US. The acquisition is a natural extension of our intent to build growth platforms for the mid- and long-term beyond our chronic care core businesses.

The acquisition of Kerecis was financed through an equity capital raise, which marked the first time since 1995 that Coloplast has used the capital markets to raise funds. We would like to thank our shareholders for the strong interest and participation in the equity raise.

Business performance highlights
We delivered 8% organic growth and an EBIT margin of 28% in 2022/23. The result reflects strong growth above the market across businesses and regions, once again proving the strength of our business model and offering. Our EBIT margin reflects the negative impact from inflation across cost categories.

Looking at our geographical priorities, our US Ostomy Care business delivered another strong year with double-digit growth, while in China we maintain a strong market leadership position despite short-term impact form the pandemic and consumer sentiment.

2022/23 is the final year of our Global Operations Plan 5, with focus on automation and ramp up of our manufacturing site in Costa Rica. We are now launching our Global Operations Plan 6, which will support continued growth and profitability though initiatives on managing input prices, continued optimisation of operations, and a new manufacturing site in Portugal.

At the core of our success are our people and culture. We have a purpose driven organisation, with above industry engagement, and a stable voluntary turnover level. With 54% share of diverse teams and 26% share of senior female leaders, we continue to advance our diversity and inclusion agenda.

As we continue growing our business, we aim to do so in a sustainable way. We have an ambition to reduce our emissions and improve our products and packaging, while operating responsibly. In 2022/23, we reduced our scope 1 and 2 emissions by 10% from the 2018/19 base year. We also increased our waste recycling rate to 75%.

Governance
The Board of Directors and the Executive Leadership Team continued their strong collaboration during the year, based on mutual respect and trust.

Key topics this year were the acquisition of Kerecis and the current macroeconomic environment, as well as the launch of our Global Operations Plan 6, which was a key topic at the annual strategy days that the Board held in Hungary this year.

In 2022/23, Coloplast's largest and second largest shareholders, Niels Peter Louis-Hansen and Aage og Johanne Louis-Hansen A/S, established a new holding company, as part of a generational change. The aim of the new holding company is to secure a long-term and stable ownership of Coloplast.

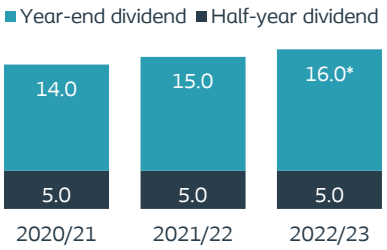
Finally, we would like to thank our colleagues at Coloplast for their commitment and hard work this year. We would also like to thank our customers and investors for their continued trust and support.

Proposed dividend per share of DKK 16.00

in addition to a half-year dividend of DKK 5.00.

The Board of Directors recommends that the shareholders attending the general meeting approve a year-end dividend of DKK 16.00 per share. This brings the total dividend paid for 2022/23 to DKK 21.00 per share, compared to DKK 20.00 in 2021/22.

DIVIDEND PER SHARE (DKK)



Lars Rasmussen
Chairman of the Board of Directors

Kristian Villumsen
President & CEO

Five-year financial and sustainability highlights and ratios

Financial highlights and ratios

Income statement, DKK million	2022/23	2021/22	2020/21	2019/20	2018/19
Revenue	24,500	22,579	19,426	18,544	17,939
Research and development costs	-872	-866	-755	-708	-692
Operating profit before interest, tax, depr. and amort. (EBITDA)	7,840	7,369	6,947	6,705	5,807
Operating profit before interest, taxes and amortisation (EBITA) before special items	7,179	7,170	6,484	6,013	5,707
Operating profit (EBIT) before special items	6,845	6,910	6,355	5,854	5,556
Special items	-74	-471	-200	-	-400
Operating profit (EBIT)	6,771	6,439	6,155	5,854	5,156
Net financial income and expenses	-746	-312	78	-388	-128
Profit before tax	6,025	6,127	6,233	5,466	5,028
Net profit for the year	4,783	4,706	4,825	4,197	3,873
Revenue growth					
Annual growth in revenue, %	9	16	5	3	9
Growth breakdown:					
Organic growth, %	8	6	7	4	8
Currency effect, %	-2	4	-2	-1	1
Acquired operations, %	3	6	0	-	0
Balance sheet, DKK million					
Total assets[1)]	48,159	37,446	15,841	13,499	12,732
Capital invested	37,255	27,679	11,576	9,864	8,748
Net interest-bearing debt	18,660	18,091	2,112	1,162	539
Equity at year end	17,299	8,292	8,168	7,406	6,913
Cash flows and investments, DKK million					
Cash flows from operating activities	4,226	5,099	5,290	4,759	4,357
Cash flows from investing activities	-8,957	-11,759	-2,011	-901	-591
Investments in property, plant and equipment, gross	-1,020	-927	-919	-846	-617
Free cash flow	-4,731	-6,660	3,279	3,858	3,766
Cash flows from financing activities	5,265	6,591	-3,176	-3,857	-3,714
Key ratios					
Average number of employees, FTEs	14,903	13,650	12,578	12,250	11,821
Operating margin (EBIT margin) before special items, %	28	31	33	32	31
Operating margin (EBIT margin), %	28	29	32	32	29
Operating margin before interest, tax, depr. and amort. (EBITDA margin), %	32	33	36	36	32
Gearing ratio, NIBD/EBITDA before special items	2.4	2.3	0.3	0.2	0.1
Return on average invested capital before tax (ROIC), %[2)]	21	35	58	59	62
Return on average invested capital after tax (ROIC), %[2)]	17	27	45	46	48
Return on equity, %	59	64	70	66	65
Equity ratio, %[1)]	36	22	52	55	54
Net asset value per outstanding share, DKK	77	39	38	35	33

Key ratios have been calculated and applied in accordance with the Recommendations and Financial Ratios issued by the Danish Society of Financial Analysts.

[1)] The opening balance for goodwill has been adjusted due to changes in the purchase price allocation of Atos Medical Group, as a result of the subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction, and thus, a deferred tax step-up is recognised as part of the purchase price allocation. This resulted in an increase in goodwill of DKK 2,490 million and an increase in deferred tax liability of DKK 2,490 million.

[2)] This item is provided before special items. After special items, ROIC before tax was 21%/33%/57%/61%/60%, and ROIC after tax was 17%/25%/44%/47%/46%.

Share data	2022/23	2021/22	2020/21	2019/20	2018/19
Share price, DKK	748	776	1,007	1,004	825
Share price/net asset value per share	10	20	26	29	25
Average number of outstanding shares, in million	214	213	213	213	212
PE, price/earnings ratio	34	35	44	51	45
Dividend per share, DKK[1]	21.0	20.0	19.0	18.0	17.0
Payout ratio, %[2]	96	84	81	91	86
Earnings per share (EPS), diluted	22.20	22.11	22.63	19.67	18.18
Free cash flow per share	-22	-31	15	18	18

Sustainability highlights and ratios

	2022/23	2021/22	2020/21	2019/20	2018/19
Strive25 ambitions[3]					
Improving products and packaging					
90% of packaging recyclable[4] [8]	72%	72%	75%	75%	-
80% of packaging consisting of renewable materials[4] [8]	66%	65%	70%	70%	-
75% of production waste recycled	75%	71%	58%	41%	32%
Reducing emissions[5]					
100% reduction of scope 1 & 2 emissions by 2030[5] [6]	10%	8%	–7%	-3%	0%
100% renewable energy	78%	72%	67%	67%	67%
100% electric company cars by 2030	8%	4%	2%	1%	-
50% reduction of scope 3 emissions per product by 2030[5] [6]	8%	9%	10%	0.3%	0%
10% reduction of air travel[5] and then freeze	41%	55%	81%	45%	0%
5% limit on goods transported by air	2%	3%	2%	4%	-
Responsible operations					
100% white collars trained in Code of Conduct	99%	100%	99%	98%	98%
2.0 Lost Time Injury frequency[7] [8]	2.6	2.5	2.2	2.5	2.5
40% representation of female senior leaders (VP+) by 2030	26%	21%	24%	23%	23%
75% share of diverse teams	54%	55%	50%	51%	-
Engagement score above industry benchmark[9]	8.1	8.2	8.2	7.9	-

[1] The figure shown for the 2022/23 financial year is the proposed dividend.
[2] This item is before special items. After special items, the payout ratio is 97%/90%/84%/91%/93%.
[3] *Sustainability highlights and ratios for 2022/23 includes Voice and Respiratory Care, except for the ratios related to 75% share of diverse teams and Engagement score above industry benchmark.*
[4] Due to improved data quality in our reporting methodology, the packaging data for 2022/23 and 2021/22 is not comparable with data previously reported.
[5] From the base year 2018/19.
[6] Target validated by the Science Based Targets initiative (SBTi)
[7] In parts per million.
[8] Figure for 2021/22 has been restated due to improved data quality.
[9] Due to the introduction of a new engagement survey, the engagement score for 2019/20 is not comparable with data previously reported.

Outlook and financial guidance

Our *guidance* for 2023/24

Around 8%
Organic revenue growth at constant exchange rates

27-28%
Reported EBIT margin (before special items)

Around 1.4 bn
Capital expenditure in DKK

Around 22%
Effective tax rate

Long-term financial guidance

8-10%
Organic growth p.a.
above 30%
EBIT margin beyond 2024/25
(at constant exchange rates)

The long-term organic growth guidance includes around 1%-point accretion from Kerecis as of financial year 2024/25. For the remaining Strive25 strategic period running until end of 2024/25, the EBIT margin is expected to remain below 30% and assumes dilution of around 100 basis points p.a. from Kerecis (including PPA amortisation).

Key assumptions

Current macroeconomic and industry-specific trends, including an ongoing widespread anti-corruption campaign in China, are continuously monitored and their potential impact on our business is evaluated on an ongoing basis. As such, the financial guidance is subject to a higher degree of uncertainty due to the changing environment.

The addressable market in which Coloplast operates is expected to continue growing at 4-5%.

Revenue growth
Organic growth is expected around 8% in constant currencies. The guidance assumes growth across business areas and regions to be largely in line with the Strive25 ambitions, except for China.

a. Chronic Care:
   - Improvement in growth in China, however, China is not expected to return to the Strive25 ambitions of double-digit growth, due to continued impact from average value per patient, which remains below pre-COVID levels, impacted by consumer sentiment.

b. Advanced Wound Care is expected to deliver growth above the market.
c. Interventional Urology is expected to deliver high-single digit growth.
d. Voice and Respiratory Care is expected to grow at 8-10%.
e. No current knowledge of significant health care reforms; positive pricing impact is expected. The expectation of long-term price pressure of up to 1% annually is unchanged.
f. A stable supply and distribution of products across the company.

Reported growth in DKK is expected to be around 12% and assumes:
a. Contribution from the Kerecis acquisition is expected around 4%-points (11 months impact).
b. Limited negative impact from currencies.

EBIT margin
The reported EBIT margin before special items is expected at 27-28%, and includes the following assumptions:
a. Input costs development:
   - Raw materials – mid single-digit price increase.
   - Tailwind from total energy costs of around DKK 100 million on the gross margin.
   - Tailwind from freight cost.
   - Wages in Hungary – double-digit increase, similar to 2022/23.
b. A one-off tailwind from the provision related to the Italian pay-back. reform of around 40 basis points on the gross margin.
c. Prudent management of operating costs, expected to grow below reported revenue in DKK (excluding acquired growth).
d. Incremental investments at the lower end of the Strive25 guidance (up to 2% of sales in incremental OPEX investments).
e. Benefit from operational synergies related to integration of Atos Medical on Coloplast infrastructure.
f. Negative impact from Kerecis of around 100 basis points, which includes around DKK 100 million in PPA amortisation.
g. Negative impact from currencies of around 50 basis points.

Special items of around DKK 50 million in financial year 2023/24, related to the integration of Atos Medical.

Capex includes investments in new manufacturing site in Portugal, part of Global Operations Plan 6, investments in new machines for existing and new products, IT and sustainability investments, as well as Atos Medical integration capex.

Effective tax rate and tax payments
The effective tax rate is expected to be around 22%, positively impacted by the transfer of Atos Medical Intellectual Property (IP).

Following the IP transfer there will be an extraordinary net tax payment of DKK 2.5 billion in Q2 2023/24. The payment will be offset by reduced tax payments the following years.

Dividend policy
The Board of Directors intends to distribute excess liquidity to the shareholders through dividends and share buybacks, with a target payout ratio of 60-80% of net profit.

Forward-looking statements

The forward-looking statements in this announcement, including revenue and earnings guidance, do not constitute a guarantee of future results and are subject to risk, uncertainty and assumptions, the consequences of which are difficult to predict.

The forward-looking statements are based on our current expectations, estimates and assumptions and are provided on the basis of information available to us at the present time.

Major fluctuations in the exchange rates of key currencies, significant changes in the healthcare sector or major developments in the global economy may impact our ability to achieve the defined long-term targets and meet our guidance. This may impact our company's financial results.

Exchange rate exposure
Our financial guidance for the 2023/24 financial year has been prepared on the basis of the following assumptions for the company's principal currencies:

Overview of exchange rates for key currencies against DKK

	GBP	USD	HUF
Average exchange rate 2021/22	878	688	1.97
Average exchange rate 2022/23	855	698	1.92
Change in average exchange rates for 2022/23 versus 2021/22	-3%	1%	-3%
Spot rate on 7 November 2023	859	697	1.97
Change in spot rates compared with average exchange rate 2022/23	0%	0%	3%

Revenue is particularly exposed to developments in USD and GBP relative to DKK. Fluctuations in HUF against DKK impact the operating profit because a substantial part of our production, and thus of our costs, are in Hungary, whereas our sales there are moderate.

Effect over 12 months of a 10% initial drop in exchange rates for key currencies (DKK million)

	Revenue	EBIT
USD	-710	-220
GBP	-350	-220
HUF	-	130

Mission and business model

Mission

Coloplast is a purpose-driven company. Our mission is to make life easier for people living with intimate healthcare needs. This has been at the very core since our company was founded more than 65 years ago.

In 2022/23, we continued to help more than two million people living with intimate healthcare needs across 140 countries. We also welcomed more than 260,000 new users to our patient support programme, Coloplast® Care.

Coloplast has been committed to raising standards of care and leading the categories we operate in for more than six decades. We have done so through product and service innovation, user support, and partnering with healthcare professionals.

Despite the decades-long innovation, we continue to see unmet needs in the market. We also see that the standard of care in our chronic categories, measured through product utilisation per capita, remains low in most markets outside of Northern Europe. Many patients continue to be underserved, with limited access to products and services. And many do not have access to the latest technologies.

We will continue to live our mission through a strong commitment to raising standards of care and ensuring more users get proper access to the products they need to live a better life.

Business model

Healthcare globally is experiencing pressure from demographic trends, constrained budgets, channel consolidation, more demanding consumers, and digital transformation. Healthcare systems need to adapt to these trends and meet the increase in demand in a cost-effective way.

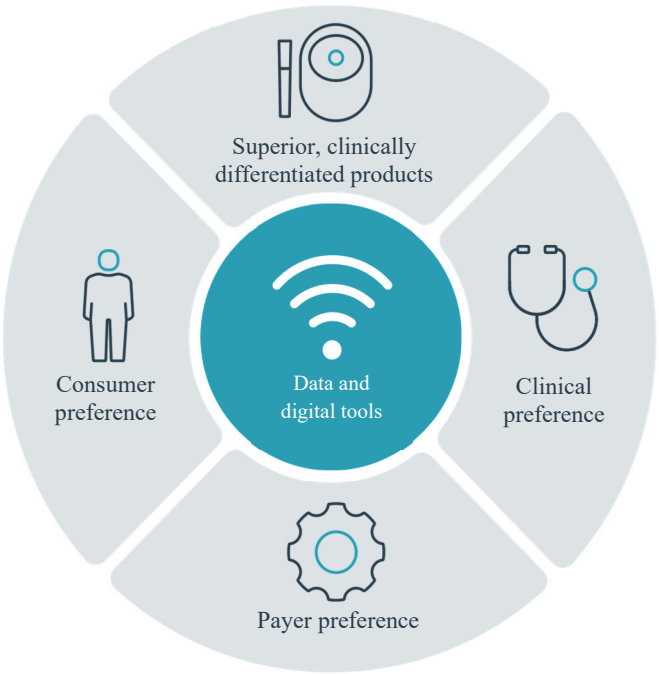
At Coloplast, we are building a company that plays an active role in the care continuum and addresses the unmet needs in the market, while supporting healthcare systems globally as they go through substantial changes. We are building the consumer healthcare company of the future.

Our model is built around the patient and has five elements:

1. bringing clinically differentiated products through innovation,
2. building clinical preference through partnering with healthcare professionals,
3. building consumer preference,
4. building payer preference,
5. documenting the value we create through data.

With our business model, we want to empower users to manage their conditions at home. We call this enabling self-care at scale. This is how we aim to support both the individual user and healthcare systems and how we add value to society.

Commercial model



This is also what we believe is at the core of being a sustainable business that is well positioned for the future.

Being a sustainable business extends to the interactions with all our stakeholders. As we continue growing, we aim to minimise our environmental footprint by reducing emissions and improving products and packaging, as well as continue to operate responsibly.

Clinically differentiated products
Our business model starts with bringing differentiated technologies to the market through innovation. With our products, we aim to raise the standard of care and address the unmet needs in the market. The innovation strategy is to enable personalised care and expands beyond products, through an ecosystem of innovation which comprises core products, extended solutions and services.

This year, we launched Luja™, a new male intermittent catheter with a unique Micro-hole Zone Technology, designed to directly address key risk factors for Urinary Tract Infections, and raise the standard of care in Continence Care.

Clinical preference
Across our businesses, we aim to be the brand of choice for healthcare professionals. In addition to differentiated products, we also offer education and support to clinicians.

Coloplast provides education through its Coloplast® Professional online platform in Chronic Care and Advanced Wound Care, as well as educational events across business areas. The Coloplast Professional platform is currently available in 11 markets, with more than 15,000 sign-ups, and more than 800,000 site visits in 2022/23.

Consumer and payer preference
Getting appropriate support is crucial in ensuring that users in the chronic care segments establish a good routine and experience a high quality of life. To provide individualised support and services to users and drive consumer preference, Coloplast has built a direct-to-consumer channel, available across more than 10 markets, and a strong patient support programme, Coloplast® Care, available to users in more than 30 markets.

To document the value we create for users, payers, and healthcare systems, Coloplast works actively on gathering data through clinical studies and pilot programmes.

An example of this is the Coloplast Care programme, which has been documented to lead to lower likelihood of readmissions and emergency room visits one month after hospital discharge for ostomy and continence care users. The results suggest that enrolment in a patient support programme following discharge could lead to a reduction in preventable healthcare utilisation.

Another example of how we support healthcare systems is from the UK, where a Stoma Prescription Service pilot offered by Coloplast in selected boroughs improved quality of care, access to specialist advice, as well as prescribing costs. Equally important, the pilot showed that access to the service reduced the need for general practitioner and hospital appointments. The pilot was converted to a multi-year contract to help all stoma patients across the participating areas.

Creating access for more users

Our mission and business model inherently strive for better health outcomes and better access to healthcare. Coloplast has a long-term ambition to create or improve access to better care for another one million new users across our business areas and geographies. To achieve this ambition, we work on two main initiatives.

First, we advocate for establishing reimbursement to ensure that users have permanent access to the products they need. Recent successes include establishing or improving reimbursement for hydrophilic catheters in Poland, Japan, South Korea and Australia.

Second, we work on establishing treatment protocols for patients in new segments that are currently underserved, such as Multiple Sclerosis.

In collaboration with local stakeholders, with a common goal of helping people with intimate healthcare needs live a dignified life, Coloplast has a portfolio of initiatives under the corporate partnership programme Access to Healthcare. Since 2007, the programme has supported more than 80 projects in 20 countries across business areas.

Strive25 Sustainable Growth Leadership

In September 2020, we announced our Strive25 – Sustainable Growth Leadership strategy, covering a five-year period ending in 2025.

'Sustainable' because it sends an important signal. Sustainability is a key enterprise theme.

'Growth' because we want Coloplast to continue to be an innovative growth company.

'Leadership' because we aspire to lead our categories and because we aim to evolve the way we lead.

Our strategy has four enterprise-wide themes: Innovation, Unparalleled efficiency, Sustainability, and Leadership, Culture and Organisation. These four themes are enablers of the revenue growth and value creation that our business areas deliver.

With Strive25, we continue to focus on value creation through above market growth across all of our business areas and industry-leading margins.

Our long-term organic revenue growth is expected to be 8-10%[1] annually, from 7-9% previously, and was updated as a result of the acquisition of Kerecis in 2023. Our long-term EBIT margin guidance is maintained at above 30%[1].

[1] For more information, please refer to the guidance section

We will continue to pursue market leading growth across all our business areas, with a common theme of innovation and a geographical emphasis on the US and China.

During the strategic period, we will continue to invest up to 2% of annual revenue in incremental innovation and commercial activities to drive our growth and value creation agenda.

M&A plays a bigger role in the Strive25 period. To secure long-term growth options beyond 2025, we have made three significant investments in the first half of this strategic period.

In 2020, Coloplast acquired an early-stage technology, Intibia™, for treatment of over-active bladder in Interventional Urology. The technology is expected to launch in 2025/26 and will support long-term growth above the market in Interventional Urology.

With the Atos Medical acquisition in 2022, Coloplast added the Voice and Respiratory Care business area to the portfolio. The business area represents a continuous growth option in a chronic category with limited competition and significant untapped potential.

Finally, with Kerecis, Coloplast acquired an attractive and highly differentiated technology in the biologics wound care segment based on fish skin, with the aim to strategically transform our position in the wound care market.

Innovation

Innovation and bringing differentiated technologies across all our business areas will continue to be a core driver of organic growth. We will continue to invest in R&D and maintain an R&D-to-sales ratio of around 4% annually.

The most important initiative in this strategic period is to launch clinically differentiated products from our Clinical Performance Programme in Chronic Care. We will also continue to expand our portfolio by launching line extensions within existing technologies across all business areas.

In 2023, we initiated the launch of the first product from our Clinical Performance Programme, the new intermittent catheter Luja™. A significant number of launches are expected in the second half of our strategic period, starting with our new digital ostomy tool Heylo™, the female version of the Luja catheter, line extensions of our SenSura® Mio portfolio, as well as product launches in Bowel Care and the advanced wound dressings portfolio.

Unparalleled efficiency

Since 2008, Global Operations have delivered significant value through Global Operations Plans (GOPs). In the Strive25 period, GOP5 and GOP6 will play a key role in maintaining efficient operations. GOP5 and GOP6, differ from previous plans, as the benefits from offshoring of manufacturing are limited. In addition, external factors like wage inflation and labour shortages in Hungary, and recently since 2022, inflationary pressure on raw materials, freight, and energy prices, have put more pressure on the overall financial performance.

Key initiatives in GOP5 are automation and footprint diversification. We initiated automation at our manufacturing sites in Hungary and China to maintain headcount neutrality, with a net impact of ~800 FTEs in 2022/23 compared to planned ~1,000 FTEs. The programme has been impacted by longer component lead times and is expected to be finalised during 2023/24. As part of the footprint diversification theme, we expanded our production footprint in Costa Rica with two sites, to support a wider geographical spread of risk and a more robust set up. Around 25% of volumes are expected to be produced in Costa Rica by 2024/25.

Key initiatives in GOP6 are continued development of our footprint and managing input prices and cost efficiency. Portugal is the chosen location for our next manufacturing site due to its proximity to key markets in Europe and a stable supply of qualified labour. The site will be 30,000 m2 and largest to date, removing the need to build additional sites until 2029/30. The site is expected to be operational in 2026. The investment level is expected around DKK 700 million, evenly split over a 3-year period. As a result, the CAPEX-to-sales ratio is expected to be around 5% for the remainder of the Strive 25 period. To manage the ongoing inflationary pressure, we have also initiated a company-wide procurement programme, aimed at driving cost efficiency.

During Strive25, we expect continued positive scale effect in our business support organisation driven by further utilisation of our Coloplast Business Centre and investments in IT. We also expect benefit from synergies related to integration of Atos Medical, estimated at around DKK 100 million.

Sustainability

With Strive25, sustainability was integrated into our strategy and elevated to an enterprise theme. As we grow, we have made it a priority to do so in a sustainable way.

Every second, about 50 people around the world pick up and use one of our products to manage an intimate health care condition. Helping more than two million users live a better life also means that we produce and ship more than 1.5 billion products every year. We have a clear obligation to reduce our environmental footprint and help accelerate a green and just transition while never compromising on the quality and performance of our products as our users depend on them. We also believe that aiming high when it comes to sustainability will help future-proof our growth, provide resilience against regulation and spur innovation.

Within the Strive25 strategic period, Coloplast is investing DKK 250 million in more sustainable solutions and capacity building across our business. We are also partnering with actors within and outside our industry to understand and accelerate the availability of more sustainable materials and technologies.

Coloplast is a signatory of the UN Global Compact, and its ten principles are part of our way of doing business. Coloplast is also committed to contributing to the UN Sustainable Development Goals (SDGs) with particular focus on:

- SDG 3: Good Health and Well-Being, which we address through our mission and business model
- SDG 12: Responsible Consumption and Production, which we address through our strategic focus on improving products and packaging
- SDG 13: Climate Action, which we address through our strategic focus on reducing emissions

Further, through our commitment to responsible operations, we contribute to SDG 5: Gender equality, SDG 8: Decent work and economic growth and SDG 10: Reduced inequalities.

With the addition of Voice and Respiratory Care in 2022, we are working to extend our sustainability ambitions to this area. This year, we have begun integrating the business into our sustainability agenda.

In 2023, Coloplast acquired Kerecis and in the coming years we will set a plan for how to address Kerecis on ESG-related matters. Kerecis has a strong foundation with a mission to help more people in need of wound treatment through a portfolio based on cod fish skin, a by-product from Icelandic fisheries, and a unique waste-to-value proposition.

Improving products and packaging
As for any manufacturing company, environmental impacts from our products and packaging contribute significantly to the overall footprint of our company. Coloplast's Strive25 sustainability strategy includes targets for making our packaging more sustainable by introducing renewable and recyclable materials as well as for recycling our production waste.

Due to the significant regulatory restrictions on our industry and our priority to never compromise on user safety, making environmentally sustainable products is a challenge we face along with our industry peers.

At Coloplast, we consider environmental performance when developing new products and packaging. Our focus is on designing our products and packaging to have a lower environmental impact, for example by designing our packaging to be recyclable and made of renewable materials such as recycled or bio-based materials. This year, we have formally integrated sustainability in our product development model, and we have initiated and continued projects with potential to significantly reduce the environmental footprint of our portfolio. We have also continued to make progress within sustainable production waste management with a recycling rate of 75% this year.

Reducing emissions
Climate action is a key priority for Coloplast. As a responsible company, it is our obligation to reduce our emissions and limit our impact on the climate. As part of Strive25, Coloplast is committed to emission reduction targets in line with limiting global warming to 1.5°C as outlined in the Paris Agreement.

We have set emission reduction targets on scope 1, 2 and 3 emissions as well as on renewable energy. These targets are validated by the Science Based Targets initiative (SBTi). In 2022/23, we have delivered on our climate ambitions by continuing to phase out the use of natural gas, and we have further developed our value chain decarbonisation plan.

Responsible operations
We have a strong commitment to operating responsibly by delivering safe and reliable products, ensuring a safe and healthy working environment for our employees, and upholding a high level of integrity in interactions with all our stakeholders.

In 2022/23, an employee tragically lost his life while at work at a Coloplast site. A thorough root-cause analysis has been completed, and we have implemented actions to avoid a similar incident in the future. Coloplast is fully dedicated to ensuring a safe and healthy working environment and we regard this tragic fatality as an unacceptable outlier.

Leadership, culture, and organisation

Coloplast is a global employer with a purpose-driven culture, rooted in a mission to make life easier for people with intimate healthcare needs.

At the end of 2022/23, Coloplast surpassed a total workforce of about 15,900 people, including our colleagues at Kerecis. We are present in more than 40 countries and employ people of more than 120 nationalities. Attracting and retaining a diverse pool of talent is critical to Coloplast's continued success. Our existing workforce represents a rich diversity of educational background, nationality, gender, age and ethnicity. This ensures that a variety of perspectives is brought to the table, which is key for future success and continued innovation and growth.

In 2023, we were recognised as one of the Top 25 Companies to work for in Denmark. Several of our subsidiaries across geographies received similar recognitions during the year.

As we continue to grow, it is important to keep our mission top of mind for current and future employees while demonstrating our commitment to maintaining an engaging and inclusive workplace where employees perform, grow and feel a sense of belonging. We also need to ensure that we evolve the way we lead while continuing to promote the behaviours needed to succeed. This is why we have developed and rolled out our leadership promise, which builds on our existing strong purpose-driven company culture and has four pillars: we aim high, we simplify, we empower, and we are inclusive.

Our leadership, culture and organisation agenda is centred around three themes: Talent for the future, employee engagement, and inclusion and diversity.

Talent for the future
Key to our continued growth as a company is having the right talent pipeline for the future. In a dynamic global labour market, we have a strong focus on strengthening our competitive position through emphasis on our unique purpose and growth opportunities for our employees. In 2022/23, 65% of open critical managerial positions were filled with internal candidates.

Employee engagement
Regular feedback from our employees is crucial to measuring organisational health. Therefore, Coloplast conducts an employee engagement survey twice per year. We continued to see strong engagement among our employees, with a score of 8.1 in 2022/23 (out of 10), above industry benchmark.

Inclusion and diversity
Coloplast is committed to building and sustaining an inclusive culture that offers equal opportunities and leverages diversity at all levels.

Across our organisation, we have a gender split of 62% of female employees and 38% male employees. However, when looking at the gender split at the senior leadership level, the balance shifts, with 26% share of senior female leaders and 74% share of male senior leaders.

To strengthen our commitment to improving gender balance at the senior leadership level, Coloplast has signed the Confederation of Danish Industry's Gender Diversity Pledge. We are committed to a target of 40/60 gender distribution in management and in the Board of Directors by 2030. We have already achieved an equal gender balance at the Board of Directors level, and we have a strong future pipeline of female leaders, with 46% of all managers at Coloplast being female.

Diversity extends beyond gender. To benefit from our diverse workforce, we aim to ensure a diverse composition of teams, which looks not only at gender, but also age and nationality and we have set an ambition to reach a share of 75% diverse teams by 2025.

Case study

Innovation: Setting a new standard in intermittent catheterisation with Luja™

Coloplast is the market leader in continence care. At the core of our success is innovation. Almost 25 years ago, Coloplast introduced SpeediCath®, an instantly ready-to-use hydrophilic catheter, which transformed the standard of care for people with urinary retention and secured Coloplast's position as the market leader. Now, we aim to set a new standard of care with Luja, our latest launch in intermittent catheters.

Within intermittent catheterisation, preventing Urinary Tract Infections (UTIs) remains one of the biggest unmet needs. 45% of users consider UTIs to be their greatest challenge and 47% of users worry about whether they have emptied their bladder. Users of intermittent catheters have, on average, 2-3 UTIs per year.

To address key UTI risk factors related to intermittent catheterisation, Coloplast developed Luja, an intermittent catheter with a novel Micro-hole Zone Technology. The technology, which features a drainage zone with more than 80 micro holes, is designed to directly tackle residual urine, which is considered an important risk factor for UTI development. In addition to the new technology, Luja includes the benefits from other Coloplast's catheters – a hydrophilic coating and a hygienic sleeve.

Luja is the first product launch from our Clinical Performance Programme, initiated to address the biggest issues users face, and is backed by a comprehensive evidence programme, including clinical data from two randomised controlled studies.

Thomas Bøhne is 32 years old and lives in Gießen, Germany. Thomas was born with Spina Bifida and has been in a wheelchair since he was a child. He started playing wheelchair basketball when he was 10 years old and today, he is a professional athlete. Thomas is also enrolled in a distance learning course in sports management, which he aims to work with after his sports career. Thomas is a football fan and enjoys watching football, spending time with friends, and going out to restaurants. Thomas is also an intermittent catheters user. Self-catheterisation has given him freedom and independence from an early age.

The biggest concern is actually that you have to struggle with a bad UTI. I always have this question, how do I ensure I get it (bladder) completely empty that nothing is left, so I don't somehow get UTIs or other problems.

The worry that my bladder is not completely empty is of course always there, especially because I can't really feel whether there is still something in it or whether it is really completely empty. Repositioning with a regular catheter is not quite so easy. With a conventional catheter, it is sometimes difficult for me to readjust it by pushing it in and out again. It takes me a little longer to go to the toilet when I have to reposition the catheter. When I am in a hurry, I don't have the time to check whether everything is really out by pulling it in and out three or four times.

I was curious to try out Luja, just to see if it was better than my current catheter. The big difference was that when I used it, I realised I don't have to check whether there's still urine left behind in my bladder. With Luja, everything was just out in one flow. I didn't have to readjust the catheter in any way. I don't have to check a couple of times to see if everything is really out. With Luja, I am confident that my bladder is completely empty, I don't need to worry about that anymore. I would definitely want to continue using Luja."

Thomas Bøhne, an intermittent catheter user

Case study

Kerecis: Improving wound treatment through a waste-to-value proposition

With the acquisition of Kerecis in 2023, Coloplast obtains a long-term growth business with strong profitability expansion potential, well-positioned for long-term value creation. Kerecis is the only FDA-approved manufacturer of fish-skin technology for wound treatment, which has already been used to treat tens of thousands of patients and is used across hundreds of hospitals in the US. Since the launch of its patented technology in 2016 in the US-centric biologics wound care segment, Kerecis has become the fastest growing company in the segment, reaching a number five position and a market share of around 5%.

Coloplast and Kerecis are a strong fit with complementary geographical footprint and portfolios. Both companies are on a mission to help many more patients through innovative technologies, and both have strong focus on sustainability. With Kerecis, Coloplast expands its footprint in the US. And with its global reach and industry-leading infrastructure, Coloplast can support Kerecis' mission to reach patients outside of the US.

Behind the strong performance and attractive business case is an innovative technology with a waste-to-value proposition produced using cod fish skin, a by-product of Icelandic fisheries.

The story of Kerecis started in 2009 in Isafjordur, a fishing town in the North-West of Iceland when Kerecis' founder, Fertram Sigurjonsson, realised that cod fish skin can be used for treatment of wounds and human tissue trauma.

The structure and the properties of cod fish skin are very similar to human skin. And, as there is no known viral disease transmission risk from cold water fish to human, the fish skin can be gently processed. This preserves the natural structure and components of the fish skin, resulting in improved wound healing which is supported by compelling clinical evidence with more than 40 publications, including several randomised controlled clinical trials.

The fish-skin portfolio is produced in the Westfjords, an area in the Arctic known for its commitment to environmental protection. The fish skin used in Kerecis' products is derived from wild, locally harvested and certified sustainable fish stock. The manufacturing process uses exclusively renewable energy.

Kerecis is a good example of how circular solutions can create significant value for all stakeholders, while minimising the impact on our environment. To better engage in the broader conversation on sustainability, Kerecis supports groups such as the Arctic Circle, the Ocean Cluster, and Festa, Iceland's leading corporate social responsibility organisation.

Kerecis is included in the reporting under Advanced Wound Care. For more information please refer to pages 33-36.

"Early on in my career, I worked in the prosthetics industry, where I was surprised to learn that the overwhelming part of the prosthetic users were people that had been amputated because of a chronic wound. I became very interested in the problem of difficult-to-heal wounds and possible solutions.

As a boy, I spent a lot of time in the fishing town Isafjordur having summer jobs where I handled fish and fish skin. Fast forward to my career in the medical device industry, from time to time I got to handle freshly excised human skin - the feeling of having the skin in your hands, its elasticity, reminded me of cod skin. Seeing the Kerecis products used on patients, seeing hope emerging on people's faces after they have struggled with wounds for some time, it is very rewarding. I see the same passion to help people at Coloplast, and I am excited to continue reaching more patients together."

Fertram Sigurjonsson, founder of Kerecis

Isafjordur, Iceland

Ostomy Care description

Underlying conditions and users
A stoma is a surgically created opening in which a part of the digestive or urinary system is redirected to the abdominal wall, allowing waste to be removed from the body through the abdomen. A stoma is created in the case of bowel or bladder dysfunction due to a disease, accident, or congenital disorder. People with a stoma use an ostomy bag, which adheres to the peristomal skin and collects the output from the stoma. Supporting products are used in combination with an ostomy bag to secure the fit, as well as care for the peristomal skin.

A stoma surgery can be performed on the colon (colostomy), small intestine (ileostomy), or urinary bladder (urostomy). An estimated half of the procedures are colostomies, typically caused by cancer, around a third are ileostomies, typically caused by inflammatory bowel diseases, and the remaining procedures are urostomies, caused by bladder cancer.

An ostomy surgery can be permanent, resulting in a life-long usage of ostomy bags, or temporary, resulting in product usage for only a limited period. The majority of surgeries are permanent, however, over the past decade, medical advances have led to an increase in the incidence of temporary stomas.

Globally, between 2 and 3 million people live with a stoma, of which around three-quarters are in the developed markets. Each year, up to around 300,000 stoma surgeries are performed in the developed markets and China.

Ostomy Care products
The idea for the world's first adhesive ostomy bag was conceived by a nurse, Elise Sørensen, in the 1950s. Based on Elise's idea, Aage Louis-Hansen, a civil engineer and plastics manufacturer, and his wife Johanne Louis-Hansen, a trained nurse, created the first adhesive ostomy bag. This marked the foundation of Coloplast.

Ostomy bags consist of an adhesive base plate which is connected to a bag and can be either 1-piece (when the adhesive base plate is bonded together with the bag) or 2-piece (consisting of two separate parts in which the bag is replaced more often than the base plate). It is important for users to avoid leakage and skin irritation, so they can live a normal life. Therefore, the adhesive must ensure a good fit to the user's body, enabling a constant and secure seal that prevents leakage, and it must also be easy to remove without causing damage or irritation to the skin.

Since the creation of the first ostomy bag, Coloplast has continued to evolve the ostomy care offering around the central idea of creating a personalised fit to match the needs of the individual user through innovation. Coloplast's ostomy care portfolio spans the full range from bags and baseplates to supporting products. The approach has been to launch a new product range every 8-10 years. Today, the portfolio consists of the brands Alterna®, Assura®, SenSura®, SenSura® Mio, and the Brava® range of supporting products.

The commitment to innovation and bringing differentiated technologies to the market are at the core of Coloplast's market leadership position in ostomy care and a key driver of the strong growth trajectory in the segment for more than six decades.

A chronic category
The Ostomy Care business is referred to as Chronic Care, which is characterised by treatment of a chronic condition, solid reimbursement, and stable inflow of loyal users.

In most cases, people use the products for an average of around 10 years to manage their chronic condition.

More than 90% of product sales in Ostomy Care are covered by reimbursement. One exception is China, where product usage outside of the hospitals is largely out of pocket.

Finally, more than 90% of the sales are made in the community, after users have been discharged from a hospital or clinic. Users tend to be very loyal to the products they are introduced to during their hospital stay, and in most cases, they continue to use the same products after discharge. Therefore, the choice of product and sales through a hospital or clinical setting is essential for Coloplast, and so is the personalised support provided through our patient support programme, Coloplast® Care.

Consumer focus
For around a decade, Coloplast has been investing in building stronger ties with end users and has embarked on a journey of becoming a consumer healthcare company.

The Coloplast Care programme supports people living with a stoma across more than 30 markets. Coloplast also sells products directly to users in more than 10 markets, ensuring ostomy users have access to the most innovative products, coupled with a high level of service.

Ostomy Care strategy

Strive25: Sustaining growth leadership

Coloplast's ambition for the Ostomy Care business is to continue to deliver strong growth above the market.

As a market leader, we are fully committed to leading and improving standards of care through differentiated technologies and a superior product offering, support and services for our users, and training and education for healthcare professionals.

It all starts with innovation which is our first priority. With our broad product offering covering bags, baseplates, and supporting products, we aim to provide users with a personalised fit. We will continue to bring differentiated technologies to the market through our Clinical Performance Programme and product launches in existing categories. Heylo™, the world's first ostomy digital leakage platform, and new line extensions of the SenSura® Mio portfolio are expected to be launched in the second half of the strategic period.

One of Coloplast's biggest opportunities in Ostomy Care is the US market, where we have a market share between 15-20%. The strategy is to win across the patient pathway in the US. With access to around 75% of the acute channel, through the two biggest Group Purchasing Organisations (GPOs), Vizient and Premier, we are well positioned to execute on the strategy.

Another priority is building on our market leading position in China, where we aim to continue to grow above the market. Beyond the impact from COVID-19 and weakened consumer sentiment, China is expected to constitute a significant share of our global Ostomy Care growth. To maintain above market growth, we will continue to drive value upgrade and expand the consumer business with China-specific digital solutions. To ensure broad coverage of the market, we will also continue to cater for different abilities to pay by offering products across price tiers.

In Emerging Markets beyond China, we focus on a number of large core markets, where we aim to improve the standard of care and build out our e-commerce business. Market access is key to establishing our categories in new markets and to improving funding in existing markets. The ambition for Emerging Markets is to deliver consistent double-digit growth.

In Europe, we aim to sustain our leadership position and to continue to grow above the market. We will achieve this by leveraging our innovation, as well as our services and direct businesses. We still see many pockets of growth in Europe. The UK, where our market share is below the European average, is the most prominent example.

Across markets, we continue to leverage our, Coloplast® Care programme, as well as our direct businesses and digital solutions, to provide support and services to users once they are released from the hospital. We also continue to leverage our Coloplast® Professional online platform to provide training and tools to healthcare professionals and support them in developing their clinical expertise within intimate healthcare.

Key strategic highlights 2022/23

During the year, Coloplast made significant progress on Heylo. The results of the first pivotal clinical study, published in August 2023, showed that using Heylo significantly improved Quality of Life (QoL) and reduced the burden of living with an intestinal ostomy, compared to the Standard of Care. The positive effect of Heylo on QoL was further supported by a significant, 31% reduction in leakage incidents outside the baseplate. Reimbursement negotiations in Germany and the UK are ongoing, and the product is now expected to be launched in the first half of 2024.

The US Ostomy Care business continued its market share gains, on the back of the GPO wins and sales force expansion in the first half of the Strive25 period. Vizient, the largest GPO in the US, extended Coloplast's contract until end of June 2026. In April, the second largest GPO, Premier Inc., renewed Coloplast's contract for another three years until end of April 2026.

SenSura Mio, *only brand on the market that provides a flat, convex, and concave solution to users.*

Ostomy care market

Market description
In 2022/23, the global market for ostomy care products was worth an estimated DKK 22-23 billion. The bags and plates category accounted for around 85% of the market, with the remaining around 15% in the supporting products category.

The market size is primarily impacted by the prevalence of colorectal and bladder cancer and inflammatory bowel diseases. Another significant driver is the availability of reimbursement for ostomy products across different geographies. The ostomy market is a chronic market, with the majority of product usage happening in the community setting, i.e., after users have been discharged from a hospital.

Market growth
The annual market growth is estimated at 4-5%.

Market volume growth is driven by the ageing global population, increase in cancer screenings, and improved access to healthcare in emerging markets. Another volume growth driver is compliance and usage rates across markets. The increase in the incidence of temporary stomas over the past decade has had a negative impact on volume growth.

Price and mix also have an impact on market growth. As markets mature, there is an increased demand for more advanced product categories, as well as an increased usage of supporting products. Historically, healthcare reforms have led to a negative price pressure, but no significant healthcare reforms were implemented during 2022/23.

Market volume growth in 2022/23 was negatively impacted by China, where the COVID-19 restrictions continued to impact procedural volumes and led to a lower inflow of new patients in the first half of 2022/23. Inflow of new patients was largely normalised to pre-COVID levels in the second half of 2022/23, following the lifting of the restrictions. The Chinese market also continued to be impacted by lower average value per patient in 2022/23, as a result of continued economic uncertainty which has negatively impacted consumer sentiment. The long-term growth outlook of the Chinese market remains intact.

Market shares
Coloplast is the global market leader, with a market share of 35-40% in the ostomy care market.

In addition to Coloplast, there are two larger global manufacturers in the ostomy market as well as a few local manufacturers, especially in the UK and China.

Regional market shares
40-50%
Share of European markets
15-25%
Share of Other developed markets
45-55%
Share of Emerging markets

Supporting products market
The market for ostomy supporting products is estimated at around DKK 4 billion, with an estimated annual segment growth of 6-8%.

Coloplast has a market leading position within this segment, with a market share of 35-40%.

22-23 bn
Market size
globally in DKK

4%-5%
Market growth
annually

35%-40%
Market share
globally

#1
Market position
globally

European markets
Other developed markets
Emerging markets

Source: Coloplast

Ostomy care performance

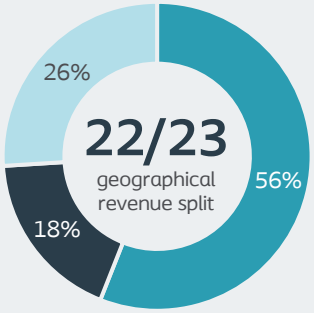
Ostomy Care generated 8% organic sales growth for the year, with reported revenue in DKK growing by 5% to DKK 9,024 million.

The SenSura® Mio portfolio was the main contributor to growth, with solid performance across the product range which includes Convex, Concave and Flat products. The Brava® range of supporting products also made a solid contribution to growth. At the product level, SenSura Mio Convex was the main growth contributor driven by Europe, in particular the UK and Germany, as well as the US. The SenSura and Assura/Alterna® portfolios continued to contribute to growth in the Emerging markets, where they are being actively promoted, most notably LATAM.

Growth in the Brava range of supporting products was driven by the US and Europe, in particular Germany, and broad-based contribution from Emerging markets.

From a geographical perspective, all regions contributed to growth. In Europe, growth was driven by solid contributions from key market, such as the UK and Germany. The US had another solid year with continued market share gains and double-digit growth. Growth in Emerging markets was broad-based, led by LATAM.

China delivered low single-digit growth for the year, negatively impacted by COVID-19 and consumer sentiment, as expected. Despite this, Coloplast maintains its strong leadership position in the ostomy care market. Sales returned to double-digit growth in the second half of 2022/23, following a normalisation in inflow of new patients to pre-COVID levels, while the average value per patient remains below pre-COVID levels, impacted by consumer sentiment.



9.0 bn

Reported revenue
in DKK for 2022/23

8%

Organic growth
at constant exchange rates

5%

Reported growth
in DKK

Reported revenue included a positive effect from FX rates.

- European markets
- Other developed markets
- Emerging markets

Continence Care description

Underlying conditions and users
Within Continence Care, Coloplast helps people that have two types of bladder control issues: urinary retention and urinary incontinence.

People suffering from urinary retention are unable to empty their bladder. To manage urinary retention, people can use an intermittent catheter, which is inserted through the urethra of the urinary tract and empties the bladder. One of the main groups of users of intermittent catheters are people with a spinal cord injury. Other user groups are people with multiple sclerosis, people with congenital spina bifida, and men with benign prostatic hyperplasia.

Globally, around 6 million people live with urinary retention. Only 4 out of 10 are discharged with an intermittent catheter, and an estimated half of them will drop out in the first five years due to physical and mental barriers. Thus, a significant number of people with urinary retention are left with suboptimal solutions, compromising bladder health and quality of life.

Urinary incontinence is an inability to hold urine which results in an uncontrolled or involuntary release. The condition disproportionality affects older people, because the sphincter muscle and the pelvic muscles gradually weaken as people grow older.

Within Continence Care, Coloplast also helps people that have lost the ability to control bowel movements and suffer from bowel incontinence or constipation. An example of a typical user is a person with a spinal cord injury.

Continence Care products
With the launch of the first of its kind, instantly ready-to-use hydrophilic coated catheter SpeediCath® in 1999, Coloplast, transformed the standard of care for people in need of intermittent catheterisation and secured its market leading position.

Coloplast's portfolio of intermittent catheters consists mostly of hydrophilic, ready-to-use catheters. The portfolio also includes uncoated catheters, the usage of which today is mostly limited to the US.

The portfolio consists of the brands SelfCath®, SpeediCath, and the latest launch Luja™. The SpeediCath range of catheters consists of male and female products, and covers standard, compact, and flexible catheters, as well as set solutions. The latest launch, Luja, is also a hydrophilic intermittent catheter with a Micro-hole Zone Technology.

Innovation and bringing differentiated technologies to the market are at the core of Coloplast's market leadership position in continence care and a key driver of the strong growth trajectory in the segment for more than three decades.

Within Collecting Devices, Coloplast offers a wide range of urine bags and urisheaths for capturing and storing urine, under the Conveen® brand.

In Bowel Care, Coloplast offers the Peristeen® anal irrigation system for controlled emptying of the bowels.

A chronic category
Similar to the ostomy care business, the continence care business is also referred to as Chronic Care, which is characterised by treatment of a chronic condition, solid reimbursement, and stable inflow of loyal users.

People use the products up to 30 years to manage their chronic condition. More than 90% of product sales in continence care are covered by reimbursement.

Finally, more than 90% of the sales are made in the community, after users have been discharged from a hospital or clinic. Users tend to be very loyal to the products they are introduced to during their hospital stay, and in most cases, they continue to use the same products after discharge. Therefore, the choice of product and sales through a hospital or clinical setting is essential for Coloplast, and so is the personalised support provided through our patient support programme, Coloplast® Care.

Consumer focus
For around a decade, Coloplast has been investing in building stronger ties with end users and has embarked on a journey of becoming a consumer healthcare company.

The Coloplast Care programme supports people living with a stoma across more than 30 markets. Coloplast also sells products directly to users in more than 10 markets, ensuring continence care users have access to the most innovative products, coupled with a high level of service.

Continence Care strategy

Strive25: Sustaining growth leadership

Coloplast's ambition for the Continence Care business is to continue to deliver strong growth above the market.

As a market leader, we are fully committed to leading and improving standards of care through differentiated technologies and a superior product offering, support and services for users, and training and education for healthcare professionals.

Like Ostomy Care, the first priority is innovation and bringing clinically differentiated products to the market. An example of this is our new intermittent catheter platform, Luja™, with a new technology designed to reduce the risk of urinary tract infections.

One of the key opportunities in Continence Care is the US, where we have a market share of around 30%. The strategy in the US is to upgrade the market to hydrophilic, ready-to-use intermittent catheters, and we do this through product innovation and partnership with healthcare professionals to enable better patient outcomes. We will also utilise our direct-to-consumer setup in the US with Comfort Medical to provide superior support and service for our users.

In Europe, we aim to sustain our leadership position and to continue to grow above the market. We will achieve this by leveraging our innovation and services, as well as our direct businesses. We will also continue with market development initiatives, aimed at treatment penetration and compliance. We still see many pockets of growth in Europe. Germany, where our market share is below the European average, is the most prominent example.

In Emerging Markets, we focus on establishing our categories in new markets and improving funding in existing markets. Today, across most Emerging Markets, the level of penetration of intermittent catheters, and especially hydrophilic catheters, is very low, due to a lack of clinical awareness and a lack of reimbursement. Market access work on improving clinical standards and securing reimbursement is key to driving growth. The ambition for Emerging Markets is to deliver double-digit growth.

Across markets, we continue to leverage our Coloplast® Care programme, as well as our direct businesses and digital solutions, to provide support and services to users once they are released from the hospital. We also continue to leverage our Coloplast® Professional online platform to provide training and tools to healthcare professionals and support them in developing their clinical expertise within intimate healthcare.

Key strategic highlights 2022/23

In 2023, Coloplast initiated the launch of the new intermittent catheter platform, Luja. The male version of the product is now available in six markets. In the US, Luja received a 510(k) clearance from the FDA and in the UK, Luja was awarded reimbursement by the UK Drug Tariff. Commercial launch in the UK and the US, as well as other key markets, is expected in the first half of 2023/24. The female version of the product is expected to be launched in the second half of the Strive25 strategic period.

The product launch is supported by two clinical studies, presented in 2023, which showed significant improvement in bladder emptying with the Micro-hole Zone Technology, compared to conventional eyelet catheters. More specifically, the studies showed that catheterisation with Luja results in full bladder emptying in an uninterrupted free flow, with no need to reposition the catheter, addressing important risk factors for urinary tract infections.

Luja™, *a new male catheter with a unique Micro-hole Zone Technology.*

Continence care market

Market description
In 2022/23, the global market for continence care products was worth an estimated DKK 17-18 billion.

The intermittent catheters category accounted for around 75% of the continence market, the collecting devices category accounted for around 20% of the market, and bowel care accounted for the remaining around 5% of the market.

The market size is primarily influenced by the number of people suffering from spinal cord injuries, multiple sclerosis, benign prostatic hyperplasia, and people born with congenital spina bifida. Another driver is the availability of reimbursement for continence care products across markets. The continence market is a chronic market, and the majority of product usage happens in the community setting, i.e., after users have been discharged from the hospital.

Market growth
The annual market growth is estimated at 5-6%.

Intermittent catheters account for majority of the growth in the segment, growing at a mid-single digit rate. Growth in the intermittent catheters segment is driven by increased treatment penetration of intermittent catheters as an alternative to permanent or indwelling catheters. The underlying volume growth is driven by the number of spinal cord injured patients, the ageing global population, and increasing access to healthcare in emerging markets. Another volume growth driver is compliance and usage rates across developed markets.

Price and mix also have an impact on market growth. As markets mature, there is an increased demand for more advanced product categories. Historically, healthcare reforms have led to negative price pressure, but no significant healthcare reforms were implemented during 2022/23.

The bowel care segment is the fastest growing segment in the continence care market with a high-single digit growth rate.

The collecting devices segment grew at a low-single digit rate. The segment is characterised by many suppliers, including low-cost providers.

Market shares
Coloplast is the global market leader in continence care, with a market share of 40-45%. The continence care market is characterised by four larger global manufacturers, including Coloplast. There are also several local and low-priced manufacturers.

Regional market shares
45-55%
Share of European markets
25-35%
Share of Other developed markets
40-50%
Share of Emerging markets

17-18 bn
Market size
globally in DKK

5%-6%
Market growth
annually

40%-45%
Market share
globally

#1
Market position
globally

European markets
Other developed markets
Emerging markets

Source: Coloplast

Continence care performance

Continence Care generated 7% organic sales growth for the year, with reported revenue in DKK growing by 4% to DKK 7,958 million.

The SpeediCath® ready-to-use hydrophilic intermittent catheters were the main drivers of revenue growth. Sales growth in the SpeediCath portfolio was broad-based across standard, compact, and flexible catheters, and driven by the US and Europe, in particular France and the UK. SpeediCath Flex Set, a flexible hydrophilic catheter with a new integrated sterile bag, has been launched in nine markets and continues to perform well. SpeediCath Navi, a hydrophilic catheter specifically designed for emerging markets and lower priced developed markets, also contributed nicely to growth.

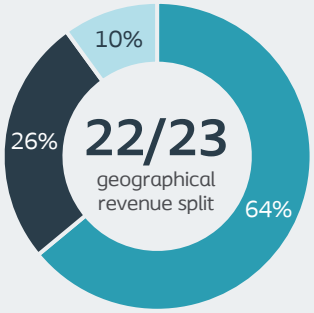
Bowel Care made a solid contribution to growth, driven by Peristeen® Plus in Europe and the US.

Collecting Devices delivered flat growth for the year as sales were negatively impacted by backorders on Conveen® urisheaths in the first half of 2022/23.

From a geographical perspective, growth was driven by the US and Europe, in particular the UK.

The Emerging markets region also contributed to growth, led by LATAM.

Markets with recent reimbursement openings, such as Poland, Australia, Japan, and South Korea, continued to perform well and posted double-digit growth



8.0 bn

Reported revenue
in DKK for 2022/23

7%

Organic growth
at constant
exchange rates

4%

Reported growth
in DKK

Reported revenue included a positive effect from FX rates.

- European markets
- Other developed markets
- Emerging markets

Voice and Respiratory Care

Voice and Respiratory Care is the business area added through the acquisition of Atos Medical, completed in January 2022. The business is expected to grow between 8-10% p.a., with an EBITDA margin in the mid-30s.

The laryngectomy segment accounts for two-thirds of the sales, with the remaining one-third coming from tracheostomy. Laryngectomy is expected to grow at a high-single to low double-digit rate, while tracheostomy growth is expected to be mid- to high-single digit. More than half of the sales in laryngectomy are directly to consumers.

Laryngectomy description
There are around 50,000 new total laryngectomies performed per year. A total laryngectomy is a procedure in which the larynx (voice box) is removed. The procedure is non-elective and irreversible. With the removal, the patient loses the ability to produce voice and depends on a Voice Prosthesis (VP) to speak. The procedure also leads to a loss of the upper airways function. The patient is required to breathe through a stoma in the throat and relies on Heat- and Moisture Exchangers (HMEs) for humidification and filtration of the air.

Patients need to manage a chronic condition and use the products for an average of 8-10 years. After surgery, a VP is inserted by a healthcare professional. The patients apply the HMEs themselves daily, with an adhesive to keep the HMEs in place. The recommended change frequency is 3-4 VPs per year, 2-3 HMEs per day and 1-2 adhesives per day.

Strategic focus: Eliminate white space
In laryngectomy, our strategy revolves around addressing the large unserved patient population in existing and new markets. We refer to this as a 'white space' opportunity. Coloplast is seeking to eliminate the white space by increasing treatment penetration and compliance in existing markets, while opening and developing new markets.

To ensure better user experience and compliance with the recommended change frequency, a new product portfolio, Provox® Life, has been introduced in 16 markets, providing products for situational use. The direct-to-consumer model is also utilised to improve user compliance.

To increase penetration in existing markets, we strive to set the clinical standards and drive market access. In 2023, the results of a new clinical study were presented, demonstrating significant improvement in pulmonary health and related symptoms when using Provox Life. This is part of a growing body of evidence which shows that the Provox Life HMEs lead to improved clinical outcomes.

Outside of the existing markets, we are working on obtaining reimbursement in new markets, with recent successes in South Korea, Brazil, Japan, and Poland. A key opportunity is China, where around a fifth of the global new procedures take place. Today, there are no products in China, and the treatment standard is not established. Coloplast is working on building the market, and as a first step towards establishing the standard of care the full product portfolio was registered in 2023.

Tracheostomy description
A tracheostomy is a procedure in which an opening is created in the throat to facilitate breathing. A tracheostomy is an invasive, last in line treatment to aid patients in breathing. Patients undergoing a tracheostomy surgery suffer from a variety of underlying conditions, including head and neck cancer, lung infections, or trauma.

Patients get a cannula inserted by a healthcare professional and may apply HMEs themselves. While HMEs are important for pulmonary health, HME use is less prevalent compared to people living with a laryngectomy.

In contrast to a total laryngectomy, a tracheostomy procedure is reversable, and the patient pool consists of a mix of temporary and chronic patients. There are around 1 million procedures performed per year, and on average, one in three patients use tracheostomy products for more than six months. A small segment of the patients will be chronic, with a product usage of a couple of years.

Strategic focus: Build the business
In tracheostomy, our strategy focuses on establishing a chronic segment. Tracheostomy today is mostly a hospital business, and chronic patients living with a tracheostomy are mostly unserved.

To address the chronic segment, we are developing a new tracheostomy specific model. The focus is to develop a new go-to-market model with community and direct-to-consumer focus and to adapt our product offering and services to the needs of tracheostomy patients.

Provox® Life HMEs

Voice and respiratory care market

Laryngectomy Market description
In 2022/23, the global laryngectomy market was worth an estimated DKK 1-1.5 billion.

A total laryngectomy is the preferred treatment for advanced laryngeal and hypopharyngeal cancer. The market size is primarily impacted by the prevalence of these two cancer types, driven by a growing ageing population, and impacted by smoking and alcohol consumption. Another significant driver is the availability of reimbursement for laryngectomy products across different geographies.

Laryngectomy is a chronic market, with most of the product usage happening in the community setting, i.e., after users have been discharged from the hospital.

Laryngectomy Market growth
The annual market growth is estimated at 8-10%.

Market growth in laryngectomy is driven by underlying growth in the number of procedures, treatment penetration, and increase in compliance and product consumption in existing markets.

The market penetration in the laryngectomy segment today is low, with a large unserved patient population in both existing and new markets. The low market penetration is due to a lack of clinical standards in existing markets, low treatment compliance, and a lack of reimbursement in emerging markets.

In the existing markets today, mostly Europe and the US, a large unserved patient population remains, despite the availability of solid reimbursement. In Northern Europe, which is the most developed region, treatment penetration is high and almost all patients with a total laryngectomy use products to manage their chronic condition. In Southern Europe, despite existing reimbursement, it is estimated that only around 50% of the existing patients use the relevant products. Treatment penetration in the US drops further, to around 40%. Finally, outside of Europe and the US, both product coverage and usage are very limited.

Price and mix also drive market growth. In existing markets, users typically choose to upgraded to the more advanced Provox® Life product portfolio, which is also priced at a premium compared to the older generation of products.

Laryngectomy Market shares
Coloplast is the global market leader in laryngectomy with a market share of around 85%.

In addition to Coloplast, there are two competitors, with mostly local presence, in the UK, US, and Germany. Outside these markets, competition is limited.

Regional market shares
80%-90%
Share of European markets
80%-90%
Share of Other developed markets
95%-100%
Share of Emerging markets

Tracheostomy market
In 2022/23, the global tracheostomy market was worth an estimated DKK4-6 billion. The annual market growth is estimated at 5-6%.

Coloplast has a global market share of around 10% in the tracheostomy market.

1-1.5 bn
Market size*
globally in DKK

8%-10%
Market growth
annually

~85%
Market share
globally

#1
Market position
globally

European markets
Other developed markets
Emerging markets

** Market data for Laryngectomy only*
Source: Coloplast

Voice and respiratory performance

Voice and Respiratory Care delivered reported revenue of DKK 1,939 million for the year. The Voice and Respiratory Care acquired growth contribution to Group reported growth was 3%-points (four months impact), with high-single digit underlying growth.

The organic growth for the period since February 1, 2023 was 10%, with solid contribution from both Laryngectomy and Tracheostomy.

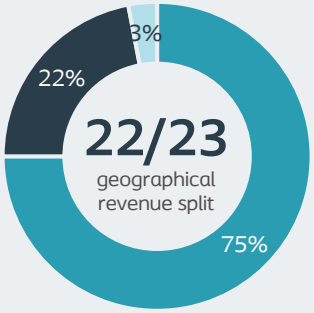
Laryngectomy delivered high single-digit organic growth. Growth was driven by an increase in patients served in existing and new markets and an increase in patient value driven by the Provox® Life™ portfolio, Atos Medical's new personalised solution and product line which has been launched in 16 markets. The Provox Life portfolio is designed to optimise patient's breathing ability under different circumstances, further enabling 24/7 use of Heat and Moisture Exchangers (HMEs) for improved pulmonary health.

Tracheostomy and ENT (Ear, Nose and Throat) posted double-digit organic growth, driven by solid demand and positive impact from forward integration in key European markets and the US.

From a geographical perspective, all regions contributed to growth, led by the biggest region Europe.

The US also delivered a solid contribution to growth, while the fastest growing region was Emerging markets.

During the year, we made solid progress on integrating Voice and Respiratory Care into Coloplast's infrastructure, with integration of the IT infrastructure finalised in May 2023. In addition, a number of Coloplast's and Atos Medical's subsidiaries were merged into one legal entity during the year.



1.9 bn

Reported revenue
in DKK for 2022/23

7%*

Organic growth
at constant
exchange rates

3%

Acquired growth impact

Reported revenue included a positive effect from FX rates.

- European markets
- Other developed markets
- Emerging markets

** Eight months impact*

Advanced Wound Care

The advanced wound care business includes four segments where Coloplast competes: advanced dressings, skin care, contract manufacturing, and our most recent addition, biologics, which was added through the acquisition of Kerecis in 2023.

Advanced dressings

The advanced dressings wound care segment consists of products for exudate management. The dressings are used to treat mostly patients with chronic wounds such as diabetic foot ulcers, venous leg ulcers, and pressure ulcers, as well as other wound types such as surgical and burn wounds.

A well-managed moist wound environment provides the best conditions for optimal wound healing. Most chronic wounds contain exudate in varying amounts. A good dressing removes excess exudate while maintaining a moist healing environment, protects the peri-wound skin, is easy for clinicians to change, and ensures that patients are not inconvenienced by liquid or odours.

Coloplast entered the wound care market in 1982, with the launch of Comfeel®, a hydrocolloid dressing and a derivative of the adhesive baseplates produced within ostomy care. Today, the portfolio consists of the brands Biatain® Silicone, an advanced foam dressing with a 3DFit Technology, Biatain®, and Comfeel. Coloplast is also present in the gelling fibres segment with the Biatain® Fiber product range.

***Biatain** Silicone*

Strive25: Focused category leadership

Coloplast aims to deliver growth above the market and improve profitability in our advanced dressings business.

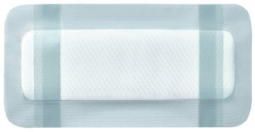
We will continue to focus on the fast-growing silicone category with our Biatain Silicone portfolio with 3DFit Technology, which is our point of differentiation, as well as the gelling fibres category, in which we launched Biatain Fiber during 2020/21.

As with Chronic Care, two individual markets really matter – China and the US, where we will structure for success to deliver on the global ambition.

In China, we aim to scale our business by strengthening our commercial foundation and building a stronger position in the silicone market. In Emerging Markets outside of China, we will selectively invest in key markets to accelerate growth.

In the US, we will scale our business in the hospital channel with 3DFit Technology. We also aim to strenghten our product offering with US-specific solutions, and in 2023/24 we will launch a dedicated Pressure Injury Prevention portfolio.

In Europe, we aim to take market leadership positions as we continue to build on the momentum created with the 3DFit Technology and Biatain Fiber.



Key strategic highlights 2022/23

The Biatain Silicone portfolio continues to be the key growth driver, enabling above market growth. Coloplast is the third largest player in the silicone foams market in Europe.

Our two key focus markets, China and the US, returned to solid contribution, following the negative impact from COVID-19 last year.

In the US, we created a new, dedicated organisational setup, to prepare the organisation for the upcoming launch of the Pressure Injury Prevention portfolio.

Skin Care

In Skin Care, patients are treated for skin damage associated with moisture, incontinence, skin folds, and obesity, as well as prevention of skin impairments.

Coloplast's skin care products consist of disinfectant liquids or creams used to protect and treat the skin and clean wounds. For the treatment and prevention of skin fold problems such as fungal infections, damaged skin, or odour nuisance, Coloplast markets InterDry®. Skin care products are mostly sold in hospitals in the US and Canada.

Compeed contract manufacturing

The advanced wound care business includes contract manufacturing of Compeed®, a plaster for blisters and cold sores.

Kerecis (Biologics)

On 31 August 2023, Coloplast completed the acquisition of Kerecis, an innovative and fast-growing company in the biologics wound care segment.

Biologics wound care segment
The biologics wound care segment consists of tissue-based products, used for treatment of difficult-to-heal wounds. The products are used to replace the function and form of the skin and thus support wound closure. The biologics products are typically used in combination with an advanced dressing, to optimise wound healing, making the Kerecis and Coloplast portfolios a good fit.

Biologic dressings are used to treat various wound types: chronic wounds (diabetic foot ulcers, venous leg ulcers, pressure ulcers), acute wounds (surgical and trauma wounds) and burn wounds.

The biologics segment is concentrated in the US, with good availability of reimbursement coverage and a solid level of clinical acceptance. The majority of the biologics products are based on either human tissue (allografts) or based on animal tissue from different species (xenografts). Most xenografts are derived from porcine or bovine skin, while Kerecis is the only company that markets products based on fish skin.

The Kerecis fish-skin technology
The fish-skin technology that Kerecis has developed is gently processed, clinically differentiated, sustainable, and scalable.

As there is no know viral disease transmission risk from cold water fish to humans, the fish skin is gently processed and the natural structure and components of the skin with proteins, elastin, glycans, and lipid structures, remain intact. This results in a product that is highly similar to human skin, which is a key enabler of improved wound healing and documented by a compelling body of clinical evidence.

The combination of gentle processing and an inexpensive raw material result in a highly cost-efficient manufacturing setup, with a gross margin of around 90%, accretive to Coloplast.

Another benefit of the technology is simple logistics. The products can be stored at room temperature and have a long shelf life of three years.

Finally, the technology is scalable, as the full product portfolio is made from the same processed fish skin with differences in the form factor, to address different wound types and clinical settings.

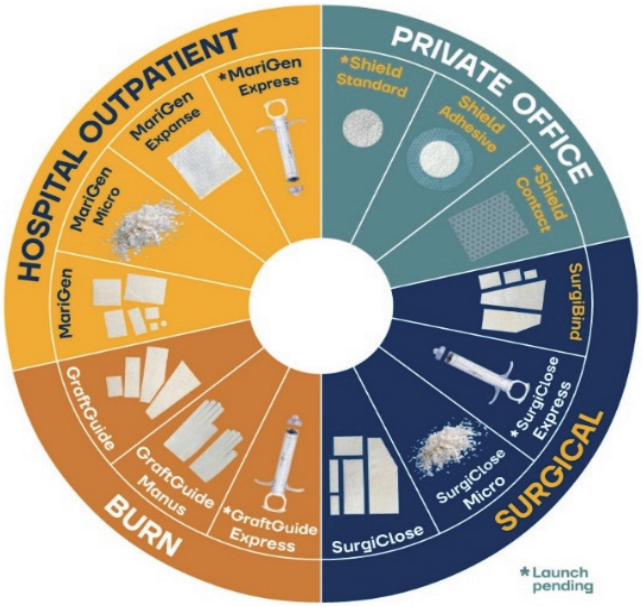
Product portfolio
Kerecis has developed a broad product portfolio, adapted to wound types and care settings, and with that also to different reimbursement categories.

Strategy
Kerecis is expected to continue its strong growth trajectory across wound types and care settings.

A significant share of growth is expected to come from Kerecis's proven commercial model in the hospital, through continued penetration of existing accounts, expansion into new territories across the US, and expansion of the existing product portfolio.

From a geographical perspective, Kerecis is mostly a US business today, (98% of revenues). The US will remain a key growth driver and focus market in the years to come.

For the medium and long-term, there is potential to apply the unique fish-skin technology to other indications. There are also opportunities to expand Kerecis's presence in markets outside of the US and leverage Coloplast's footprint in the wound care market in Europe and Emerging markets.



Advanced wound care market

Advanced dressings

Market description
In 2022/23, the global market for advanced dressings was worth an estimated DKK 26-28 billion. Coloplast is focused on two attractive segments - Silicone Foams and Gelling Fibres, which account for roughly 45% of the market. To a large extent, the advanced dressings market is a hospital market, especially in the US and China. In Europe, wounds are to a greater extent treated in community.

Market growth
The annual market growth is estimated at 2-4%. The silicone foams market, where Coloplast markets its Biatain® Silicone products, is growing faster at 4-6% per year, while Gelling Fibres, where Coloplast markets Biatain® Fiber, is growing on par with the market.

The underlying market growth is driven by the aging global population, obesity, and diabetes. The above-mentioned demographic drivers lead to an increase in the treatment of chronic wounds and to a growing number of preventive wound care treatments. Increased competition between manufacturers, pricing pressure due to lower public healthcare budgets, and a lower degree of perceived product differentiation impact the market growth negatively.

Market growth was also impacted by the COVID-related restrictions in China in H1 2022/23 due to limited hospital access and procedural volumes. Market growth improved in H2 2022/23, as the COVID-related restriction were lifted. The long-term growth outlook of the Chinese market remains intact.

Market shares
Coloplast has a global market share of 5-10% in advanced dressings, with a number five global position.

The market consists of many direct competitors, from global manufacturers to small, local manufactures.

Regional market shares
5-10%
Share of European markets
0-5%
Share of Other developed markets
5-10%
Share of Emerging markets

Biologics

Market description
In 2022/23, the global market for biologics was worth an estimated DKK 15-16 billion. More than 90% of the market is in the US, while the remaining less than 10% mostly in Europe.

The underlying market growth is driven by the aging global population, obesity, and diabetes. Market growth is also driven by increasing penetration of biologics for treatment of various wound types, including acute, chronic, and burn wounds.

The market is characterised by a number of competitors, with the top five players accounting for around three-quarters of the market.

Market growth
The annual market growth is estimated at 6-8%, driven by the US.

Market shares
Kerecis has a market share of around 5%, with presence mostly in the US.

41-44 bn
Market size*
globally in DKK

Advanced dressings / Biologics
2-4% /6-8%
Market growth*
annually

Advanced dressings / Biologics
5-10%/ ~5%
Market share*
globally

#5
Market position*
globally

European markets
Other developed markets
Emerging markets

** Market size for Advanced Dressings and Biologics*
Source: Coloplast

Advanced wound care performance

Advanced Wound Care generated 7% organic sales growth for the year, with reported revenue in DKK growing by 8% to DKK 2,905 million. The reported revenue includes one month of impact (DKK 75 million) from the acquisition of Kerecis, which was completed on 31 August 2023.

Advanced wound dressings in isolation delivered 6% organic growth for the year.

The Biatain® Silicone portfolio was the main contributor to growth. Biatain Fiber continues to perform well and also contributed to growth.

Skin Care, which is mostly a US hospital business, and the Compeed contract manufacturing both contributed to growth in the year.

The Compeed contract manufacturing grew double-digit, driven by solid consumer demand.

From a geographical perspective, growth was broad-based across Europe, led by Germany, the US, and Emerging markets, led by China.

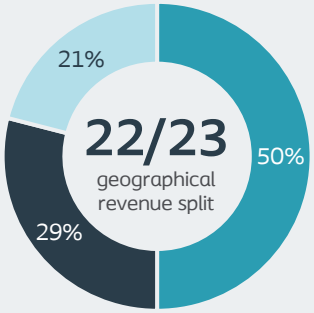
China delivered a solid year, with flat growth in first half of the year due to COVID-19 related restrictions. Growth improved in second half of the year, driven by a lower baseline and normalisation of hospital activities, following the lifting of the COVID-19 related restrictions.

Kerecis
2022/23 pro-forma revenue for Kerecis amounted to DKK 772 million, with growth of around 50%, in line with expectations. Revenue growth was broad-based, with main growth contribution from the hospital channel and surgical wounds.

In 2022/23, around 50% of the sales came from surgical applications, around 40% from chronic wounds, and the remaining 10% from burn wounds.

By care setting, around 80% of sales originate from the hospital setting, with the remaining 20% from the private office setting.

By geography, the US accounted for the vast majority of both sales and growth.



2.9 bn
Reported revenue
in DKK for 2022/23

7%
Organic growth
at constant exchange rates

8%
Reported growth
in DKK

Reported revenue included a positive effect from FX rates.

- European markets
- Other developed markets
- Emerging markets

Interventional Urology

Underlying conditions
Coloplast is present in four segments of the Interventional Urology market – Men's Health, Women's Health, Endourology and Bladder Health.

Within Men's Health, men are treated for erectile dysfunction. Around 25% of men aged 40-70 years old experience moderate to severe erectile dysfunction.

Within Women's Health, women are treated for pelvic organ prolapse and stress urinary incontinence. Around 50% of women 50-79 years old report experiencing pelvic organ prolapse symptoms. An estimated 32% of women suffer from stress or mixed urinary incontinence.

In Endourology and Bladder Health, patients are typically treated for kidney stones and other urological conditions, such as prostate disorders, urethral strictures, and voiding dysfunctions.

Interventional Urology products
Coloplast entered Interventional Urology through the acquisitions of Mentor in 2006 and Mpathy Medical Devices in 2010, through which we strengthened our continence care offering and expanded our presence in adjacent segments.

Within Men's Health and Women's Health, Coloplast markets implantable products. The Men's Health business includes penile implants for men with severe impotence that cannot be treated with drugs. The key brand in the Men's Health business is Titan® Touch, an inflatable penile implant. In Women's Health, Coloplast markets vaginal slings, used to restore continence, and synthetic mesh products, used to treat a weak pelvic floor. Key brands within this segment are Altis® and Restorelle®.

Within Endourology, Coloplast markets a wide range of disposable products for stone management. Coloplast has also launched its first laser equipment, Thulium Fiber Laser Drive, for surgical treatment of kidney stones via ureteroscopy.

In Bladder Health, Coloplast markets disposable devices for treatment of various urological conditions.

Strive25: On the move for patients

Interventional Urology transforms life for patients suffering from urological conditions by advancing interventional treatment solutions.

The business area represents an important growth opportunity for Coloplast – the base case for the business is to deliver high-single digit organic growth and sustain strong profitability.

On the portfolio side, we have increased our investments into enhancing our core businesses by substantially increasing our investments in R&D. An example of a product aimed at strengthening the core portfolio offering, is Saffron™, a tissue fixation system in the Women's Health portfolio launched in 2022.

We have also added new growth options through M&A and distribution agreements in high-growth adjacent segments. An example of this is the acquisition of Nine Continents Medical in 2020, with which Coloplast obtained an early-stage technology, Intibia, for third line treatment of over-active bladder. Furthermore, we see good organic opportunities in employing our existing portfolio across geographies.

In North America, we sell implantable devices, and we will continue to invest and grow the implantable business. In addition, we aim to increase our presence in Endourology in the US. The product portfolio has been launched, and we have invested into a specialised sales force.

In Europe, we focus on driving growth in Men's Health through patient education, and growth in Endourology through portfolio expansion.

Finally, we work on expanding our presence in Emerging Markets in selected high potential countries.

Key strategic highlights 2022/23

The pivotal study on Intibia, initiated in 2021/22, is progressing well and product launch continues to be expected in 2025/26.

***Titan Touch**, an inflatable penile implant*

Interventional urology market

Market description
In 2022/23, the global market for interventional urology products was worth an estimated DKK 18-20 billion.

Around half of the interventional urology market is within endourology, including around DKK 3 billion in the lasers segment, with the remaining half of the market split almost equally between men's health, women's health, and bladder health.

The endourology and bladder health segments consist of single-use devices, while men's health and women's health consist of implantable devices.

Market growth
The annual market growth is estimated at 4–6%.

Market growth in the interventional urology market is driven by the ageing population and lifestyle diseases, as well as advancements in treatment solutions leading to more cost-efficient surgical procedures. For implants, market growth drivers include a growing awareness of the treatment options available for men with severe impotence and women with urological disorders.

2022/23 was the first post-pandemic year where elective procedures and consequently market growth was fully normalised and back to pre-COVID levels.

Market shares
Coloplast holds a market share of around 15% in the interventional urology and is the fourth largest manufacturer within this market.

The men's health and women's health markets are US-centric and are relatively concentrated, characterised by a limited number of larger manufacturers. Coloplast is the second largest manufacturer in both the men's and women's health markets.

The endourology and bladder health segments are more fragmented, with a larger number of global manufacturers present in these segments. Within endourology in Europe, which accounts for roughly a quarter of the total endourology market, Coloplast is the second largest manufacturer.

Regional market shares
15-20%
Share of European markets
15-20%
Share of Other developed markets
5-10%
Share of Emerging markets

Entry into adjacent markets
Our anticipated entry into the over-active bladder market will significantly increase the addressable market. The market for third line therapies for over-active bladder is estimated at around USD 1 billion.

18-20 bn
Market size
globally in DKK

4-6%
Market growth
annually

Around 15%
Market share
globally

#4
Market position
globally

European markets
Other developed markets
Emerging markets

Source: Coloplast

Interventional urology performance

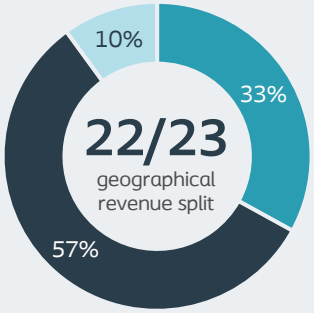
Interventional Urology generated 10% organic sales growth for the year, with reported revenue in DKK growing by 10% to DKK 2,674 million. As expected, growth for the year was front-end loaded, reflecting baseline dynamics which included a lower baseline in the first half of last year.

Growth was broad-based across business areas and geographies, with strong contribution from the Men's Health business in the US, driven by the Titan® penile implants.

The Endourology portfolio, driven by Europe, and the Women's Health business in the US, also made solid contributions to growth.

From a geographical perspective, the US was the main growth contributor, followed by Europe, most notably France.

The launch of Thulium Fiber Laser Drive, our first laser equipment, is off to a good start and has received positive customer feedback.



2.7 bn

Reported revenue
in DKK for 2022/23

10%

Organic growth
at constant
exchange rates

10%

Reported growth
in DKK

Reported revenue included a positive effect from FX rates.

- European markets
- Other developed markets
- Emerging markets

Financials in line with guidance

Earnings

Income statement, DKK million	2022/23	Index
Revenue	**24,500**	**109**
Production costs	-8,172	116
Gross profit	**16,328**	**105**
Distribution costs	-7,518	111
Administrative expenses	-1,115	111
Research and development costs	-872	101
Other operating income	56	76
Other operating expenses	-34	136
Operating profit (EBIT) before special items	**6,845**	**99**
Special items	-74	n/a
Operating profit (EBIT)	**6,771**	**105**
Financial income	191	161
Financial expenses	-937	217
Profit before tax	**6,025**	**98**
Tax on profit for the year	-1,242	87
Net profit for the year	**4,783**	**102**

Revenue
Organic growth for the year was 8%. Reported revenue in DKK was up by 9% to DKK 24,500 million. Exchange rate developments decreased revenue by 2%-points, mainly related to the depreciation of GBP and several emerging markets currencies against DKK. Revenue from acquisitions contributed 3%-points to reported growth and includes a four-months impact from the acquisition of Atos Medical (October 2022-January 2023) and a one-month impact from the acquisition of Kerecis (September 2023). Revenue was in line with Guidance of around 8% organic revenue growth, as announced in in the stock exchange announcement no. 04/2023.

Gross profit
Gross profit was DKK 16,328 million compared to DKK 15,529 million last year and equivalent to a gross margin of 67%, compared to 69% last year. The gross margin was negatively impacted by raw material price increases, higher energy cost, double-digit wage inflation in Hungary, as well as ramp-up costs in Costa Rica. The gross margin also includes negative impact of around 40 basis points related to a one-off provision for a pay-back reform implemented in Italy. Further, the gross margin included negative impact from currencies, mainly related to the depreciation of GBP and several emerging markets currencies against DKK.

The above-mentioned negative drivers were only partly offset by positive contribution from the inclusion of Atos Medical, price increases, country and product mix, as well as efficiency savings from the Global Operations Plan 5. Coloplast continues to have a strong focus on offsetting the inflationary pressure, with 80+ pricing projects across regions and business areas.

Costs
Operating expenses amounted to DKK 9,483 million. Excluding impact from inorganic operating expenses from the Atos Medical acquisition (4 months) and the Kerecis acquisition (1 month) operating expenses increased 5%, or DKK 409 million from last year, as expected. The increase in operating expenses including inorganic impact from Atos Medical and Kerecis was 10%.

Atos Medical contributed with DKK 1,140 million to operating expenses in the year, of which around DKK 210 million were amortisation costs. Kerecis contributed with DKK 71 million to operating expenses, of which around DKK 9 million were amortisation costs.

Distribution costs amounted to DKK 7,518 million, a DKK 721 million (11%) increase from DKK 6,797 million last year and were impacted by the inclusion of Atos Medical. Distribution costs amounted to 31% of revenue compared to 30% last year, reflecting increased sales and marketing activities, as well as travel, post COVID-19. Distribution costs were also impacted by higher logistics costs and continued commercial investments in Interventional Urology, consumer and digital initiatives, and Atos Medical.
Administrative expenses amounted to DKK 1,115 million, up DKK 110 million (11%) from DKK 1,005 million last year, primarily impacted by the inclusion of

Atos Medical. Administrative expenses accounted for 5% of revenue against 4% last year.

The R&D costs were DKK 872 million, comparable to last year's R&D costs of DKK 866 million. R&D costs amounted to 4% of revenue, on par with last year.

Other operating income and other operating expenses amounted to a net income of DKK 22 million, against a net income of DKK 49 million last year.

Operating profit before interest, tax, depreciation and amortisation (EBITDA) and before special items
EBITDA before special items amounted to DKK 7,914 million, a DKK 74 million (1%) increase from DKK 7,840 million last year. The EBITDA margin before special items was 32% compared to 35% last year.

Operating profit (EBIT) before special items
EBIT before special items amounted to DKK 6,845 million, a DKK 65 million (1%) decrease from DKK 6,910 million last year. The EBIT margin before special items was 28% compared to 31% last year. The EBIT margin was negatively impacted by the inflationary headwinds on production costs and the increase in operating expenses, mainly distribution costs, which among other include around DKK 219 million in amortisation costs related to acquisitions, mostly Atos Medical. EBIT was in line with Guidance of 28-29% reported EBIT margin before special items, as announced in the stock exchange announcement no. 04/2023. Furthermore, the EBIT margin included negative impact of around 60 basis points from currencies, due to unfavourable development across a basket of currencies in the second half of the year.

Pro-forma operating profit before special items and excluding amortisation for Kerecis amounted to DKK 46 million or around 6% of revenue, in line with expectations.

Special items
During the year, Coloplast incurred special items expenses of DKK 74 million. The special items expenses include DKK 200 million final provision to cover settlements and costs in connection to the MDL cases in the US alleging injury from the use of transvaginal surgical mesh products. Coloplast now considers the MDL cases closed and any future cases will be considered part of normal operations of the Interventional Urology business.

The special items also include DKK 65 million related to integration costs for the Atos Medical acquisition and DKK 53 million in transaction costs related to the acquisition of Kerecis.

Finally, the special items expenses were partly offset by an income of DKK 244 million related to reversal of the provision regarding Atos Medical US billing compliance.

Operating profit (EBIT) after special items
EBIT after special items was DKK 6,771 million, a DKK 332 million (5%) increase from last year. The EBIT margin after special items was 28%.

Financial items and tax
Financial items were a net expense of DKK 746 million against a net expense of DKK 312 million last year.

The net expense was impacted by interest expenses of DKK 614 million compared to DKK 156 million last year, due to the financing of the Atos Medical acquisition. Net losses on balance sheet items of DKK 218 million, mostly driven by the USD, and fees of DKK 81 million also contributed to the net expense. The financial expenses were only partly offset by financial income of DKK 191 million, driven by interest hedges of DKK 75 million. The blended interest rate for the debt financing of Atos Medical was around 3.3% at the end of 2022/23, impacted by the adjustment of the variable interest rate on the 2-year bond issue.

The tax rate was 21%, compared to 23% last year, positively impacted by the transfer of Atos Medical Intellectual Property. The tax expense amounted to DKK 1,242 million against DKK 1,421 million last year.

Net profit
Net profit before special items was DKK 4,841 million, a DKK 228 million decrease from DKK 5,069 million last year. Diluted earnings per share (EPS) before special items decreased by 6% from DKK 23.82 last year to DKK 22.46. The decrease was a result of a lower net profit compared to last year due to increased financial expenses, driven mostly by interest expenses related to the financing of the Atos Medical acquisition, as well as lower operating profit before special items. Net profit after special items was DKK 4,783 million and diluted earnings per share (EPS) after special items were DKK 22.20.

Cash flows and investments

Cash flows from operating activities
Cash flows from operating activities amounted to DKK 4,226 million, against DKK 5,099 million last year. The negative development in cash flows from operating activities was driven by higher income tax paid, majority of which related to 2021/22 income driven by interest hedging taxable upon realisation, as well as increased interest payments related to the Atos Medical acquisition. Increase in working capital also had negative impact on the cash flow, driven by an increase in inventories due to a higher safety stock level on raw materials, price increases, and an increase in finished goods due to the transfer of production to Costa Rica. The above-mentioned negative drivers were only partly offset by higher operating profit.

Investments
Investments amounted to DKK 1,034 million in the year or around 4% or revenue, compared with DKK 1,126 million last year. Total cash flows from investing activities were a DKK 8,957 million outflow, due to the acquisition of Kerecis, against a DKK 11,759 outflow last year, due to the acquisition of Atos Medical.

Capital expenditures in 2022/23 amounted to DKK 1,241 million, a DKK 106 million increase compared to last year. Capital expenditures were around 5% of revenue, on par with last year.

Free cash flow
As a result, the free cash flow was an outflow of DKK 4,731 million compared to an outflow of DKK 6,660 million last year. Adjusted for acquisitions, the free cash flow decreased by DKK 781 million (20%) from DKK 3,973 million to DKK 3,192 million.

Capital resources
At 30 September 2023, Coloplast had net interest-bearing debt, including securities, of DKK 18,660 million, against DKK 18,091 million at 30 September 2022. The gearing ratio at the end of the period was 2.4 x EBITDA (before special items).

Coloplast is committed to deleveraging and bringing the gearing ratio down to between 1x-2x EBITDA by 2024/25.

Key figures (DKK)

6,845 m*
EBIT from 6,910 m last year
* Before special items

4,226 m
cash flows from ***operating activities***

-8,957 m
outflow from ***investing activities***

Statement of financial position and equity

Balance sheet
At 30 September 2023, total assets amounted to DKK 48,159 million, an increase of DKK 10,713 million compared to 30 September 2022.

Working capital
Working capital was 26% of revenue, compared to 25% at 30 September 2022, driven by an increase in inventories and trade receivables. Inventories increased by DKK 335 million to DKK 3,522 million, impacted by an increase in safety stock on raw materials, price increases, and an increase in finished goods due to the transfer of production to Costa Rica.

Trade receivables increased by DKK 375 million to DKK 4,315 million due to phasing, while trade payables increased by DKK 52 million to DKK 1,294 million.

Coloplast's long-term working capital-to-revenue ratio is unchanged and expected to be around 24%.

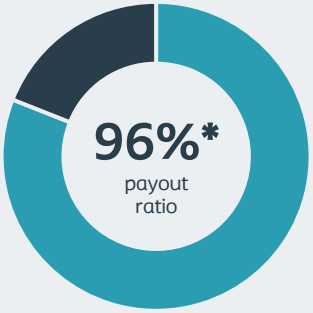
Equity
Equity increased by DKK 9,007 million compared to 30 September 2022 to DKK 17,299 million. Total comprehensive income for year of DKK 4,075 million, share-based remuneration of DKK 58 million, and net effect of sale of treasury shares and loss of exercised options of DKK 34 million were offset by payment of dividends of DKK 4,247 million.

To finance the acquisition of Kerecis, Coloplast completed an equity capital raise through an accelerated book-building process on August 30, 2023. Coloplast issued 12.2 million new B shares, in a directed issue and private placement, at an offer price of DKK 755 per new share, raising gross proceeds of approximately DKK 9.2 billion.

Coloplast's largest shareholder, Niels Peter Louis-Hansen, and family participated in the equity capital raise.

Treasury shares
At 30 September 2023, Coloplast's holding of treasury shares consisted of 3,539,528 B shares, which was 153,348 less than at 30 September 2022. The decrease was due to exercise of share options.

Return on invested capital
ROIC after tax before special items was 17% against 27% as of 30 September 2022. The decrease was driven by the acquisitions of Atos Medical and Kerecis.



4,247 m
paid ***dividend*** *in DKK*

48,159 m
total assets *in DKK*

26%
working capital
in % of revenue

17%*
return on invested capital

* Before special items

Our sustainability agenda

At Coloplast, we are addressing our obligation to contribute to a green and just transition by working hard to improve our products and packaging and reduce our emissions while always operating responsibly.

Governance of sustainability

To ensure progress across all business activities globally, Coloplast has anchored the sustainability agenda at the top level of our organisation.

Board of Directors
The Board of Directors provides input on our overall sustainability direction and progress. The Board receives regular updates on the company's sustainability performance and is formally briefed on sustainability once per year. Within the Board of Directors, the Audit Committee is briefed on sustainability matters twice per year and is responsible for advising Coloplast's ESG reporting, while the Remuneration Committee oversees Coloplast's sustainability-related remuneration.

Executive Leadership Team as Sustainability Steering Committee
The Executive Leadership Team functions as the Sustainability Steering Committee and convenes four times per year for updates and direction-setting on risks, opportunities and recommendations for further improvements within sustainability.

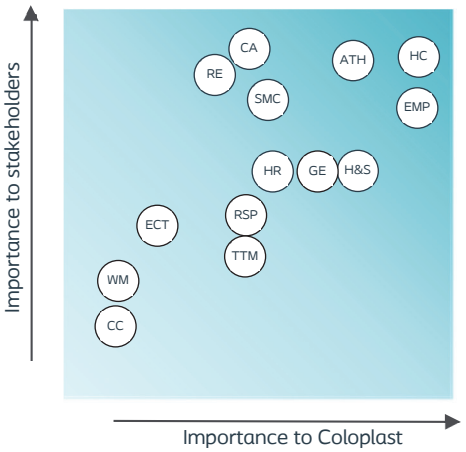
Global Sustainability leading strategy implementation
The Global Sustainability department is responsible for implementing Coloplast's sustainability strategy across all parts of the business. This includes close involvement in the decision-making around Coloplast's products including the value chain impact as well as engaging with stakeholders to identify risks and opportunities.

Future-proofing our sustainability governance
Coloplast is experiencing increased focus on strong sustainability governance in the form of new and upcoming legislation, including initiatives under the EU's Green Deal, as well as expectations from key stakeholders such as payers and shareholders. We are committed to maintaining and developing our strong organisational anchoring as needed to meet these requirements and expectations in the years to come.

Material topics

Coloplast has conducted a materiality assessment of relevant sustainability topics based on our own assessments as well as external input. The identified material topics represent areas where Coloplast poses a potential social or environmental risk to or has a positive impact on stakeholders and the UN Sustainable Development Goals.

Our current materiality assessment is based on insights gathered during the process of formulating our Strive25 sustainability strategy. During 2023/24, Coloplast will complete an updated double materiality assessment in preparation for the EU's Corporate Sustainability Reporting Directive.



- HC — Using zero hazardous chemicals
- EMP — Ethical marketing practices
- ATH — Improving access to high quality healthcare
- H&S — Having a safe and healthy workplace for employees
- CA — Climate action
- GE — Achieving gender equality
- SMC — Sustainable material consumption
- HR — Protection of human rights
- RSP — Responsible sourcing of products
- CC — Sponsoring community charities
- TTM — Transparent tax management
- RE — Renewable energy & energy efficiency
- ECT — Ethical pre-clinical and clinical trials
- WM — Water management

Listening to our stakeholders

At Coloplast, we strive to set the global standard for listening and responding. We engage in dialogue with a range of stakeholders including users, healthcare professionals, shareholders, business partners and society in general. These dialogues provide valuable insights and informs our approach to material topics.

Users
Coloplast conducts annual satisfaction surveys targeting users in more than ten countries. Furthermore, we engage with our users when developing products and through our support programme, Coloplast® Care, which aims to provide guidance and support to users.

Healthcare professionals
Coloplast engages with healthcare professionals through regular advisory boards. We also facilitate education of healthcare professionals through Coloplast® Professional.

Payers
Coloplast proactively engages with payers through advisory boards and continuous consultations to discuss innovation, current standards of care, environmental concerns and more.

Employees
Coloplast communicates daily with employees through our intranet. We also host regular information meetings with top leadership, which are broadcasted to employees globally. In addition, Coloplast conducts biannual, global engagement surveys.

Shareholders
Together with our Investor Relations and Global Sustainability departments, Coloplast's CEO and CFO facilitate ongoing dialogue with shareholders and provide regular updates to the market through interim financial results, conference calls and investor events.

Society
Coloplast has incorporated the SDGs into our sustainability strategy to reflect the priorities of the global community. We also maintain an ongoing dialogue with relevant organisations regarding healthcare progress and challenges in local communities. Through our public affairs work, Coloplast engages strategically with external stakeholders such as public officials, policymakers, and patient advocacy groups to address societal needs and enhance health outcomes for people living with intimate healthcare conditions.

Addressing risks and opportunities

Coloplast is mindful of the actual and potential impacts posed towards society as a direct or indirect result of our activities. These include, but are not limited to, climate change, labour and human rights as well as fraud among distributors. We have policies in place to mitigate relevant risks, which are published alongside this report on our website.

Climate-related risks
The medical device industry is not considered to have a high exposure to climate-related risks, and such risks are thus not included in the risk management section of this report.

Nonetheless, a preliminary risk assessment performed by internal working groups revealed potential long-term exposures to both physical and transition risks related to climate change within our supply chain and manufacturing.

Coloplast is committed to reporting step-by-step according to the recommendations of the Task Force on Climate-Related Financial Disclosures framework (TCFD). We have completed assessments of physical and transition risks for all sites in scope for our sustainability reporting and established a roadmap for how to achieve full disclosure in line with the TCFD recommendations. This work will also prepare us for the requirements of the EU's Corporate Sustainability Reporting Directive (CSRD).

Our preliminary assessment has identified transition risks such as increased demand for more sustainable products and packaging and increased legal and compliance requirements with focus on environmental, social and governance (ESG) topics. Physical risks identified include extreme weather patterns and rising sea water levels affecting our supply chain. Climate-related opportunities are addressed within our sustainability ambitions as part of our Strive25 strategy.

Sustainability-related remuneration
To sharpen our focus and incentivise positive change, a performance target linked to climate-related criteria is included in the remuneration of Coloplast's Executive Leadership Team.

ESG disclosure

Coloplast maintains ongoing dialogues with users, payers, suppliers, investors and more regarding our sustainability work. To ensure transparency, Coloplast has included a summary of sustainability performance with key metrics and updates in our interim financial reports in addition to our annual ESG reporting.

In 2022/23, Coloplast became a certified NASDAQ Transparency Partner, entering the Nasdaq ESG database, thereby further contributing to increased transparency on ESG data in the financial markets.

As stakeholder expectations regarding ESG disclosure evolve and intensify, the need to focus our efforts has become key. Coloplast tracks the landscape of ESG rankings and has conducted an analysis of relevant methodologies and the interests of key stakeholders. Based on this analysis and our priorities, we have chosen to participate in a selection of widely renowned ESG ratings.

ESG-related systems and standards

ISO 14001
Coloplast's environmental management system is certified according to the ISO 14001 standard. Coloplast operates 11 production sites and have secured certification for nine production sites and the global headquarters. In 2022/23, our new production site in Costa Rica was certified, and we have plans in place to achieve certification for the two production sites connected to Voice and Respiratory Care in 2024/25.

The existing ISO 14001 certifications correspond to an 84% coverage of Coloplast employees at production sites, distribution centres and global headquarters. Our sales subsidiary in Sweden is also ISO 14001 certified.

ISO 45001
Coloplast's health and safety management system is certified according to the ISO 45001 standard, covering nine production sites, three major distribution centres and the corporate headquarters. In 2022/23, our new production site in Costa Rica was certified, and we plan to achieve certification of Voice and Respiratory Care in 2024/25. Our current ISO 45001 certifications correspond to a 92% coverage of Coloplast employees at production sites, distribution centres and our global headquarters.

ISO 13485
Coloplast's quality management systems are certified according to ISO 13485 at all sites involved in design or manufacturing activities. Selected distribution centres and sales subsidiaries are also certified according to this standard. In total, 28 Coloplast sites are ISO 13485 certified, including Voice and Respiratory Care.

Furthermore, all sites involved in design and manufacturing activities are included in the EU Medical Device Regulation (MDR) Quality System certificate as well as the Medical Device Single Audit Programme (MDSAP) certificate. MDSAP includes national requirement from Australia, Brazil, Canada, Japan and the USA.

ESG ratings

Corporate Knights
Coloplast was included on the Global 100 list in 2023 – ranked as no. 1 within Medical Equipment Manufacturing and as no. 43 overall.

MSCI
Coloplast received an AA rating in 2023 – placing Coloplast within the top 37% among Healthcare Equipment & Supplies companies.

Sustainalytics
Coloplast was given a 15.1 score in 2023 – indicating a low risk and ranking Coloplast in the top 6th percentile within the Healthcare industry.

CDP
Coloplast received a C score in 2022, which is on par with the Medical Equipment & Supplies sector average.

ISO 27001
Coloplast follows the ISO 27001 standard to drive improvement and validate performance of our information security management system through audits and risk management. All sites within the ISO 27001 certification scope are internally audited on an annual basis in addition to external audits as required under the certification. The certificate covers 95% of Coloplast sites with manufacturing operations and most strategic sales markets.

ISO 14155
Clinical investigations conducted by Coloplast follows the ISO 14155 standard to ensure good clinical practice for design, conduct, recording and reporting as well as to protect the rights, safety and well-being of human subjects. All clinical investigations are in scope for internal audits in addition to external audits as required.

Reporting standards

The disclosures in this Annual Report comply with the requirements of the EU non-financial reporting directive and the Danish Financial Statements Act, sections 99a and b as well as section 107d. Coloplast's reporting in compliance with section 99a of the Danish Financial Statements Act can be found on the following pages of this report:

- Business model: Pages 14-19
- General ESG risk assessment: Pages 44-45
- Risks, policies and activities regarding environment and climate change: Pages 48-57
- Risks, policies and activities regarding employee conditions: Pages 62-64
- Risks, policies and activities regarding human rights: Pages 57 and 59-61
- Risks, policies and activities regarding anti-corruption: Pages 59-61 and 71
- ESG performance data and accounting policies: Pages 140-148

Coloplast's reporting in compliance with section 99b of the Danish Financial Statements Act can be found on the following pages:

- Gender target for the Board of Directors: Pages 19, 64 and 76
- Policies, activities and performance for improving the gender balance at other management levels: Pages 19 and 64

Coloplast's reporting in compliance with section 107d of the Danish Financial Statements Act can be found on the following pages of this report:

- Targets, policies, activities and performance for diversity and inclusion: Pages 19 and 63-64

Strive25 priority: Improving products and packaging

Coloplast is committed to improving the environmental performance of our products and packaging. Due to the regulatory restrictions to our industry and our priority to never compromise on user safety, delivering environmentally sustainable products to the market may take several years. We see more immediate opportunities for packaging and have set an ambition to increase the share of recyclable packaging to 90% and the share of renewable materials in packaging to 80% by 2025. We are also working to reduce our packaging volumes.

Improved reporting
We have made significant improvements to our reporting on packaging. During 2022/23, we established an internal, dedicated reporting and assessment tool based on product and packaging composition. In the coming year, we will continue to improve the tool with better functionality and improved underlying data quality. This will enable more precise calculations, such as the carbon footprint of our products based on their composition. In addition to enabling us to drive our strategic ambitions, the tool will also support our preparation for the EU's Corporate Sustainability Reporting Directive, which includes disclosure requirements on resource flows and circularity.

According to the output from this tool, 72% of our total packaging is recyclable, while 66% consists of renewable materials. Any inconsistency with numbers previously reported is due to improved data quality in our updated reporting methodology.

Secondary and tertiary packaging
Today, our secondary and tertiary packaging, such as retail boxes and shipping boxes, already consists of renewable materials and is recyclable. The majority of our shipping boxes are made from FSC©-certified materials, ensuring that they come from controlled and well-managed sources and that they contribute to more sustainable forestry.

Primary packaging
The primary packaging is often closely linked to the clinical performance of our products, providing key functionalities such as usability and sterility. Hence, more sustainable alternatives with equally high performance standards to existing packaging may not be readily available and require dedicated development efforts. Coloplast has initiated several projects to make our primary packaging more sustainable – including two projects initiated in 2022/23 focusing on developing more sustainable packaging for our intermittent catheters. These catheters currently have packaging with complex material structures to ensure product sterility and shelf life, leading to limited recycling potential. The aim of the two projects is to develop more recyclable packaging solutions without compromising on the protective barrier functionality. While these projects require time and new technology development, the positive contribution to the environmental performance of the overall portfolio is expected to be significant.

Strive25 ambitions

90%
of packaging recyclable by 2025

80%
of packaging consisting of renewable materials by 2025

75%
of production waste recycled by 2025

SDGs impacted

We continue to progress on projects initiated in previous years, including the introduction of recycled material in plastic trays for ostomy baseplates and supporting products. We also continue to explore more sustainable solutions for packaging which is sterilized using ethylene oxide (ETO). This project spans across several business areas, including Continence Care, Ostomy Care and Advanced Wound Care, and has the potential to contribute significantly to the environmental performance of our portfolio.

Partnering for impact

Achieving the necessary product changes sometimes requires efforts beyond what is feasible for a single company. We therefore continuously investigate potential partnerships with actors within and outside our own industry to understand the availability and potential of more sustainable materials, technologies and practices.

We are currently involved in several multi-stakeholder partnerships with the ambition of improving the environmental impact of our products. One example is the Circular Industrial Plastic (CIP) partnership, which brings together 17 manufacturers, technology providers and knowledge partners to upscale a circular plastics economy. Coloplast's key focus here is to identify and scale technologies to help us improve the recyclability of our materials. Another is the Manufacturing Academy of Denmark (MADE), which aims to develop the leading sustainable manufacturing practices of the future. Within MADE, Coloplast is focused on understanding regulatory landscapes and user preferences related to making our products more sustainable.

Our position on plastic

As a manufacturer of medical products made primarily of plastic, Coloplast has a responsibility to contribute to solving the problems with plastic consumption and waste. This is an integral part of our commitment to contributing to SDG 12: Responsible Consumption and Production.

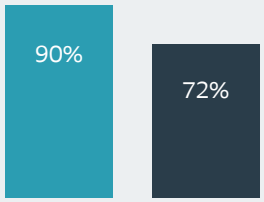
We embrace this responsibility and have set clear priorities, which are formalised in our position on plastic:

- Product safety and clinical performance cannot be compromised
- Single-use products are the easiest and safest option for our users
- Sustainability should be easy for our users
- We must identify new materials and support the development of new technologies
- Partnerships across the industry are essential

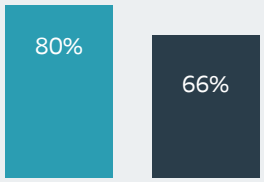
Our full position on plastic can be found on our website.

Key figures

SHARE OF RECYCLABLE PACKAGING*



SHARE OF PACKAGING CONTAINING RENEWABLE MATERIALS*



*Packaging ambitions covering products currently on the market. Due to a new and improved reporting tool, the packaging data is not comparable with data previously reported.

Phasing out hazardous substances

Our proactive position on hazardous substances

All Coloplast products are biocompatible and safe for the intended purposes. We have launched a position paper on hazardous substances, which includes the Coloplast Substance Requirement List (CSRL) and serves as a guiding document for our internal work to phase out hazardous substances.

We include the Coloplast Substance Requirement List in the design process for new products, thereby ensuring that any requirements related to hazardous substances are met up-front during the design and material selection phases.

During 2022/23, we completed several projects to remove REACH[1)] candidate listed substances from our products. As a result, di(2-ethylhexyl) phthalate (DEHP) has now been removed from the intermittent catheters Self-Cath, Self-Cath Plus, Self-Cath Closed System, Self-Cath Closed system kit and the Conveen Contour urine bags, and we are working to remove DEHP from the EasiCath catheter range during next year. We have further initiated a project to remove dibutyl phthalate (DBP) from Peristeen Plus. One additional project is added to the product pipeline related to substances in adhesives for the Conveen Uriliner added to the REACH candidate list in 2023.

These products are biocompatible and safe for the intended purposes with exposure to the relevant substances at very low and acceptable levels. However, in accordance with our position on substances, we have decided to proactively remove or replace these substances.

Our structured monitoring process to detect changes in regulation, science, and technology early on has further resulted in two meetings in our Substance Substitution Group. As an outcome, initiatives have been launched to review options for removal or replacement of relevant substances.

This work exemplifies how our substance position enables us to identify opportunities and risks at an early stage and proactively substitute substances before regulation requires it.

Substances in our products, packaging and working environment

During 2022/23, we continued our focus on substances as they pertain to products, packaging and working environment. We have implemented a database across most business areas, offering a complete and structured overview of substances used in production processes. This information will form the basis for future ambitions and initiatives related to substances in our products, packaging and working environment, most notably at our production sites. In the coming year, we will extend this database to cover Voice and Respiratory Care.

Coloplast's substance position

Coloplast is mindful when selecting materials and substances used in our products. We commit to and ensure that:

- Coloplast products are biocompatible and safe for the intended purposes
- We follow and comply with international and local regulations and standards – including REACH, the California proposition 65 list, EU MDR, FDA, EN ISO 10993-1:2020 and more
- We monitor and track changes in regulations to identify and mitigate risks early on. The risks are reported to management on a quarterly basis, including escalation to Coloplast's Substance Substitution Group, which convenes biannually

Read our full position paper on hazardous substances on our website.

[1)] Regulation on the Registration, Evaluation, Authorisation and Restriction of Chemicals

Sustainability in product development

The environmental impacts from Coloplast products can be significantly reduced by making the right decisions early in the product development process. Coloplast has introduced eco-design principles into our innovation processes to build internal knowledge and awareness of the potential environmental impacts and to allow for better and more impactful decision-making.

Integrating the eco-design principles

The eco-design principles are based on life cycle thinking and designed to reduce material use in products and packaging, generate less production waste, use more sustainable raw materials such as biobased and recycled materials, improve recyclability of products and packaging, and avoid hazardous substances. During 2022/23, we achieved several milestones:

- The eco-design principles have been integrated into Coloplast's development model, and sustainability assessment processes have been formalised for Ostomy Care, Continence Care and Advanced Wound Care
- We have developed an assessment tool internally which integrates life cycle thinking and allows project teams to test the sustainability performance of relevant concepts
- Sustainability assessments have been completed for all ongoing product development projects
- A product sustainability toolbox has been launched to guide project teams throughout the process of conducting a sustainability assessment

In addition to these milestones, relevant colleagues have been trained on using the eco-design tools and processes.

Product sustainability assessment

Conducting project-specific sustainability assessments allows us to identify key focus areas and work towards feasible solutions early on. Furthermore, a comprehensive overview of the innovation pipeline allows us to spot trends which may require dedicated effort. Such projects explore technology development more deeply and may result in impacts across multiple projects. Having a clear vision for our innovation pipeline prompts us to scout for more sustainable solutions and collaborate even more closely with our suppliers.

We continuously evaluate our progress and update tools and processes as needed to steer innovation toward more sustainable choices. We believe this is the best approach to making sure our new products adhere to Coloplast's sustainability strategy and the latest science. Our ambition for 2023/24 is to integrate sustainability further into innovation activities to enable more sustainable solutions in the early stages of development.

We strive to develop more sustainable products, without compromising on safety and clinical performance. We will share details on specific product improvements as the relevant sustainability projects mature.

Making our product portfolio more sustainable not only helps us achieve our overall sustainability ambition and secure a competitive advantage – it also helps us contribute to the well-being of both people and the planet.

Eco-design principles

Substances
Avoiding hazardous substances

Material type
Using more sustainable materials in products and packaging

Size and weight
Making products and packaging lighter

Recyclability
Considering recyclability of products and packaging

Climate impact
Reducing the carbon footprint of products and packaging

Production waste
Reducing waste from manufacturing and improving waste recyclability

Sustainable waste and water management

Coloplast has set an ambitious goal of recycling 75% of our production waste by 2025. As part of our sustainable waste management efforts, we also focus on developing a more detailed knowledge base of waste types and volumes and expanding our partnerships for circular waste management. This enables us to further improve our sustainability performance and prepare us for the upcoming requirements of the EU's Corporate Sustainability Reporting Directive.

Reducing waste

As a result of Coloplast's continued growth, our total waste volume continues to increase. Nonetheless, we aim to continuously reduce the amount of production waste generated for each Coloplast product. The integration of the eco-design principles in product development also targets production waste and thus supports further waste reduction.

Production waste recycling

During 2022/23, we continued to improve the production waste recycling rate across sites. With 75% of Coloplast's production waste being recycled in 2022/23, we have achieved our target ahead of time. Our progress continues to be driven mainly by our partnership with a recycling manufacturer in Hungary, which utilises Coloplast's production waste in rubber-based composite flooring and building insulation. We continue to look for new use cases for our production waste across sites, particularly in Costa Rica.

This work will be integral to further improving our production waste recycling rate as well as to securing the long-term stability and value creation of recycling.

Sustainable waste management

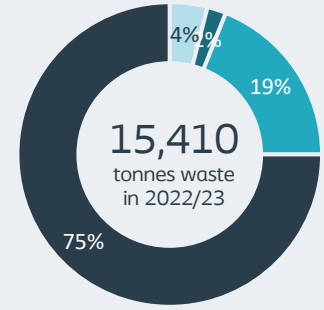
Coloplast remains dedicated to broadening our approach to sustainable waste management even further. In the coming years, we will focus on higher-value activities such as reducing, reusing and repurposing. At our production site in China, reusable wrapping has already replaced single use wrapping, and a host of other activities have been initiated to reduce, reuse and recycle in innovative ways with promising results.

We are further exploring new and emerging technologies for recycling through participation in commercial and applied research partnerships. We are also investigating opportunities for and potential barriers to better infrastructure for circular plastic production.

Water management

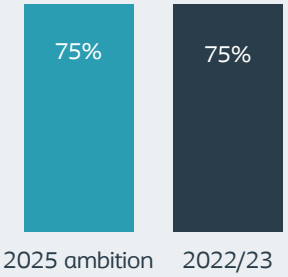
Coloplast's water use for production purposes is limited, and water is mainly used for sanitation and gardening. Whenever water is used, our focus is to reduce. In 2022/23, we restored 1.6 acres of irrigated lawn to its original prairie landscape at our site in Mankato, USA, thus eliminating the need for irrigation. Overall, our water consumption in 2022/23 remained on par with 2021/22.

Key figures



- Hazardous waste
- Landfill
- Recycled
- Incinerated

PRODUCTION WASTE RECYCLING RATE



Strive25 priority: Reducing emissions

Climate action is a key priority for Coloplast, and we have ensured that our emission reduction targets are science based and aligned with limiting global warming to 1.5˚C.

Coloplast's overall emissions in 2022/23 were negatively impacted by the inclusion of Atos Medical in emissions accounting. During 2023/24, we will continue this integration work. We also plan to revise and improve our scope 3 methodology for calculating emissions stemming from raw materials used in our products and packaging.

Science-based targets

To ensure that we reduce our emissions at the scale and speed needed, Coloplast's emission reduction targets in scope 1, 2 and 3 as well as our renewable energy target have been validated by the Science Based Targets initiative (SBTi). SBTi is an independent organisation defining and promoting best practice in science-based target setting using a standardised and transparent methodology. Our science-based targets are:

Scope 1 and 2 emissions
Coloplast commits to reducing absolute scope 1 and 2 GHG emissions by 100% by 2030 from a 2018/19 base year.

Renewable energy
Coloplast commits to continuing annually sourcing 100% renewable electricity through 2025.

Scope 3 emissions
Coloplast commits to reducing scope 3 GHG emissions by 50% per product manufactured by 2030 from a 2018/19 base year.

The integration of Voice and Respiratory Care has significantly impacted our ability to track our current progress against baseline emissions. To reestablish a comparable baseline, we have recalculated our 2018/19 emission baseline to include Voice and Respiratory Care enabling more accurate reporting for 2022/23. Next year, we will further refine this recalculation to reflect the structural and methodological changes in line with SBTi and Greenhouse Gas Protocol requirements. We will seek revalidation by SBTi to ensure that we continue to align our climate action with the 1.5˚C warming scenarios.

Our commitment to reduce absolute scope 1 and 2 emissions by 100% by 2030 entails the elimination of all energy-related emissions in scope 1 and 2 by 2025 and the elimination of emissions from company cars by 2030. This year we reduced scope 1 and 2 emissions by 10% compared to the base year 2018/19. Within our existing business the reduction was mainly driven by energy efficiency improvements, phasing out of natural gas and electrification, partly offset by increased emissions from company cars. With the integration of Voice and Respiratory Care, our scope 1 and 2 emission reductions were partly offset by increased emissions from company cars and energy consumption.

Procuring 100% of our electricity from renewable sources is a necessary step towards reducing our overall emissions. Today, 78% of our energy consumption is from renewable sources, up from 72% in 2021/22.

Strive25 ambitions

100%
reduction of scope 1 & 2 emissions by 2030*

100%
renewable energy by 2025

100%
electric company cars by 2030

50%
reduction of scope 3 emissions per product by 2030*

10%
reduction of air travel by 2025 and then freeze*

5%
limit on goods transported by air

SDGs impacted

*From the base year 2018/19

Reducing emissions

Setting an intensity-based target for scope 3 emissions impacts Coloplast products currently under development as well as future products. We see this as a means to future-proof our compliance and drive our competitive advantage. In 2022/23, our absolute scope 3 emissions increased slightly since last year along with our per-product scope 3 emissions. As a result, our per-product scope 3 emission reduction for 2022/23 is 8% compared to the base year 2018/19. This development is mainly due to the integration of Voice and Respiratory Care into our emission accounting period.

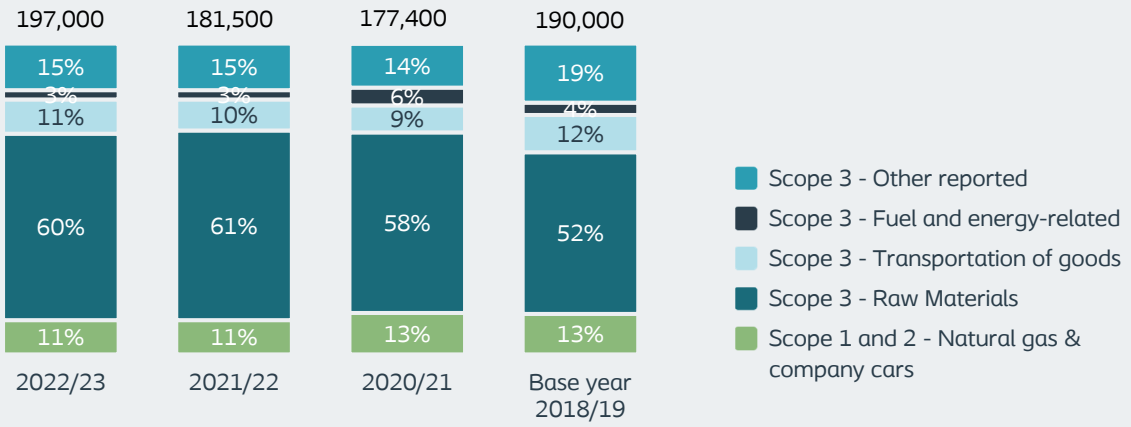
Decarbonisation

Decarbonising our own operations
The decarbonisation of Coloplast's own operations continues to be a key priority with focus on the three workstreams of phasing out the use of natural gas, increasing our renewable energy consumption and increasing the share of electric company cars.

Decarbonising our value chain
Scope 3 emissions constitute a key component in Coloplast's overall decarbonisation strategy.

In 2022/23 we have continued to leverage our supplier sustainability programme as an enabler to achieve our science-based targets. Through a thorough mapping of value chain activities, including emissions and climate risks, we have begun to develop transition plans based on key decarbonisation pathways, short and long-term decarbonisation activities and progress tracking. Our current strategic focus is on raw materials, machinery, transportation and business travel.

Coloplast's total scope 1, 2 and 3 emissions - tonnes CO2e[1)]



[1)] Voice and Respiratory Care is included for 2022/23 and base year 2018/19. Emissions for 2021/22 and 2020/21 cannot be compared. In 2022/23, Voice and Respiratory Care represented 6% of the total reported scope 1, 2 and 3 emissions compared to 4% in the base year 2018/19.

Reducing scope 1 and 2 emissions

In 2022/23, scope 1 and 2 emissions made up 11% of our total, reported emissions. Addressing the emissions that occur in our own operations is important to reduce our overall footprint, uphold our commitment to climate action and gain learnings which may be applied across our value chain.

Using energy from renewable sources

We continue to advance our efforts on renewable energy. Our ambition is to have all sites running on 100% renewable energy by 2025. Our approach is to procure electricity from renewable sources and phase out the use of natural gas – primarily through electrification but also by other means such as utilisation of district heating run on renewables where feasible.

During 2022/23, we continued to phase out the use of natural gas at our production sites. An additional electric heat pump was installed at Nyírbátor, Hungary, and a comprehensive electrification and energy saving option study was completed at our facility in France. By the end of 2023, our facilities in Denmark will be heated through district heating generated by incineration of 80% FSC©-certified biomass and 20% household waste.

Electricity accounts for more than 75% of the total energy consumption in our production. Wherever our electricity is not already from renewable sources, Coloplast purchases renewable energy certificates (RECs) to cover our consumption, effectively reducing our emissions by 32,200 tonnes CO2e in 2022/23 compared to conventionally generated electricity. Our ambition is to replace RECs with Power Purchase Agreements (PPAs) to ensure additionality in the regions where we produce through the construction of new renewable power generation capacity at our request.

Coloplast signed its first PPA in 2021/22 linked to a newly constructed solar park in Denmark. With its commissioning in 2023, the PPA will cover 100% of our electricity consumption in Denmark from 2023/24 onwards. This year we have also pursued further feasible options for PPAs in other markets, and this work will continue in 2023/24.

Improving energy efficiency

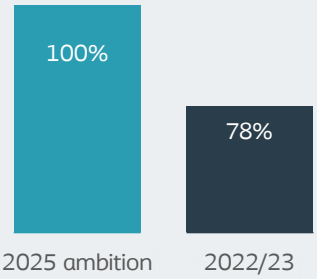
It is Coloplast's ambition to continuously reduce energy consumption per product. Combined with the use of renewable energy, this is an efficient way to reduce climate impacts from our production. This year, our energy efficiency decreased slightly to 0.13 kWh per product compared to 0.12 last year.

Electric company cars

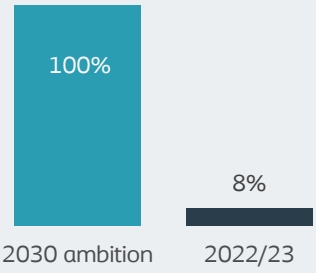
In 2022/23, Coloplast operated a car fleet of around 2,400 cars. We are converting to electric company cars with a target of 100% by 2030. During 2022/23, the size of our fleet increased with the addition of the existing car fleet held by Voice and Respiratory Care. Despite this, we have continued to increase the share of electric company cars from 4% to 8% in 2022/23. The development is driven mainly by our sales subsidiaries in the UK, Sweden, Denmark and Norway. In the latter, our company car fleet is now fully electric. Our progress continues to be challenged by long lead times for electric cars and slower development of charging networks than anticipated. We are not satisfied with our current progress on converting our car fleet to electric vehicles and have, as a consequence, removed our milestone target of 50% electric cars by 2025. Instead, we commit to accelerating our efforts to reach our end target of 100% by 2030.

Key figures

SHARE OF RENEWABLE ENERGY



SHARE OF ELECTRIC COMPANY CARS*



*2030 ambition is 100% electric company cars in scope 1 and 2

Scope 3 – reducing product footprint

Transparent reporting

Coloplast is focused on accounting and reporting the most significant sources of emissions while continuously broadening our scope to improve transparency.

To ensure better control of the data reported in scope 3, Coloplast has developed strict control procedures for externally reported emissions. As data quality improves across categories, we will expand our reporting.

Effective value chain emission reductions can only be achieved in collaboration with suppliers, partners and employees. We have identified key improvement areas and taken specific action within raw materials, production, transportation of goods and business travel. We have also further developed our data improvement plan to expand the data collected from our partners, refine calculations and update methodologies.

Raw materials

Raw materials are a major source of value chain emissions, accounting for 67% of the reported scope 3 emissions in 2022/23 compared to 68% last year. We continue to engage with our top-emitting suppliers, and in 2022/23 we have included even more suppliers in our supplier sustainability programme.

Furthermore, we have integrated climate impact assessment into our innovation process, increasing the focus on developing new products with a lower carbon footprint together with our raw material suppliers. In 2022/23, we also initiated the process of collecting supplier-specific activity data for emission accounting.

Transportation of goods

Upstream and downstream transportation of goods accounted for approximately 12% of Coloplast's total scope 3 emissions in 2022/23 compared to 15% in 2021/22. Given our growth rates, transportation needs will increase going forward, meaning that total emissions from transportation of goods will also increase. Coloplast mitigates emissions by substituting air with sea and ground freight. We have set an ambition to limit the use of air freight to 5% of total goods transported. In 2022/23, 2% of goods were transported by air.

Coloplast users are dependent on receiving a stable and adequate supply of products. In case of extraordinary events in the supply chain, Coloplast will prioritise user needs and, if needed, send products by air to ensure that they reach users in time.

Reducing business travel

Despite growing across all geographies, Coloplast aims to reduce emissions from company air travel by 10% compared to 2018/19 levels and then freeze. We will limit the number of business trips while promoting emission-efficient choices when travelling. We are also strengthening digital meeting resources and working-from-home capacities. We have included emission information from available travel options when employees book business travel, expanded the list of rental car suppliers in Europe and promoted the use of cars and public transportation for short business trips.

As COVID-19 impacts on travelling were further reduced in 2022/23, the emissions from air travel have increased compared to previous years. However, compared to pre-pandemic levels, emissions from air travel are still significantly lower, resulting in a 41% reduction of air travel in 2022/23 compared to the base year 2018/19.

Supplier sustainability programme

Coloplast's supplier sustainability programme provides the framework for engaging with our suppliers and is an important lever for achieving our Strive25 ambitions. We continued to see progress in 2022/23 with overall development of our activities and in preparation for the EU's Corporate Sustainability Due Diligence Directive.

Coloplast respects internationally recognised human rights, including labour rights, and comply with the ten principles of the UN Global Compact. Our Supplier Code of Conduct describes our standards and can be read in full on our website.

Engaging with our suppliers on climate

In support of our ambition to reduce scope 3 emissions by 50% per product, Coloplast has mapped top emitters and identified that approximately 460 suppliers account for 80% of our total scope 3 emissions. This year, we have reached out with a climate ambition statement to the first 100 of these suppliers representing roughly one third of our scope 3 emissions. Most of these suppliers have no publicly stated emission reduction targets. The purpose of the statement is to create awareness of our ambition and to initiate dialogue about tracking of emissions data, target setting and emission reduction initiatives. We will expand our efforts to all 460 top-emitting suppliers in the coming year.

Sustainability in the procurement process

Addressing sustainability in decision making
This year, Coloplast introduced a global guideline for sustainable procurement outlining how to address sustainability at different steps of the procurement process from category planning and sourcing to ongoing supplier business relationship management. The guideline facilitates internal awareness-building of due diligence requirements, key sustainability topics and how to link procurement decisions to Coloplast's sustainability strategy.

Supplier ESG assessment
In continuation of the pilot self-assessments in 2021/22, Coloplast has distributed a new supplier self-assessment questionnaire to our top-emitting suppliers as well as other key suppliers across direct and indirect categories. The questionnaire includes Coloplast's Supplier Code of Conduct and 27 questions covering environment, human rights, labour rights and ethics.

The response rate is satisfactory and provides Coloplast with valuable supply chain insights. We are using these insights in our dialogue with suppliers as well as to map opportunities and gaps related to our climate ambitions and upcoming legislative requirements.

During 2023/24, we will distribute the questionnaire to more suppliers and use the insights to target our dialogue based on performance.

Supplier auditing
Coloplast's supplier audit programme focuses on high-risk countries. All raw material suppliers in high-risk countries are evaluated as part of the approval process and a reassessment is completed every third year thereafter. Audits are carried out by an external partner in accordance with local regulations, Pharmaceutical Supply Chain Initiative (PSCI) principles, Coloplast's Supplier Code of Conduct and the UN Global Compact.

If an issue is identified, Coloplast and the supplier must agree on necessary improvements in a corrective action plan. Subsequent outcomes depend on the severity of the findings and the supplier's response to the corrective action plan. Coloplast conducted 12 audits of tier 1 and 2 suppliers in China and Pakistan during 2022/23 and put in place corrective action plans where needed.

Peer collaboration

Coloplast joined the Pharmaceutical Supply Chain Initiative to access a community of more than 70 of the largest pharma and healthcare companies in the world who collaborate on building responsible supply chains. The community facilitates a shared supplier audit program, creates maturity models and learning programs for suppliers on sustainability topics as well as facilitates knowledge sharing.

Coloplast is committed to continuing this collaboration with a view to building better and more responsible supply chains within our industry as well as delivering on our Strive25 sustainability ambitions.

Responsible operations

Coloplast constantly strives to improve how we operate. Strive25 includes targets on product quality, employee health and safety, business ethics and compliance and people and culture.

Product quality

Quality standards
Delivering safe and reliable products is essential to Coloplast. Our unified quality management system establishes processes for managing quality and risks in product development, production and distribution as well as extensive post-market surveillance. All complaints and adverse events are individually handled to identify the root cause and generate input for mitigation and future product development. Our products and quality management system meet strict regulatory standards, and compliance is verified on site through external audits by independent auditors and notified bodies. All Coloplast sites involved in design, production, packaging and central distribution are certified according to one or more of the following standards and regulations: ISO9001, ISO13485, MDSAP, EU MDD and EU MDR. In 2022/23, Coloplast had 104 full-day audits on quality and system conformity.

Medical Device Regulation
In response to The Medical Device Regulation (MDR), Coloplast has updated our quality management system and are in the final stage of revising all relevant product documentation. We have obtained certification for more than 40 product groups. In addition, all class I non-sterile products are MDR compliant. In total, MDR compliant products represent around 90% of our revenue. Within Voice and Respiratory Care, we also see momentum with the MDR certification process for Provox® Vega, while the Tracoe Experc Set has received its first MDR certificate.

Product recalls

If customer feedback or internal controls reveal quality defects with potential safety risks in delivered products, Coloplast initiates a voluntary product recall. Coloplast had four voluntary product recalls in 2022/23:

In-KA® Ureteral balloon dilatation catheter kit: 81 lots across 25 countries due to incorrect labelling.

Titan® Penile Prosthesis: 35 lots across 26 countries due to product values below specification.

Tracoe Vario P-tube, Tracoe Experc Set Vario, Tracoe Twist Plus P-tube, Tracoe Experc Set Twist Plus: Voluntary recall of all lots produced within 5 years impacting 42 countries due to sub-par product performance.

Tracoe Experc Set Vario, Tracoe Experc Set Twist, Tracoe Experc Set Twist Plus: 639 lots across 46 countries due to missing Instructions for Use.

Animal testing

All animal testing done by Coloplast is performed by Good Laboratory Practice certified laboratories, and Coloplast does not use transgenic animals in testing. This year, Coloplast used 1,774 animals for testing. Of these, 89% were rodents. See our Animal Testing policy on our website.

Ongoing commitments

100%
white-collar employees trained in Code of Conduct

2.0 ppm
Lost Time Injury frequency by 2025

40%
representation of female senior leaders (VP+) by 2030

75%
share of diverse teams

Engagement score
above industry benchmark

SDGs impacted

Business ethics and compliance

Business Ethics & Compliance (BE&C) at Coloplast is a global function headed by the Group Chief Compliance Officer reporting to the Senior Vice President & Group General Counsel. The Group Chief Compliance Officer reports to the Executive Leadership Team twice per year on priorities and risks and quarterly to Coloplast's Audit Committee on compliance priorities, risks and relevant changes in the legislation and compliance landscape. The BE&C team is comprised of regional compliance officers and accompanying teams, specialised staff and part-time supporting resources in key markets.

Coloplast BEST – our Code of Conduct

The Coloplast BEST Code of Conduct outlines our commitment to conducting responsible business and acting with integrity. It covers topics such as business ethics, anti-harassment, anti-corruption, data privacy, human rights, and integrity when engaging with our stakeholders. Coloplast BEST applies to all Coloplast employees without exception. Third parties working on behalf of Coloplast are also expected to follow Coloplast BEST, and additional Codes of Conduct apply to Distributors and Suppliers.

Coloplast values employees' ability to use good judgement rather than learning a set of rules by heart. That is why Coloplast BEST is value-based rather than rule-based and aims to instil a compliance mindset. Coloplast BEST addresses the most common issues and challenges our employees face, but it cannot anticipate every scenario. When faced with a dilemma not addressed by law, industry code, Coloplast BEST or internal policies, employees are expected to apply an overall principle of integrity, use critical thinking and reach out to their manager and/or compliance officers for further guidance.

Regular training in Coloplast BEST is mandatory for all employees, and all white-collar employees must complete the Coloplast BEST e-learning module within 45 days of hire and on an annual basis thereafter. In 2022/23, the Coloplast BEST completion rate was 99%. Coloplast also continues to expand its training activities to support employee engagement and understanding of compliance risks, especially those in high-risk areas of the organisation. Examples of trainings include Raising Concerns, Receiving Concerns and Data Breach Reporting. Additional regional and department-specific in-person training is conducted based on individual needs.

Coloplast is committed to high standards for working with users and organisations. In addition to Coloplast BEST, employees are expected to live up to all applicable legal requirements and industry codes to which Coloplast is signatory. All Coloplast employees are expected to read and comply with Coloplast BEST, ask questions when in doubt and report any suspected misconduct or violation of Coloplast BEST. To read Coloplast BEST, please visit our website.

Transparency reporting

Coloplast has controls in place to track transfers of value (for example consulting payments) to healthcare professionals. Coloplast tracks and reports transfers of value to healthcare professionals in accordance with local and regional legal requirements.

Distributor handling

Coloplast has dedicated resources tasked with conducting risk assessments and due diligence of its distributors and to create action plans for compliance improvements where needed. We have implemented a system to manage integrity and compliance risks related to our tier one distributors. Through this process, Coloplast engages in active dialogue with its distributors about the compliance situation in their markets and the expectations set forth in Coloplast's Global Distributor Code of Conduct. This is supported by ongoing risk monitoring, auditing and training of our distributors. To read our Distributor Code of Conduct, please visit our website.

Risk assessment

Coloplast performs ongoing risk assessments to maintain a good understanding of where specific attention is needed. The risk assessments are performed cross-functionally to ensure a complete overview of the business and its risks. Based on the risk assessments, Coloplast updates its compliance programme as required.

Coloplast continuously monitors regulatory developments to proactively adjust our operational models in line with regulations and the Coloplast values. One example of this is China, where new legislation requires Coloplast to continuously monitor and amend its

ways of operating to comply with local requirements.

Ethics Hotline

At Coloplast, we encourage an open, transparent and honest culture, where employees are free to raise questions and concerns without fear of retaliation. Coloplast has a global Ethics Hotline enabling employees and other stakeholders to report, anonymously and in good faith, any suspected breaches of Coloplast BEST or other concerns. Coloplast's Ethics Hotline is managed by an independent third party. The reported cases are managed in accordance with our Ethics Hotline Management Policy, which includes day-to-day oversight by Coloplast's Ethics Hotline Committee and quarterly reporting to Coloplast's Audit Committee.

In 2022/23, Coloplast received a total of 75 cases, of which 42 were within the scope of the Ethics Hotline. This includes cases submitted directly to management or local or regional compliance officers subsequently included in the investigation process. Of the cases within scope closed during 2022/23, 58% were substantiated and addressed with remediation and sanctions. In some instances, this has led to termination of contract or employment of involved parties.

Data privacy

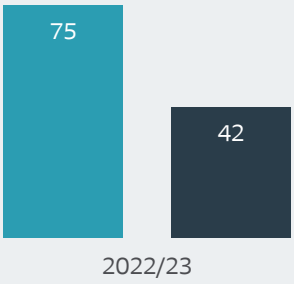
Coloplast collects and handles personal data as part of its online activities targeted toward users. Our users trust us with very sensitive information, and it is a priority for us to treat this data with the utmost respect and confidentiality. Many countries have legislation in place requiring companies to handle personal data safely and securely. Coloplast handles and protects all personal data in accordance with national law and with the same approach across all group companies, as Coloplast has enacted Binding Corporate Rules (BCR) approved by competent data protection authorities. Internal and third-party audits are conducted to ensure secure and reliable data handling.

Coloplast is certified according to ISO 27001 on information security and facilitates awareness and training sessions for employees on data privacy via e-learning and intranet sites.

Coloplast has a Group Data Protection Officer fully dedicated to focusing on data privacy and supported by local resources in our headquarters as well as in our subsidiaries. The Group Data Protection Officer reports regularly to Coloplast management. In addition, the efforts and status on data privacy is reported annually to Coloplast's Audit Committee. Our Information Security Policy and Data Ethics Policy can be found on our website.

Key figures

CASES SUBMITTED TO THE ETHICS HOTLINE*



*Cases not within scope of the Ethics Hotline are redirected to People & Culture for investigation

Ethical marketing and collaboration

Healthcare professionals and the people who use our products and services count on us to provide clear and accurate information. Our products are classified as medical devices and thus subject to strict regulation regarding promotion. We follow all applicable laws and regulations, always ensuring that our communication is factual and evidence-based, giving objective, accurate and complete information.

Collaboration and scientific exchange with healthcare professionals is key in developing innovative technologies and solutions, improving our products and raising awareness about our offerings. We are committed to giving healthcare professionals the most up-to-date clinical data and training to ensure that they can use our products safely and effectively for the benefit of their patients.

We do not engage in medical diagnosis or advise on course of medical treatment but unequivocally refer to a healthcare professional and/or Intended Use of the products.

Responsible advocacy

Coloplast engages in advocacy both as a company and in partnership with external stakeholders. Building alliances with key external stakeholders, including industry associations and patient advocacy groups, plays an important role in improving health outcomes.

Respecting local cultures, regulations and customs is important to Coloplast. We want to contribute to the local communities in which we operate, either through donations or by involving local non-governmental organisations. Coloplast also considers tax management to be an important part of community engagement as taxes contribute to value generation.

Responsible tax management

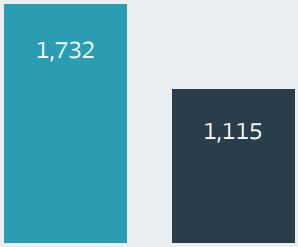
Respecting local tax laws, regulation guidelines and industry standards are important to Coloplast's reputation and brand. We see taxes as fundamental for any country to finance its public services and infrastructure. All business structures and transactions within Coloplast must have a business purpose or commercial rationale. In Coloplast, taxes are paid where business activities generate value in accordance with internationally accepted standards.

Coloplast does not allow commercial needs to override compliance with applicable laws, nor base commercial activities on artificial or opaque structures that are intended for tax avoidance or have no commercial substance.

We are committed to disclosing relevant information about our tax practices and seek an open and transparent relationship with tax authorities. Our dialogue with tax authorities is based on full disclosure of all the relevant facts and circumstances.

Key figures

TAXES PAID (DKK MILLION)



20.6%

effective tax rate in 2022/23

Within these principles, Coloplast will pursue tax opportunities, including seeking relevant government-sponsored tax incentives and strive to avoid double taxation. Coloplast does not facilitate suppliers, customers, employees or other partners in tax evasion. Read the full tax policy on our website.

Country-by-country tax reporting

Coloplast will continue to show transparency and publish country-by-country tax reporting on our website in line with the relevant EU directive.

Employee health and safety

Providing a safe and healthy working environment for our employees is a top priority for Coloplast.

As a responsible employer, we must do everything in our power to ensure that employees can return safely home after their workday. In 2022/23, we failed to deliver on this responsibility as an employee tragically lost his life while at work at a Coloplast site. A thorough root-cause analysis has been completed, and we have implemented actions to avoid a similar incident in the future. These include updated instructions, additional training and increased supervision at the site in question. In addition, learnings from the fatal accident have been shared across our sites, and we are implementing additional safety instructions globally. Coloplast is fully dedicated to ensuring a safe and healthy working environment for all our employees, and we regard this tragic fatality is an unacceptable outlier.

Reducing occupational injuries

Coloplast works as hard as ever to reduce occupational injuries. This year, we integrated our newest business area, Voice and Respiratory Care, into our injury reporting. Our lost-time injury frequency slightly increased with a result in 2022/23 of 2.6 ppm, which accounts for a total of 70 incidents. Across Coloplast, the most common injuries for white- and blue-collar employees are incidents due to trips, falls, traffic accidents and heavy lifting. We experience a higher level of incidents post COVID-19 and are working hard to address this to reach our 2025 ambition of 2.0 ppm.

We strive to foster a positive safety mindset among all employees by championing four key safety behaviours globally across sites and at all management layers:

- You see it, you own it
- Think twice
- Dare to care
- Stay focused

Since initiating our first SafePlan more than five years ago, we have seen a significant strengthening of our safety culture with a sevenfold increase in reported near-miss accidents and safety observations. A proactive KPI for production sites and larger distribution centres has been defined, and local targets have been set. To support the proactive KPI, Coloplast has several channels for reporting and raising awareness.

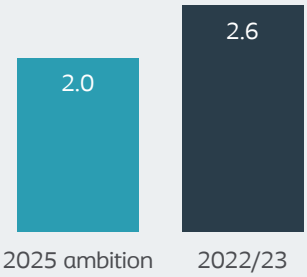
In 2022/23 Coloplast recognised the United Nations' International Day for Health & Safety at Work with a global safety campaign focused on preventing slips, trips and falls. Our production and distribution sites worldwide activated this campaign with a range of local activities aimed at identifying hazards and encouraging safe behaviours.

Improving ergonomics

Coloplast emphasises an ergonomically correct workplace setup whenever manual labour is required. We work to reduce repetitive work and reduce the strain from unavoidable repetitive work by rotating work stations.

Key figures

LTI FREQUENCY (IN PPM)*



*Parts per million (ppm): number of injuries resulting in absence from work of one day or more per one million working hours

Offering healthy choices

Coloplast performs workplace assessments globally and provides employees with tools and options to make healthier choices. Examples from our sites include offers of individual health screenings and free psychological councelling at the Coloplast headquarters, a wellbeing committee at the production site in Costa Rica and free medical screenings and health checks at our Nyírbátor site.

Mental wellbeing

Coloplast recognises the importance of mental wellbeing to employee engagement, performance and retention. We track the mental wellbeing of our employees through engagement surveys and specific local intiatives. Actions are taken at team level to address identified needs.

People and culture

Coloplast's workforce reached 15,913 people at the end of 2022/23, including Kerecis employees. We have a diverse employee base, spanning 42 countries and 123 different nationalities. The average length of employment is 6.4 years. More than 48% of our employees work in Global Operations, which includes production sites in Hungary, China, Costa Rica, Germany, Sweden and the US. 41% of employees are based in our sales subsidiaries, while 11% work within Group functions such as innovation or business support.

Our three key people priorities are: talent for the future, employee engagement, and diversity, equity and inclusion.

Talent for the future

During 2022/23 Coloplast welcomed more than 3,500 new colleagues, including 550 colleagues from Kerecis. Our talent acquisition faces global competition in a heated labour market. Consequently, we have renewed our focus on our unique purpose and employer story, built a consistent messaging and broadened our presence on social media. Locally, we have taken steps toward more flexible working and tailored benefits. We also continue to leverage our own talent pool to senior positions. This year, in line with our ambition, 65% of open critical managerial positions were filled by internal candidates.

Employee turnover

The global turnover was 15% in 2022/23, which is broadly in line with external benchmarks. The voluntary turnover was 10.1%, which is a slight improvement compared to 2021/22. This is mainly due to a healthy development in employee retention in the US, Europe, and our global headquarters, partly offset by an increased turnover in Hungary, which is a relatively competitive labour market.

Balancing performance and development

To ensure a good balance in employee performance and development, we have launched a new initiative to all leaders and employees titled Partner to Grow. This is to achieve even more shared ownership for current goals and future development. We have trained more than 7,000 employees and leaders in this new approach. In addition, nearly 3,000 employees have completed additional skill building in goal setting, feedback and coaching. We will track the impact of this training via our engagement survey.

Employee engagement

Employee engagement is a key indicator of both well-being and retention. The result of Coloplast's biannual engagement survey is shared with management who act on key areas to maintain high engagement levels.

Coloplast maintained an above-industry benchmark score of 8.1 in 2022/23 with a response rate of 91%. The key drivers behind our high engagement remain a strong sense of contribution to our mission and a good organisational fit.

Key figures

15,913
employees at year-end*

10.1%
voluntary employee turnover in 2022/23

8.1 out of 10
employee engagement score

* Employee headcount at year-end includes Kerecis. No other figures in this section includes Kerecis.

Inclusion and diversity

Enabling employees to bring their differences to work and fulfil their potential because of – not despite – their differences is key to Coloplast. We prohibit all discrimination or harassment based in gender identity, age, race, ethnicity, nationality, sexual orientation, religious belief, social and economic background, physical or mental ability.

This is formalised in our policies on Inclusion & Diversity, Anti-Harassment and Anti-Discrimination, and Anti-Retaliation, which can be found on our website. The topics of inclusion, diversity and anti-harassment are also included in the yearly mandatory Coloplast BEST training. In addition, in 2022/23, we offered inclusive leadership training to all leaders as well as new learnings on allyship and psychological safety for all colleagues globally.

Diversity in teams

We believe that diversity in teams leads to better innovation, performance and decisions. We therefore drive diversity through teams and strive to ensure a healthy balance of gender, age and nationality within each team.

We monitor the mix of diversity in all teams and actively work with around 80 senior leadership teams as role models for team diversity. Our ambition is to reach a share of 75% diverse teams by 2025 through natural attrition. Diverse teams are defined by a balanced mix of genders, nationalities, and generations, and senior managers have set action plans to achieve this ambition. In 2022/23 the share of diverse teams was 54%, which is on par with last year.

To further drive and create ownership of inclusion and diversity locally, we support several local Employee Resource Groups (ERGs). These are voluntary, employee-led groups driving events, educational webinars, discussions, and more to raise awareness of the topic. This year, new ERGs led by highly passionate employees were established in the US, United Kingdom, and Denmark.

Employing people with disabilities

At Coloplast, we value diversity in the profiles in our workforce. We employ people with mental or physical disabilities in all parts of our global organisation in accordance with local legislation and policies, and we work hard to ensure an inclusive workspace, which includes having appropriate equipment and aids.

Gender representation in management

The proportion of female managers increased to 47% in 2022/23. Looking exclusively at senior leadership (Vice Presidents, Senior Vice Presidents and the Executive Leadership Team), the representation of females increased to 26% this year.

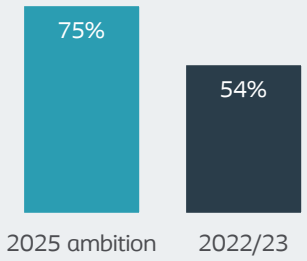
To ensure continued progress on gender representation in managerial positions and to drive improvement at the senior leadership level, Coloplast has implemented several initiatives including top management attention to diversity in our talent pipelines and a new global recruitment process for senior management positions that mitigates biases and ensures diversity. We have also increased our engagement in diversity-related events, boards and partnerships globally. In addition, we have offered selected female talents an external leadership program.

Gender pay gap

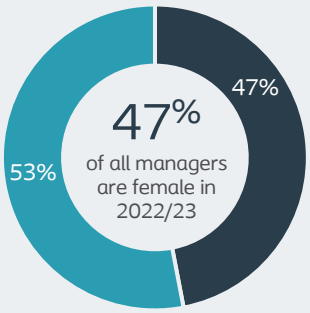
Fairness and transparency in employee remuneration are key in an inclusive workplace. Coloplast is committed to equal remuneration for equal work and we let skills and experience determine compensation. In 2022/23, Coloplast performed an annual analysis of the gender pay gap across senior management levels in the organisation, which showed no significant pay difference (below 5%) between genders .

Key figures

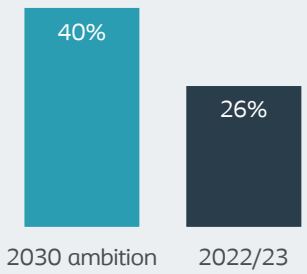
SHARE OF DIVERSE TEAMS



SHARE OF FEMALE MANAGERS



SHARE OF FEMALE SENIOR LEADERS



EU Taxonomy

Under the EU Taxonomy, Coloplast is required to report on eligibility and alignment with the environmental objectives of climate change mitigation and climate change adaptation for 2022/23.

The EU has recently finalised technical screening criteria for the remaining four environmental objectives. Coloplast sees potential for aligned activities within these objectives and will include the four additional environmental objectives in our assessment of eligibility and alignment in our future EU Taxonomy reporting.

Accounting policies

Assessing EU Taxonomy eligibility
During 2022/23, we have assessed Coloplast's core economic activities within turnover, OPEX and CAPEX to identify EU Taxonomy-eligibility and EU Taxonomy-alignment. As part of the assessment, we have completed an initial screening of all activities as outlined by the EU Taxonomy Compass and Annexes I and II of the Climate Delegated Act followed by a more detailed evaluation of potentially relevant activities.

Turnover
Coloplast has no EU Taxonomy-relevant economic activities within turnover.

OPEX
We have identified no EU Taxonomy-eligible OPEX activities based on the current guidance related to the EU Taxonomy Regulation and available data within the screened economic activities.

CAPEX
Our assessment has identified the following EU Taxonomy-eligible CAPEX activities based on our current understanding of the Taxonomy Regulation and available data within the screened economic activities:

- Activity 4.16 (Climate change mitigation): Installation of electric heat pumps at Coloplast's production sites at Nyírbátor, Hungary and Zhuhai, China
- Activity 6.5 (Climate change mitigation): Leasing of company cars across the Coloplast group
- Activity 7.4 (Climate change mitigation): Installation of charging stations for electric vehicles at our global headquarters in Denmark and our production sites in Hungary
- Activity 7.6 (Climate change mitigation): Various renewable energy initiatives across sites, mainly installation of district heating at our two sites in Denmark, installation of solar panels at our site in Minneapolis, USA and preliminary studies related to a geothermal energy project at Nyírbátor, Hungary.

Assessing EU Taxonomy alignment
EU Taxonomy-alignment must be based on a robust climate risk and vulnerability assessment to qualify for Substantial Contribution as well as Do No Significant Harm. This assessment must identify which physical climate risks may affect the performance of the economic activity during its expected lifetime, assess the materiality of such risks and evaluate the adaptation solutions that can reduce these risks.

Coloplast has completed a risk assessment of physical and transition risks for all sites in scope for our sustainability reporting. However, we have not completed detailed climate risk assessments specifically covering our EU Taxonomy-eligible activities and can therefore not demonstrate EU Taxonomy-alignment for these activities for 2022/23.

The terminology, definitions and scope of the EU Taxonomy are still subject to some uncertainty in interpretation. As our understanding of the requirements and best practices around EU Taxonomy reporting develops, we may adapt our future reporting accordingly.

EU Taxonomy

Definitions and KPIs
Turnover: Total turnover is in accordance with the turnover reported in the Annual Report 2022/23. The turnover KPI is defined as Taxonomy-eligible turnover (numerator) divided by total turnover (denominator). Non-eligible turnover is defined as total turnover minus Taxonomy-eligible and Taxonomy-aligned turnover.

OPEX: Total OPEX consists of direct non-capitalised costs that relate to research and development, building renovation, short-term lease, maintenance and repair and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment. The OPEX KPI is defined as Taxonomy-eligible OPEX (numerator) divided by total OPEX (denominator). Non-eligible OPEX is defined as total OPEX minus Taxonomy-eligible and Taxonomy-aligned OPEX.

CAPEX: Total CAPEX consists of additions to fixed assets (including right-of-use assets) and intangible assets in accordance with the additions in the Annual Report 2022/23. Additions resulting from business combinations are also included. Goodwill is not included in CAPEX because it is not defined as an intangible asset in accordance with IAS 38. The CAPEX KPI is defined as Taxonomy-eligible CAPEX (numerator) divided by total CAPEX (denominator). Non-eligible CAPEX is defined as total CAPEX minus Taxonomy-eligible and Taxonomy-aligned CAPEX.

Double counting: For calculation of the denominator of the turnover, OPEX and CAPEX KPIs, figures have been extracted directly from Coloplast's enterprise resource planning (ERP) system. It is thereby ensured that registrations are only counted once. For the allocation of the numerator, we have first identified the relevant figures and then allocated it to the primary related economic activity in the Climate Delegated Act. In this way, it is ensured that no registration is considered more than once.

Disaggregation of KPIs: Our identified economic activities do not require disaggregation of KPIs.

Contextual information: Taxonomy-eligible CAPEX consists of the activities described above.

Minimum safeguards

According to the EU Taxonomy Regulation, minimum safeguards are a requirement for alignment. The minimum safeguards cover the four core topics of human rights, including labour rights, bribery/corruption, taxation and fair competition.

Irrespective of Coloplast's current ability to demonstrate EU Taxonomy alignment, we are committed to operating responsibly. Coloplast has been a signatory to the UN Global Compact since 2002. We respect the internationally recognised human rights, including labour rights, as defined in the Universal Declaration of Human Rights and operate in compliance with the ten guiding principles of the UN Global Compact. We have policies and procedures in place addressing the four core topics, including codes of conduct applicable to suppliers and other key business partners.

EU Taxonomy Tables

Turnover, DKK million

Taxonomy-eligible activities	Absolute turnover	Proportion of turnover
Environmentally sustainable activities (Taxonomy-aligned)		
None	-	0%
Turnover of environmentally sustainable activities (Taxonomy-aligned)	**-**	**0%**
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		
None	-	0%
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	**-**	**0%**
Taxonomy-non-eligible activities		
Turnover of Taxonomy-non-eligible activities	**24,500**	**100%**
Total	**24,500**	**100%**

Capex, DKK million

Taxonomy-eligible activities	Absolute capex	Proportion of capex
Environmentally sustainable activities (Taxonomy-aligned)		
None	-	0%
Capex of environmentally sustainable activities (Taxonomy-aligned)	**-**	**0%**
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		
4.16 Installation and operation of electric heat pumps	7	0%
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	136	3%
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	3	0%
7.6 Installation, maintenance and repair of renewable energy technologies	5	0%
Capex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	**151**	**3%**
Taxonomy-non-eligible activities		
Capex of Taxonomy-non-eligible activities	**4,731**	**97%**
Total	**4,882**	**100%**

Opex, DKK million

Taxonomy-eligible activities	Absolute opex	Proportion of opex
Environmentally sustainable activities (Taxonomy-aligned)		
None	-	0%
Opex of environmentally sustainable activities (Taxonomy-aligned)	**-**	**0%**
Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)		
None	-	0%
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)	**-**	**0%**
Taxonomy-non-eligible activities		
Opex of Taxonomy-non-eligible activities	**1,769**	**100%**
Total	**1,769**	**100%**

The current risk landscape

Risk reporting process and governance

The risk reporting process is part of the Group's risk management and covers Coloplast's business areas as well as global functions. It is overseen by Group Finance and the CFO, who are also responsible for securing appropriate insurance coverage for insurable risks and for assessing and facilitating the prioritization of our principal risks.

The management of the business areas and global functions is responsible for identifying, assessing, managing, and reporting on risks specific to their area of responsibility. The most significant risks to our business over a five-year time-horizon are reported quarterly to the Group's risk management. This also includes climate-related risks; however, climate-related risks usually have a longer time-horizon than other risks (more than five years) and therefore not material for Coloplast's risk landscape. Please refer to Sustainability section for updates on climate-related risks.

The risk reporting process and supporting interviews form the basis of the risk update that is presented by the CFO to the Executive Leadership Team (ELT) and the Board of Directors at the quarterly board meetings.

The ELT is responsible for defining Coloplast's overall risk profile, and for setting standards for risk taking and for aligning it with the overall strategies and policies. They are also responsible for launching and approving risk treatment plans and activities to address the most significant risks.

The Board of Directors perform risk oversight, monitors the overall risk landscape and reviews, the conclusions and recommendations submitted by the Executive Leadership Team.

The effectiveness of the risk reporting process is regularly monitored by the CFO together with the Board of Directors, and the overall process is followed by the Audit Committee on an ongoing basis. Our aim is to have a culture that manages risks well and not just a strong process.

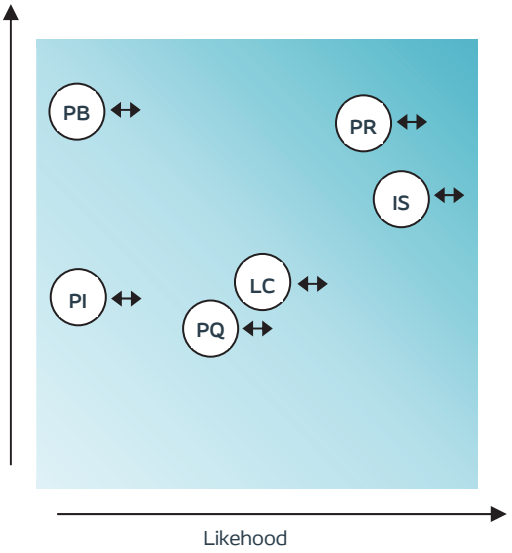
Our principal risks

In our risk reporting process, we have identified a range of principal risks, believed to be material and have the potential to significantly threaten and adversely impact the Group's business model, strategy, and future performance.

Those principal risks are presented in random order on the following pages, along with examples of responses taken to treat them. Each risk is linked to one or more of the themes of Coloplast's strategy Strive25.

The illustration provides an aggregated overview of our principal risks and summarises our assessment of the risk exposure for each risk, taking into consideration the risk treatment plans put in place (residual risk).

If material change has occurred to the assessment of a risk compared to last year, this is indicated in the illustration by an arrow and elaborated on, in the following pages.



PR Pricing and reimbursement
IS Information security
LC Legal and compliance
PB Production and business continuity
PI Product innovation and development
PQ Product quality and safety
Increased
Unchanged
Decreased

Pricing and reimbursement

Description	Risk examples	Risk responses
A large part of Coloplast's products is sold in markets that are subsidised and eligible for reimbursement from health-care authorities. As a result, prices are influenced by the economic and political developments in national and regional markets, budgetary constraints of governments, healthcare reforms, bargaining power of wholesalers and distributors, as well as the ability to convince buyers of the economic value of its products based on clinical evidence, costs, and patient outcomes. In 2022/23, we again experience higher input costs. With a somewhat limited possibility to offset negative effects through price increases and negotiations with customers, this put our value creation under pressure.	Lower reimbursements and increasing price pressure due to healthcare and price reforms. No bigger healthcare reforms are currently expected for the next fiscal year 2023/24, and global price development remain positive in the short term. However, in the medium to long-term our expectation is a negative price impact of around -1%. Lack of or inadequate clinical evidence to support reimbursement levels. Global, regional, or local political instability, emerging geopolitical drivers of risk, and economic matters, such as interest rate, inflation, or currency rate fluctuations. Claw back or other repayment schemes introduced by health care authorities retroactively. For example, Italy has introduced a ceiling on national health services expenses for medical devices. If this threshold is exceeded, every company must, based on revenue, pay a percentage of the surplus back to the authorities.	Monitoring markets and sales developments, economic and political developments, and changes to public sector guidelines and reimbursement schemes. Interaction with healthcare authorities, patient associations, and industry associations to try to prevent, postpone or minimise the impact. Financial risk management, including hedge costs of energy and other hedging activities in accordance with Coloplast's financial mandate. To address the higher input costs, initiatives to reduce costs and enforce prudent management of operating costs are being implemented. To address the repayment scheme in Italy, Coloplast, other industry players, and associations have opposed the claw back and initiated legal proceedings. Coloplast has made a provision of around DKK 100 million towards this claim.

Information security

Description
Coloplast operates in a dynamic information risk environment with regulatory and legislative data compliance obligations and depend on a wide range of information and operational technology systems (IT and OT), people, and suppliers to manage the business. The company processes highly confidential information and legally protected personal health information and the product portfolio include digitally connected products, like Heylo™.

Like previous years, there has been no material impact on our business from cyberattacks in 2022/23.

Artificial intelligence (AI) introduces new threat parameters and currently there is ongoing evaluation investigating how this will impact the information security risk landscape as well as where future business opportunities can be leveraged. Coloplast has published internal guidelines to outline accepted rules of engagement when using publicly available AI services.

Risk examples
Disruption to IT and OT systems, such as cyberattacks, human error, or infrastructure failure resulting in business disruption or data confidentiality incidents like loss of intellectual property or data privacy breach. An intentional cyberattack or an unintentional human error can, in a worst-case scenario, affect business operations and delivery performance.

Essential Coloplast business and support processes are reliant on suppliers. Reduced or compromised availability and reliability of supplier's services, systems, or materials would threaten operations and business continuity. In addition, some suppliers have access to Coloplast information, which would be collateral damage if a supplier is breached or experiences a cyberattack.

The information security risk landscape is increasingly affected by political factors. This trend is evidenced by an increasing number of legislations mandating localization of data that limits cross-border transfer of data, as well as events related to the war in Ukraine.

Key threats managed in our Information Security risk management process
• **Social engineering** enables phishing, CEO fraud, and other cyberattack methods • **Privileged access abuse** is an intentional insider threat that can include data exfiltration to competitors • **Supplier security** vulnerabilities can spill over and impact operations • **Compliance** with national cybersecurity and data privacy laws challenge efficient and scalable IT system management • **Geopolitics** includes collateral damage from cyber hacktivists, cyber warfare, war, data sovereignity conflicts with business interests • **System intrusion** from phishing or other attack vectors; breach of confidentiality • **Human error** impacts data integrity and availability • **Malware / Ransomware** continues to be a lucrative business for cybercriminal organizations.

Risk responses
Coloplast follows the ISO 27001 to constantly drive improvement and validate performance of the Information Security Management System through audits and risk management. All sites within the ISO 27001 certification scope are internally and externally audited as required under the certificate. The certificate covers 95% of sites with manufacturing operations, most strategic sales markets, and is recognized to reduce compliance overhead with legislative requirements.

A robust Information Security risk management process to identify, assess, report, and mitigate risks with a direct link to the Group's quarterly risk management process. The process covers four key areas: threats, business interactions and relations, compliance and regulations, and employee conduct (as elaborated in the bottom, left-side box). All high residual risks require a risk treatment plan that is monitored and communicated to the Chief Information Officer on a quarterly basis.

The Information Security awareness program expanded to include emerging cybersecurity scenarios for first line of defense against threats.

Confidence in our controls is further enhanced by internal cybersecurity exercises and external security assessments. Learnings directly feeds into risk management, and IT service and business continuity planning to ensure continuous focus on operational resilience.

Legal and compliance

Description

Coloplast operates in a heavily regulated industry that is subject to various laws, regulations, and industry standards across geographies and business areas. As the regulatory landscape continues to evolve, it becomes even more important to monitor and mitigate risks related to legal and regulatory compliance.

The different legal environments can also be unpredictable and politically motivated, and as a market leader, Coloplast could face legal risks at any given time.

In addition, there is growing public awareness of business ethics, enforcement of anti-corruption laws and protection of personal data. It is at the heart of Coloplast's culture to act with respect and responsibility and to comply with the laws and regulations. Despite these efforts, Coloplast recognises that mistakes may happen when people are involved and, therefore, takes relevant action should a situation arise.

Risk examples

Violations of anti-corruption laws and non-compliance with Coloplast's own and the industry's codes of conduct could damage Coloplast's reputation and involve a risk of monetary fines, sanctions, or inability to continue to manufacture products.

Lawsuits filed by competitors or customers or investigations by authorities into certain business practices could have a negative reputational and financial impact.

Other risks can be related to legal and regulatory compliance, antitrust, trade regulations, protection of IP and patents, distributor and supply chain due diligence, and contractual risks.

In 2022/23, Coloplast has made a final provision of DKK 200 million to cover settlements and costs in connection to the MDL cases in the US, where customers are alleging injury from the use of trans-vaginal surgical mesh products. Any future cases will be considered part of the normal course of the Interventional Urology business.

Risk responses

Ensuring that all employees including externals receive training in Coloplast's Code of Conduct as formulated in our Business Ethical Standards and in our IT policies under Coloplast's IT Awareness programme.

Ensuring that business partners are aware of Coloplast's ethical standards including our codes of conduct for Distributors and Suppliers and that they work with us to continuously maintain and develop compliance practices.

Independent and confidential Ethics Hotline for reporting of unethical situations, violations, and misconduct.

A clearly defined procedure for how to conduct investigations. All cases are reported to the Audit Committee in anonymised form on a quarterly basis.

Inhouse lawyers and compliance functions in relevant business areas and geographies to monitor regulatory changes and to attend to compliance matters as they may arise.

Production and business continuity

Description	Risk examples	Risk responses
Coloplast operates facilities all over the world, the most recent addition being production facilities in Iceland following the acquisition of Kerecis. Most production takes place at centralised facilities and in some cases, Coloplast purchases raw materials, components used in production, and finished products from sole suppliers for reasons of availability, quality assurance and cost effectiveness. The current global macroeconomic trends like high inflation, disrupted supply chains, weakening consumer sentiment, tightening monetary policies, and geopolitical drivers of risk like the war in Ukraine, are challenging the operating environment, and have resulted in an increased level of challenges on the short- to medium-term. Coloplast have risk responses in place (as described to the right) and are monitoring developments. In addition, we maintain our focus on the timely communication of forecasts and orders and on execution of improvement projects in the current Global Operations Plan 5.	Major disruption at a manufacturing or distribution facility due to natural disasters or other emergencies, such as, pandemics and fires may disrupt Coloplast's ability to manufacture and distribute its products and compromise the availability of products for our users who need them to manage their intimate healthcare condition. A major disruption of the supply chain due to shortfalls in delivery and quality issues, force majeure situations, change in market conditions, strikes, political unrest or other events beyond Coloplast's control, could result in, price increases, inability to source critical raw materials, components, and finished products, and the disruption of the supply to our customers. Geopolitical instability, conflicts, and emerging new geopolitical areas of concern can affect costs of production, energy and transportation, and result in disruptions to our operations, commercial activities, supply chain and ultimately negatively impact our ability to conduct business globally.	Implemented emergency response plans and contingency plans, keeping critical processes and workflows physically separated and having all the relevant facilities certified to the 'highly-protected risk' industry standards. Identified high-risk suppliers and prepared contingency plans, including maintaining multiple inventories, collaboration with selected suppliers to mitigate physical risks at their facilities, dual supplier qualification for critical raw materials and component, and qualification of substitute materials where applicable. Built up additional inventory as a contingency for potential fluctuations in demand or supply chain disruptions. Re-visited worst-case scenarios for short-term disruptions to utility supplies like electricity for key facilities in Europe and updated contingency plans accordingly.

Product innovation and development

Description	Risk example	Risk response
It is essential that Coloplast maintains a competitive and innovative product pipeline that meets the needs of the users. To achieve this, Coloplast relies on its ability to interact with end users and healthcare professionals, to protect intellectual property against infringement from competitors and to understand the surgical and medical trends that may impact or limit sales.	Medical and technological innovations disrupting Coloplast's core business. Lack of innovation increasingly resulting in a commoditisation trend, allowing the entry of low-cost competitors, potentially increasing price pressures and diminishing clinical differentiation of the products on the market and resulting in a loss of market share. Infringement of intellectual property rights may reduce Coloplast's competitive advantages and negatively impact sales.	Investing in new innovative growth initiatives for the purpose of developing superior and clinically differentiated products, such as our clinical performance programme. Patenting to prevent competitors from copying Coloplast products or from producing technical equivalent alternatives. Monitoring surgical and medical developments and disruptive technologies that may impact the various business areas.

Product quality and safety

Description	Risk example	Risk response
Coloplast is committed to ensuring the quality of its products and the safety of its users, including organising the security of personal data. All Coloplast products must comply with the medical device directives and legislation imposed by local healthcare authorities, such as the US Food and Drug Administration (FDA) and the new EU Medical Device Regulation (MDR). Coloplast passed the first MDR key milestone in May 2021 and are working towards having all products certified in accordance with the transition period authorised by MDR (by May 2025).	Loss of licences to sell or manufacture due to non-compliance with new laws and regulations on medical devices in force from time to time. Defects and omissions and critical product quality and safety issues in product design and manufacturing that could disrupt operations, sales, lead to product recalls, bodily injury, and product liability claims. Non-compliance with data protection legislation or personal data leaks that could lead to monetary fines and damage Coloplast's reputation.	Continuous investment in the development and improvement of control processes, quality procedures, and supporting information technologies, from the design phase to post-market surveillance. Monitoring legislation and market standards to ensure that any amendments or changes are incorporated into internal procedures. Certification of our Quality Management Systems to national and international standards and carrying out internal and external audits.

Corporate governance at Coloplast

Governance structure

Coloplast has a two-tier management structure comprised of a Board of Directors and an Executive Leadership Team. There are no overlapping members.

The Board of Directors determines the Group's objectives, strategies and overall action plans. On behalf of the shareholders, the Board of Directors supervises the company's organisation, day-to-day management and results.

The Board of Directors also sets guidelines for the Executive Leadership Team's execution of the day-to-day management of the company and for assigning tasks among the individual members of the Executive Leadership Team.

The Board of Directors and the Executive Leadership Team further assess the company's business processes, the definition and implementation of the company's purpose, the organisation, stakeholder relations, strategy, risks, business objectives and controls.

A set of rules of procedure governs the work of Coloplast's Board of Directors. These rules are reviewed annually by the Board of Directors and updated as necessary. The rules set out the guidelines for the activities of the Board of Directors.

Six members of the Board of Directors are elected at the general meeting and three members of the Board of Directors are elected by the employees.

Four out of six shareholder-elected members are considered independent which is in accordance with the Danish corporate governance recommendations.

Nine board meetings were held in the 2022/23 financial year, of which two was extraordinary meetings and one was a strategy meeting.

OVERVIEW OF BOARD MEMBERS

Board member	Audit Comm.	Rem. & Nomin. Comm.	Indepen-dent	Nationality	Gender	Board tenure	Election period	Board meetings attended
Lars Rasmussen, Chairman[1)]	●	●	No	Danish	Male	5 years	1 year	●●●●●●●●●●
Niels Peter Louis-Hansen, Deputy Chairman[1)]		●	No	Danish	Male	55 years	1 year	●●●●●●●●●●
Marianne Wiinholt[1)]	●		Yes	Norwegian	Female	3 years	1 year	●●●●●●●●●●
Annette Brüls[1)]		●	Yes	Belgian	Female	2 years	1 year	●●●●●●●●●●
Jette Nygaard-Andersen[1)]		●	Yes	Danish	Female	8 years	1 year	●●●●●●●●●●
Carsten Hellmann[1)]	●		Yes	Danish	Male	6 years	1 year	●●●●●●●●●●
Thomas Barfod[2)]			No	Danish	Male	17 years	4 years	●●●●●●●●●●
Roland V. Pedersen[2)]			No	Danish	Male	5 years	4 years	●●●●●●●●●●
Nikolaj Kyhe Gundersen[2)]			No	Danish	Male	5 years	4 years	●●●●○●●●●

[1)] Shareholder-elected board member.
[2)] Employee-elected board member.

Committee structure

The Board of Directors has established two committees: an Audit Committee and a Remuneration and Nomination Committee.

Five Audit Committee meetings were held in the 2022/23 financial year of which one was an extraordinary meeting.

Four Remuneration and Nomination Committee meetings were held in the 2022/23 financial year.

AUDIT COMMITTEE

Committee member	Meetings attended
Marianne Wiinholt, Chairman	●●●●●
Lars Rasmussen	●●○●●
Carsten Hellmann	●●●●●

REMUNERATION AND NOMINATION COMMITTEE

Committee member	Meetings attended
Lars Rasmussen, Chairman	●●●●
Niels Peter Louis-Hansen	●●●●
Jette Nygaard-Andersen	●●●●
Annette Brüls	●●●●

*Activities and responsibilities of the **Audit Committee***

The Audit Committee is, among others, responsible for the oversight of:

- The financial reporting and associated processes, including the statutory audit of the financial statements.
- The company's internal control systems and risk management systems, including insurance matters
- Review of the Group's IT security and the auditors' annual IT audit
- The independence of the auditors, including the provision of non-audit services to the Group
- The procedure of selecting and making recommendation to the Board of Directors in respect of the appointment of auditors.
- Activities reported through the Coloplast Ethics Hotline.

In the 2022/23 financial year, the main activities have been:

- Overseeing the Atos integration.
- Preparing for future ESG reporting requirements.
- Evaluating the provision relating to the mesh litigation and Atos US billing compliance.
- Acquisition of Kerecis hf. including equity raise.

*Activities and responsibilities of the **Remuneration and Nomination Committee***

The Remuneration and Nomination Committee is, among others, responsible for the oversight of:

- The competence profile and composition of the Board of Directors.
- Nomination of members to the Board of Directors and the Board committees.
- The leadership pipelines.
- The remuneration policy for the members of the Board of Directors and the Executive Management and other tasks on an ad hoc basis as specifically determined by the Board of Directors.

In the 2022/23 financial year, the main activities have been:

- Reviewing governing bodies and ensure proper succession planning.
- Conducting the annual board self-assessment.
- Evaluation of remuneration structure in light of geopolitical changes.

Clear governance and diverse board profiles ensure that the Board of Directors can operate efficiently and support the company's strategy.

Assessment of the work performed by the Board of Directors

Every year, the Board of Directors conducts a self-assessment. Based on the result of this assessment, the organisation and efficiency of the Board of Directors' work are discussed at a Board meeting.

In 2023, the annual self-assessment of the Board of Directors was performed partly with external assistance. The self-assessment consisted of five qualitative questions addressing certain strategic topics in which board members as well as the Executive Leadership Team responded anonymously.

The self-assessment shows that there is an open and transparent dialogue between the Board of Directors and the Executive Leadership Team, and the board committees serve as good vehicles for framing the discussions in the Board of Directors and ensure that key risks are addressed.

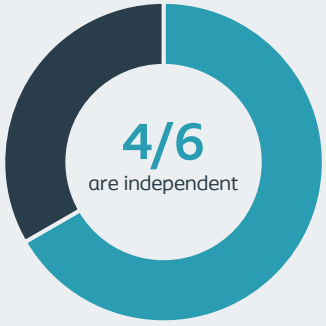
Furthermore, the self-assessment shows that the composition of the Board of Directors, including relevant competencies, to a large extent matches what the Board of Directors considers necessary to best perform its tasks, such as finance, digital transformation, customer experience, commercialisation, sustainability, industry knowledge incl. the US market, general management, innovation, legal affairs and acquisitions. However, with the acquisition of Kerecis hf., the board would like to strengthen its competences within the biologics space.

During the past year, the Board of Directors has spent time monitoring and discussing the progress made on Coloplast's Strive25 strategy as well as the company's acquisition of Kerecis hf.. Furthermore, the Board of Directors has spent a significant amount of time discussing and addressing challenges caused by current world events. Further, the board strategy days were held in Hungary where the board conducted a deep dive of Global Operations.

Gender representation on Board of Directors

Coloplast maintains equal gender representation among the six shareholder-elected members of its Board of Directors in compliance with the Danish Financial Statements Act, section 99b.

4 out of 6 shareholder-elected members **are independent**



Independent
Not independent

Gender composition of shareholder-elected members

Female
Male

Remuneration of the Board of Directors and the Executive Management

At the Coloplast Annual General Meeting held on 2 December 2021, the shareholders adopted an updated Remuneration Policy for Coloplast, which had been prepared by the Board of Directors. The Remuneration Policy is available on the company's website.

Coloplast has also prepared a Remuneration Report detailing, among other things, the remuneration to the Board of Directors and the Executive Management which complies with Section 139(b) of the Danish Companies Act. The Remuneration Report 2021/22 was presented and adopted at the Annual General Meeting held on 1 December 2022.

Download the Remuneration Report
www.coloplast.com/remuneration-report

Recommendations on Corporate governance

Coloplast is reporting on the recommendations on corporate governance issued by the Committee on Corporate Governance applying to financial years starting 1 January 2021 or thereafter. Reporting on these recommendations is also required by Supplement A – Nasdaq Copenhagen to Nasdaq's Nordic Main Market Rulebook for Issuers of Shares. The Board of Directors reviews the recommendations in force on a regular basis and at least once a year. The Board of Directors and the Executive Leadership Team share the committee's views and generally complies the recommendations.

The recommendations consist of 40 individual recommendations. Coloplast complies fully with 38 recommendations corresponding to 95%.

Coloplast's position on each of the recommendations as well as a description of the internal control and risk management system relating to financial reporting can be found in the Corporate Governance Report which is prepared pursuant to Section 107(b) of the Danish Financial Statements Act.

Download the Corporate Governance Report
www.coloplast.com/corporate-governance

Data ethics policy

The Board of Directors has adopted a Data Ethics Policy in accordance Section 99(d) of the Danish Financial Statements Act which applies to all Coloplast group companies. In working with data, Coloplast ensures that appropriate measures are in place to safeguard ethical data processing, and Coloplast has implemented extensive security measures to ensure secure storage of data.

Coloplast adheres to a high standard of data ethics and solely uses and processes data for legitimate purposes that serves shared benefit for all interested parties. Data processing in Coloplast must never lead to any form of discrimination or biased decisions, decision-making or results. Regardless of how Coloplast collects data, Coloplast always respects applicable data privacy laws. When sharing data, Coloplast imposes high standards on the recipients to ensure appropriate data security.

Coloplast never sells data.

To further strengthen adherence with global privacy laws, Coloplast has implemented corporate binding rules.

Meet our Board of Directors

Lars Rasmussen

Chairman of the Board, non-independent

Born 1959. Lars Rasmussen has extensive executive management and board experience from international listed companies in the med-tech and pharma industry. He possesses in-depth knowledge within the commercialisation of innovation, B2B and B2C sales models and efficiency improvements.

Other board and management positions:

- H. Lundbeck A/S: Chairman of the Board, Chairman of the Remuneration and Nomination Committee and member of the Audit Committee
- Gyldendal A/S: Board member
- Danish Committee of Corporate Governance: Chairman
- Danish Life Science Council: Chairman
- University of Copenhagen: Board member

Joined the Board of Directors in 2018.

Niels Peter Louis-Hansen

Deputy Chairman of the Board, non-independent

Born 1947. Through decades of board work, Niels Peter Louis-Hansen has gained in-depth knowledge of the industries in which Coloplast operates, its dynamics and key players as well as deep insight into strategy development. Furthermore, Niels Peter Louis-Hansen is a key contributor to preserving the Coloplast-culture.

Other board and management positions:

- Aage og Johanne Louis-Hansens Fond: Chairman of the Board
- Aage og Johanne Louis-Hansen A/S: Chairman of the Board
- Coloplast Holding ApS: Chairman of the Board
- NPLH Holding ApS: CEO
- N. P. Louis-Hansen ApS: CEO
- NPLH Property Investments ApS: CEO
- NPLH Anpartsinvest ApS: CEO

Joined the Board of Directors in 1968.

Annette Brüls

Board member, independent

Born 1971. Annette Brüls has considerable executive management experience within global medical device businesses. Annette Brüls has in-depth knowledge and understanding of product development and commercialisation within the med-tech industry and in particular in chronic disease management, including digital services and value-based healthcare models .

Other board and management positions:

- Medela AG: CEO

Joined the Board of Directors in 2021.

See the full CVs of the Board of Directors on our website
www.coloplast.com/about-coloplast/management1/

Carsten Hellmann
Board member, independent

Born 1964. Carsten Hellmann has considerable executive management experience as CEO in pharma and healthcare and extensive experience in product development and international commercialisation within highly regulated industries as well as M&A activities, including post integration.

Other board and management positions:
- Copenhagen Capacity: Board member
- The Danish Chamber of Commerce: Board member

Joined the Board of Directors in 2017.

Jette Nygaard-Andersen
Board member, independent

Born 1968. Jette Nygaard-Andersen has considerable executive management and board experience within global med-tech, media and entertainment, and digital growth businesses. She has extensive experience within business and marketing strategies, digital transformation, optimisation of customer experience and engagement, working with digital growth start-ups globally and M&A activities, including post integration.

Other board and management positions:
- Entain plc: CEO & Executive Director
- BetMGM, LLC: Board member

Joined the Board of Directors in 2015.

Marianne Wiinholt
Board member, independent

Born 1965. Marianne Wiinholt has considerable executive management experience and extensive experience within finance and accounting. Furthermore, Marianne Wiinholt has considerable knowledge and experience in leading, driving and delivering a sustainability agenda on a global scale.

Other board and management positions:
- WS Audiology A/S: CFO
- Widex A/S: Chairman of the Board
- Norsk Hydro ASA: Board member and Chairman of the Audit Committee

Joined the Board of Directors in 2020.

Thomas Barfod
Employee-elected board member

Born 1970. Title: Team Manager.
Joined the Board of Directors in 2006.

Roland V. Pedersen
Employee-elected board member

Born 1962. Title: Lead Negotiator.
Joined the Board of Directors in 2018.

Nikolaj Kyhe Gundersen
Employee-elected board member

Born 1969. Title: Skilled Precision Engineer.
Joined the Board of Directors in 2018.

Meet our Executive Leadership Team

Kristian Villumsen
President & CEO

With Coloplast since 2008.

Educational background:
MA Political Science, Aarhus University
MA in Public Policy, Harvard University Kennedy School of Government

Other board positions:
Demant A/S: Board member and member of the Audit Committee

Anders Lonning-Skovgaard
Executive Vice President, CFO

With Coloplast since 2006.

Educational background:
MSc Finance and Accounting, Aarhus University

Allan Rasmussen
Executive Vice President, Global Operations

With Coloplast since 1992.

Educational background:
BSc (Mech. Eng.), Technical University of Denmark
E*MBA, Scandinavian International Management Institute

Other board positions:
Ferrosan Medical Devices A/S: Board member

Paul Marcun
Executive Vice President, Growth

With Coloplast since 2015.

Educational background:
MBA in Corporate Finance and Marketing, Sydney University of Technology

Nicolai Buhl Andersen
Executive Vice President, Innovation

With Coloplast since 2005.

Educational background:
MA in Economics and Business, Copenhagen Business School and Sophia University, Japan

Dorthe Rønnau
Senior Vice President, People and Culture

With Coloplast since 2022.

Educational background:
MSc in industrial engineering, University of Copenhagen
MSc Psychology in Organisations (MPO), Roskilde University
Graduate diploma in Business Administration

Ownership and shareholdings

The company had 59,299 shareholders at the end of the financial year, which was 5,587 more than last year. Institutional investors based outside Denmark held 39% of Coloplast's shares on 30 September 2023, compared to 37% a year earlier. Registered shareholders represented 98% of the entire share capital.

Pursuant to the company's articles of association, shares must be registered in the name of the holder to carry voting rights. Two shareholders have reported to the company, pursuant to section 55 of the Danish Companies Act and section 38 of the Danish Capital Markets Act, that at the date of this annual report they held 5% or more of the share capital or voting rights.

Shareholders with ownership or voting rights of more than 5%	Residence	Ownership share	Voting rights
Niels Peter Louis-Hansen (controls)[1]	Vedbæk	31.4%	55.0%
Benedicte Find	Humlebæk	3.6%	5.3%

[1] Niels Peter Louis-Hansen controls 100% of the share capital and voting rights in NPLH Holding ApS which then holds 62.58% of the share capital and 71.13% of the voting rights in **Coloplast Holding ApS**. Coloplast Holding ApS holds 29.49% of the share capital in Coloplast A/S and 51.36% of the voting rights in Coloplast A/S. In addition, Niels Peter Louis-Hansen holds shares in Coloplast A/S personally and through his wholly owned company N.P. Louis-Hansen ApS bringing the aggregate ownership to the numbers stated in the table above.

Ownership structure of Coloplast A/S	A shares '000 units	B shares '000 units	Ownership share	Voting rights
Holders of A shares and their families	18,000	83,531	44%	68%
Danish institutions	-	15,895	7%	4%
Foreign institutions	-	88,887	39%	23%
Coloplast A/S[2]	-	3,540	2%	0%
Other shareholders	-	12,655	6%	3%
Non-registered shareholders	-	5,692	2%	0%
Total	**18,000**	**210,200**	**100%**	**98%**

[2] The 3,539,528 shares held by Coloplast on 30 September 2023, equivalent to 2% of the share capital, are treasury shares without voting rights.

Shares held by management	A shares '000 units	B shares '000 units	Number of insiders
Board of Directors, non-independent directors	1,094	3,450	5
Board of Directors, independent directors		6	4
Executive Management		104	5
Coloplast Holding ApS[3]	14,791	52,512	-
Total	**15,885**	**56,072**	**14**

[3] Niels Peter Louis-Hansen, Deputy Chairman of the board (not considered an independent board member) controls 100% of the share capital and voting rights in NPLH Holding ApS which then holds 62.58% of the share capital and 71.13% of the voting rights in **Coloplast Holding ApS**. Coloplast Holding ApS holds 29.49% of the share capital in Coloplast A/S and 51.36% of the voting rights in Coloplast A/S. In addition, Niels Peter Louis-Hansen holds shares in Coloplast A/S personally and through his wholly owned company N.P. Louis-Hansen ApS bringing the aggregate ownership to the numbers stated in the table above.

Ownership and major shareholders

Share classes and authorisations

Following completion of a capital increase in September 2023 through an accelerated book-building process in accordance with article 5(b) of Coloplast's articles of association, Coloplast's share capital is DKK 228.2 million divided into DKK 18 million A shares and DKK 210.2 million B shares. Each A and B share has a nominal value of DKK 1.

Each A share entitles the holders to ten votes and each B share entitles the holders to one vote. The A shares are non-negotiable instruments. The B shares are negotiable instruments and were listed on the Copenhagen Stock Exchange (Nasdaq Copenhagen) in 1983. Any change of ownership or pledging of A shares requires the consent of the Board of Directors, whereas B shares are freely negotiable.

The Board of Directors may increase the company's share capital by a nominal value of up to DKK 15 million in one or more issues of B shares either with or without pre-emption rights for existing shareholders. The authorisation is valid until and including 1 December 2027. By decision of 29 August 2023, the Board of Directors has partly exercised the authority to increase the share capital by issuance of B shares with nominally DKK 12.2 million. The remaining amount of the authorisation is thus nominally DKK 2.8 million. Moreover, the Board of Directors has been authorised to acquire treasury shares of up to 10% of the company's share capital provided that the company's total holding of treasury shares does not exceed 10% of the company's share capital at any time. The highest and lowest amount to be paid for the shares by the company is the price applicable at the time of purchase +/- 10%. This authorisation is valid until and including 4 December 2024.

At general meetings, matters are decided by a simple majority of votes. Resolutions to amend the company's articles of association require that not less than half of the share capital is represented and that the resolution is adopted by not less than two-thirds of the votes cast as well as of the voting share capital represented at the general meeting. The resolution lapses if the above-mentioned share capital is not represented, or if a resolution is not adopted by two-thirds of the votes cast. If a resolution is adopted by two-thirds of the votes cast but without at least half of the share capital being represented, the Board of Directors must convene a new extraordinary general meeting within two weeks.

If, at this meeting, the resolution is adopted by not less than two-thirds of the votes cast and of the voting share capital represented, it will be passed irrespective of the amount of the share capital represented at the meeting.

In the event of a change of control in the company resulting from a change of ownership, issued share options will be subject to accelerated vesting. No other important agreements are in place that would be affected in the event of a change of control of the company resulting from a takeover, and no special agreements have been made between the company, its management or employees if their positions are discontinued due to a change of ownership. There are no special provisions governing the election of members to Coloplast's Board of Directors.

Open and transparent communication

Coloplast has established a policy for communicating information to investors and shareholders, under which the Executive Leadership Team and the Investor Relations team are in charge of communications pursuant to guidelines agreed with the Board of Directors. The communication of information complies with the rules laid down by Nasdaq, comprising:

- Full-year and interim financial statements and the annual report.
- Replies to enquiries from analysts, investors and shareholders.
- Site visits by investors and analysts.
- Presentations to Danish and foreign investors.
- Capital markets days and Meet the Management events for analysts and investors.
- Conference calls in connection with the release of financial statements.
- Dedicated investor relations section on Coloplast's corporate website.

Consolidated financial statements

Statement of comprehensive income

1 October – 30 September

DKK million	Note	2022/23	2021/22
Revenue	4	24,500	22,579
Production costs	5, 11, 12, 13	-8,172	-7,050
Gross profit		**16,328**	**15,529**
Distribution costs	5, 11, 12, 13	-7,518	-6,797
Administrative expenses	5, 11, 12, 13	-1,115	-1,005
Research and development costs	5, 11, 12, 13	-872	-866
Other operating income		56	74
Other operating expenses		-34	-25
Operating profit (EBIT) before special items		**6,845**	**6,910**
Special items	6	-74	-471
Operating profit (EBIT)		**6,771**	**6,439**
Financial income	7	191	119
Financial expenses	7	-937	-431
Profit before tax		**6,025**	**6,127**
Tax on profit for the year	8	-1,242	-1,421
Net profit for the year		**4,783**	**4,706**
Remeasurements of defined benefit plans	18	-9	75
Tax on remeasurements of defined benefit plans		5	-19
Items that will not be reclassified to the income statement		**-4**	**56**
Value adjustment of hedging		145	281
Transferred to financial items		-114	164
Tax effect of hedging		-23	11
Currency adjustment of opening balances and other value adjustments relating to subsidiaries		-723	-409
Tax effect of currency adjustment, assets in foreign currency		11	-26
Items that may be reclassified to the income statement		**-704**	**21**
Total other comprehensive income		**-708**	**77**
Total comprehensive income		**4,075**	**4,783**

DKK			
Earnings per share (EPS)	9	22.21	22.14
Earnings per share (EPS), diluted	9	22.20	22.11

Statement of cash flows

1 October – 30 September

DKK million	Note	2022/23	2021/22
Operating profit		6,771	6,439
Amortisation		334	260
Depreciation		735	670
Adjustment for other non-cash operating items	24	-220	56
Changes in working capital	24	-893	-849
Interest received, etc.		40	16
Interest paid, etc.		-809	-378
Income tax paid		-1,732	-1,115
Cash flows from operating activities		**4,226**	**5,099**
Investments in intangible assets		-221	-208
Investments in land and buildings		-7	-8
Investments in plant and machinery and other fixtures and fittings, tools and equipment		-96	-41
Investments in property, plant and equipment under construction		-917	-878
Property, plant and equipment sold		8	11
Investment in other investments		-17	-2
Acquisition of subsidiaries	32	-7,923	-10,633
Net sales/purchase of marketable securities		216	-
Cash flows from investing activities		**-8,957**	**-11,759**
Free cash flow		**-4,731**	**-6,660**
Increase in share capital		9,100	-
Dividend to shareholders		-4,247	-4,041
Acquisition of treasury shares		-	-500
Sale of treasury shares and loss on exercised options		34	-119
Financing from shareholders		**4,887**	**-4,660**
Repayment of lease liabilities	24	-244	-239
Financing through issuing long-term bonds	24	-	16,367
Hedging gain		-	521
Movements on credit facilities	24	622	-5,398
Cash flows from financing activities		**5,265**	**6,591**
Net cash flows		**534**	**-69**
Cash and cash equivalents at 1 October		**414**	**448**
Value adjustment of cash and bank balances		-37	37
Cash and cash equivalents, acquired operations		-	-2
Net cash flows		534	-69
Cash and cash equivalents at 30 September	25	**911**	**414**

The cash flow statement cannot be derived using only the published financial data.

Balance sheet

Assets

At 30 September

DKK million	Note	2023	2022[1)]
Intangible assets	11	31,255	22,767
Property, plant and equipment	12	5,131	4,474
Right-of-use assets	13	848	677
Other equity investments		65	51
Deferred tax asset	14	884	674
Other receivables	16	39	31
Non-current assets		**38,222**	**28,674**
Inventories	15	3,522	3,187
Trade receivables	16	4,315	3,940
Income tax		532	336
Other receivables		273	383
Prepayments		384	293
Marketable securities		-	219
Cash and cash equivalents		911	414
Current assets		**9,937**	**8,772**
Assets		**48,159**	**37,446**

[1)] The figures for intangible assets has been restated. Reference is made to note 11 for further information.

Equity and liabilities

At 30 September

DKK million	Note	2023	2022[1)]
Share capital		228	216
Currency translation reserve		-1,579	-910
Reserve for hedging		423	415
Proposed ordinary dividend for the year		3,595	3,185
Retained earnings		14,632	5,386
Equity	9, 10	**17,299**	**8,292**
Provisions for pensions and similar liabilities	18	124	115
Provision for deferred tax	14	2,122	4,567
Other provisions	19	71	258
Bonds	20	11,558	16,359
Other payables		4	16
Lease liability		664	496
Prepayments		6	7
Non-current liabilities		**14,549**	**21,818**
Provisions for pensions and similar liabilities	18	7	6
Other provisions	19	186	347
Bonds	20	4,847	-
Other credit institutions	20	2,268	1,644
Trade payables		1,294	1,242
Income tax		4,229	1,342
Other payables		3,249	2,544
Lease liability		230	209
Prepayments	26	1	2
Current liabilities		**16,311**	**7,336**
Equity and liabilities		**48,159**	**37,446**

[1)] The figures for provision for deferred tax has been restated. Reference is made to note 14 for further information.

Statement of changes in equity, current year

At 30 September

	Share capital		Reserves				
DKK million	A shares	B shares	Currency translation	Hedging	Proposed dividend	Retained earnings	Total
2022/23							
Equity at 1 October	**18**	**198**	**-910**	**415**	**3,185**	**5,386**	**8,292**
Net profit for the year	-	-	-	-	4,657	126	**4,783**
Other comprehensive income	-	-	-669	8	-	-47	**-708**
Total comprehensive income	**-**	**-**	**-669**	**8**	**4,657**	**79**	**4,075**
Increase in share capital	-	12	-	-	-	9,088	**9,100**
Sale of treasury shares and loss on exercised options	-	-	-	-	-	34	**34**
Share-based payment	-	-	-	-	-	58	**58**
Tax on share-based payment, etc.	-	-	-	-	-	-13	**-13**
Interim dividend paid out in respect of 2022/23	-	-	-	-	-1,062	-	**-1,062**
Dividend paid out in respect of 2021/22	-	-	-	-	-3,185	-	**-3,185**
Transactions with shareholders	**-**	**12**	**-**	**-**	**-4,247**	**9,167**	**4,932**
Equity at 30 September	**18**	**210**	**-1,579**	**423**	**3,595**	**14,632**	**17,299**

Costs related to the capital increase amounts to DKK 111 million, which is offset against retained earnings.

Statement of changes in equity, last year

At 30 September

	Share capital		Reserves				
DKK million	A shares	B shares	Currency translation	Hedging	Proposed dividend	Retained earnings	Total
2021/22							
Equity at 1 October	**18**	**198**	**-392**	**-41**	**2,979**	**5,406**	**8,168**
Net profit for the year	-	-	-	-	4,247	459	**4,706**
Other comprehensive income	-	-	-518	456	-	139	**77**
Total comprehensive income	**-**	**-**	**-518**	**456**	**4,247**	**598**	**4,783**
Acquisition of treasury shares	-	-	-	-	-	-500	**-500**
Sale of treasury shares and loss on exercised options	-	-	-	-	-	-119	**-119**
Share-based payment	-	-	-	-	-	51	**51**
Tax on share-based payment, etc.	-	-	-	-	-	-50	**-50**
Interim dividend paid out in respect of 2021/22	-	-	-	-	-1,062	-	**-1,062**
Dividend paid out in respect of 2020/21	-	-	-	-	-2,979	-	**-2,979**
Transactions with shareholders	**-**	**-**	**-**	**-**	**-4,041**	**-618**	**-4,659**
Equity at 30 September	**18**	**198**	**-910**	**415**	**3,185**	**5,386**	**8,292**

List of notes

Note 1
Basis of preparation

The consolidated financial statements for 2022/2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and additional disclosure requirements pursuant to the Danish Financial Statements Act for Class D companies.

General information
The annual report has been prepared on the basis of the historical cost principle, modified in that certain financial assets and liabilities are measured at fair value. Subsequent to initial recognition, the assets and liabilities are measured as described below in respect of each individual item or in the relevant note.

Significant estimates and judgements
In connection with application of the accounting policies described, it may be necessary for Management to make estimates and judgements in respect of the accounting items. Further, Management make judgements on the reported amounts of assets, liabilities, net sales, expenses and related disclosures. The estimates and assumptions applied are based on historical experience and other factors that Management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable. Such assumptions may be incomplete or inaccurate, and unexpected events or circumstances may arise. In addition, the company is subject to risks and uncertainties that may cause actual outcomes to deviate from these estimates.

It may be necessary to change previous estimates as a result of changes to the assumptions on which the estimates were based or due to new information or subsequent events.

A further description of the principal accounting estimates and judgements is provided in the relevant notes.

Management has made significant accounting estimates and judgements in respect of the following areas:

Area	Estimate/ judgement	Note	Risk of impact and degree of estimation
Goodwill and other intangible assets	Estimate and judgement	11	●●
Acquisitions of businesses	Estimate and judgement	11, 32	●●●
Inventories	Estimate	15	●
Deferred tax assets and uncertain tax positions	Estimate and judgement	14	●●
Provisions for litigation about transvaginal surgical mesh products	Estimate	6, 19	●●
Other provisions	Estimate	19	●

Note 2
Changes in accounting policies

Effective from the 2022/23 financial year, the Coloplast Group has implemented all new, updated or amended international financial reporting standards and interpretations (IFRSs) as issued by the IASB and IFRSs adopted by the EU that are effective for the 2022/23 financial year.

Further Coloplast has implemented the amendments to IFRS 3, IAS 16 and IAS 37. The amendments did not have an impact on recognition or measurement.

The implementation of new, updated or amended international financial reporting standards and interpretations (IFRSs and IFRICs) did not, in all material respects, affect the financial statements.

New financial reporting standards to be adopted
New and amended standards are implemented when taking effect. The amended standard relevant to Coloplast is IAS 1 Presentation of Financial Statements and Practice Statement 2, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, and IAS 12, Income Taxes.

Reporting standards or interpretations which are not adopted by the EU have not been applied in this annual report.

Note 3
General accounting policies

This section provides a summary of significant accounting policies, and other general accounting policies. A detailed description of the accounting policies applied and the estimates made relative to each individual item is provided in relevant notes, such that all information about a specific accounting item can be found there.

Foreign currency
The financial statement items of individual Group entities are measured in the currency used in the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Danish kroner (DKK), which is the functional and presentation currency of the parent company. Other currencies are considered foreign currencies.

Translation of foreign currencies
Transactions denominated in foreign currencies are translated into an entity's functional currency at the exchange rate prevailing at the transaction date.

Monetary items denominated in foreign currencies are translated at the exchange rate prevailing at the balance sheet date. Exchange adjustments arising as the difference between exchange rates at the balance sheet date and exchange rates at the transaction date of monetary items are recognised in the income statement as financial income or expenses.

On translation of entities with a functional currency other than DKK, balance sheet items are translated at the exchange rates at the balance sheet date and income statement items are translated at the exchange rates at the transaction date. The resulting exchange adjustments are taken directly to other comprehensive income.

The Argentinian economy has been considered a hyperinflation economy effective from 1 July 2018. Accordingly, the Group's Argentinian subsidiary is recognised in accordance with IAS 29. The subsidiary's financial statements were inflation adjusted at a retail price index increase of 133.4% (source: Bloomberg) prior to recognition in the consolidated financial statements. The adjustment of the beginning of period equity is recognised in currency translation in equity. The income statement and the balance sheet of the inflation-adjusted financial statements are included in the consolidated financial statements at the exchange rate applying at the balance sheet date standing at 2.02.

Consolidation, business combinations and associates
The consolidated financial statements comprise the financial statements of Coloplast A/S (the parent company) and enterprises (subsidiaries) controlled by the parent company. The parent company is considered to exercise control when it has power over the relevant activities of the enterprise, is exposed or has rights to a variable return from the investment and has the ability to affect those returns through its power.

The consolidated financial statements are prepared by aggregating the financial statements of the parent company and the individual subsidiaries, all of which are prepared in accordance with the Group's accounting policies. Intra-group transactions, balances, dividends and unrealised gains and losses on transactions between Group companies are eliminated.

Enterprises, which are not subsidiaries but in which the Group holds at least 20% of the voting rights or otherwise exercise a significant influence, are regarded as associates. The Group's proportionate share of unrealised gains and losses on transactions between the Coloplast Group and associates is eliminated.

Enterprises recently acquired or divested are included in the consolidation in the period in which the Coloplast Group has control of the enterprise. Comparative figures are not restated to reflect acquisitions.

Note 3, continued

Acquisitions are accounted for using the purchase method, according to which the assets and liabilities and contingent liabilities of enterprises acquired are measured at fair value at the date of acquisition.

Goodwill on the acquisition of subsidiaries or associates is calculated as the difference between the fair value of the consideration and the fair value of the Group companies' proportionate share of identifiable assets less liabilities and contingent liabilities at the date of acquisition.

The consideration for an enterprise consists of the fair value of the agreed consideration for the acquired enterprise. If part of the consideration is contingent on future events, such part is recognised at its fair value at the date of acquisition. Costs directly attributable to business combinations are recognised directly in the income statement as special items when incurred.

In cases where the fair value of acquired identifiable assets, liabilities or contingent liabilities subsequently turns out to differ from the values calculated at the date of acquisition, the calculation, including goodwill and contingent consideration are adjusted until up to 12 months after the date of acquisition. Subsequently, goodwill is not adjusted.

Goodwill arising in connection with the acquisition of subsidiaries is recognised in the balance sheet under intangible assets in the consolidated financial statements and tested annually for impairment.

Revenue
Revenue comprises income from the sale of goods after deduction of any price reductions, quantity discounts or cash discounts. Sales transactions are recognised in the income statement at the point in time when control of the goods is transferred to the customer, and when the consideration is assessed to be collectible. Revenues from sales transactions are measured at the transaction price to which Coloplast expects to be entitled.

Within all segments, revenues are typically recognised when the customer takes possession of the goods. Exceptions to this comprise Interventional Urology revenues, as revenues from certain surgical products are generated from consignment sales as well as the contract manufacturing business. Certain surgical products within Interventional Urology are always available at our partner hospitals to ensure that all sizes and fits are always available. Revenues from consignment sales are recognised as the goods are used (i.e. in surgery). Revenues from contract manufacturing business is recognised when the products are available for delivery when this coincides with the transfer of control of the products.

Coloplast generates most of its sales through distributors that operate under various conditions and who for that reason require varying sales agreements. Coloplast's distributor agreements contain volume and product-specific rebates, which require data management and monitoring of sales to individual distributors at the product level. In addition, the sales agreements contain various right-of-product-return requirements.

Payment terms for trade receivables from customers depend on creditworthiness, customary business practices and contract negotiations. Payment terms for some customers include a period of credit which commences when the products are shipped while other customers are requested to pay in advance or provide appropriate collateral for the payment. Prepayments from customers are recognised as revenue in the following period upon satisfying the performance obligations.

Variable considerations include volume and product-specific rebates which, for some markets, are accumulated and paid annually or quarterly. Accruals for variable considerations are constrained by uncertainty of future events, such as the expected volume of sales, and require significant estimate.

Note 3, continued

Revenue is measured at the fair value of the agreed consideration. All discounts granted are recognised in revenue. An estimate of expected returns is also recognised in revenue.

Coloplast applies the practical expedient in IFRS 15, para 63 associated with the determination of whether a significant financing component exists for transactions where payment is expected in less than 12 months from the delivery of goods (transfer of control).

Marketable securities
Marketable securities are part of a portfolio which is managed and measured on a fair value basis as per transaction date. Adjustments to fair value is recognised through profit or loss as financial items.

Bonds forming part of repo transactions, i.e. the sale of bonds that are bought back at a later date remain classified as financial assets in the balance sheet, while amounts received from repo transactions are recognised as repo debt. Returns on such bonds are recognised under financials.

Cash flow statement
The consolidated cash flow statement, which is presented according to the indirect method, shows the Group's cash flow from operating, investing and financing activities as well as the Group's cash and cash equivalents and short-term debt to credit institutions at the beginning and end of the year. Cash and cash equivalents comprise cash and debt to credit institutions recognised under current assets and current liabilities, respectively. Marketable securities include bonds with maturities of more than three months and are recognised under investing activities.

Reporting under the ESEF Regulation
The Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) has introduced a single electronic reporting format for the annual financial reports of issuers with securities listed on the EU regulated markets.

The ESEF Regulation sets out the following main requirements: (1) Issuers shall draw up and disclose their annual financial reports using the XHTML format; and (2) issuers that draw-up their primary consolidated financial statements in accordance with IFRS as endorsed by the EU shall tag those consolidated financial statements using inline eXtensible Business Reporting Language (iXBRL) and with effect from the 2022/23 annual report block-tag the notes to the consolidated financial statements.

The combination of the XHTML format with the iXBRL tags makes the annual financial reports both human-readable and machine-readable, thus enhancing accessibility, analysis and comparability of the information included in the annual financial reports.

iXBRL tags shall comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

As part of the tagging process financial statement line items are marked up to elements in the ESEF taxonomy. If a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy is created. Extensions have to be anchored to elements in the ESEF taxonomy, except for extensions which are subtotals.

The annual report submitted to the Danish Financial Supervisory Authority (The Officially Appointed Mechanisms) consists of the XHTML document together with some technical files all included in a ZIP file named Coloplast-2023-09-30-en.ZIP.

Note 4
Segment information

Accounting policies

The operating segments are defined on the basis of the monthly reporting to the Executive Leadership Team, which is considered the chief operating decision maker, and the management structure. Reporting to Management is based on five operating segments: Chronic Care, Voice and Respiratory Care, Interventional Urology, Advanced Wound Dressings and Biologics. Management does not receive reporting on assets and liabilities by reporting segments. Accordingly, the reporting segments are not measured in this respect, nor do we allocate resources on this background.

Segmentation of the income statement

The segment Chronic Care covers the sale of ostomy care products and continence care products. The segment Interventional Urology covers the sale of urological products, including disposable products. The segment Advanced Wound Dressings covers the sale of wound and skin care products and the segment Voice and Respiratory Care covers the sale of laryngectomy and tracheostomy products. Biologics represents a new segment covering the sale of tissue-based products. The segmentation reflects the structure of reporting to the Executive Leadership Team. The shared/non-allocated comprises support functions (production units and staff functions) and eliminations, as these functions do not generate revenue. While the costs of R&D for Interventional Urology, Voice and Respiratory Care and Biologics are included in the segment operating profit/loss for that segment, R&D activities for Chronic Care and Wound and Skin Care are shared functions which are included in shared/non-allocated. The shared/non-allocated costs also include PPA amortisation expenditures related to Voice and Respiratory Care and Biologics. Financial items and income tax are not allocated to the segments.

Geographic information

Coloplast A/S' registered office is situated in Denmark. No single customer accounted for more than 10% of the Group's revenue in 2022/23 and 2021/22.

DKK million	2022/23	2021/22
Specification of revenue representing over 10% of the Group's revenue by customer location including Denmark.		
US	5,143	4,269
UK	3,433	3,086
France	2,634	2,462
Denmark	335	302
Other	12,955	12,460
Total	**24,500**	**22,579**
Specification of non-current assets[1] by location of the subsidiary		
Denmark	22,013	4,239
Iceland	9,636	-
Sweden[2]	173	17,609
Hungary	1,741	1,430
Other	3,671	4,640
Total	**37,234**	**27,918**

[1] Non-current assets by location consist of intangible assets, property plant and equipment and right-of-use assets.

[2] Comparison number changed. Please see note 32 for further information.

Note 4, continued

DKK million	Chronic Care	Voice and Respiratory Care	Interventional Urology	Advanced Wound Dressings	Biologics	Total
2022/23						
Segment revenue:						
Ostomy Care	9,024	-	-	-	-	9,024
Continence Care	7,958	-	-	-	-	7,958
Voice and Respiratory Care	-	1,939	-	-	-	1,939
Interventional Urology	-	-	2,674	-	-	2,674
Advanced Wound Care	-	-	-	2,830	75	2,905
External revenue as per the comprehensive income	**16,982**	**1,939**	**2,674**	**2,830**	**75**	**24,500**
Costs allocated to segment	-7,173	-1,273	-1,727	-1,761	-66	-12,000
Segment operating profit/loss	**9,809**	**666**	**947**	**1,069**	**9**	**12,500**
Shared/non-allocated						-5,655
Special items not included in segment operating profit/loss (see note 6 to the financial statements)						-74
Operating profit before tax (EBIT) as per the Statement of comprehensive income						**6,771**
Net financials						-746
Tax on profit/loss for the year						-1,242
Profit/loss for the year as per the Statement of comprehensive income						**4,783**

DKK million	Chronic Care	Voice and Respiratory Care[1)]	Interventional Urology	Advanced Wound Dressings	Biologics	Total
2021/22						
Segment revenue:						
Ostomy Care	8,620	-	-	-	-	8,620
Continence Care	7,643	-	-	-	-	7,643
Voice and Respiratory Care	-	1,203	-	-	-	1,203
Interventional Urology	-	-	2,424		-	2,424
Advanced Wound Care	-	-		2,689	-	2,689
External revenue as per the comprehensive income	**16,263**	**1,203**	**2,424**	**2,689**	**-**	**22,579**
Costs allocated to segment	-6,677	-820	-1,564	-1,600	-	-10,661
Segment operating profit/loss	**9,586**	**383**	**860**	**1,089**	**-**	**11,918**
Shared/non-allocated						-5,008
Special items not included in segment operating profit/loss (see note 6 to the financial statements)						-471
Operating profit before tax (EBIT) as per the Statement of comprehensive income						**6,439**
Net financials						-312
Tax on profit/loss for the year						-1,421
Profit/loss for the year as per the Statement of comprehensive income						**4,706**

[1)] Only eight months impact in 2021/22.

Management reviews each operating segment separately, applying their market contributions to earnings and allocating resources on that basis. The market contribution is defined as external revenue less the sum of direct production costs, distribution, sales and marketing costs and administrative expenses. Costs are allocated directly to segments. Certain immaterial indirect costs are allocated systematically to the shared/non-allocated and the reporting segments.

Note 5
Staff costs

Accounting policies
Staff costs are recognised in the financial year in which the staff performed the relevant work.

DKK million	2022/23	2021/22
Specification of staff costs recognised in the financial year		
Salaries, wages and directors' remuneration[1)]	6,271	5,684
Pension costs - defined contribution plans (note 18)	410	359
Pension costs - defined benefit plans (note 18)	12	12
Other social security costs	755	731
Total	**7,448**	**6,786**
Staff costs allocated to functions		
Production costs	1,657	1,448
Distribution costs	4,605	4,139
Administrative expenses	675	662
Research and development costs	509	486
Special items	2	51
Total	**7,448**	**6,786**
Average number of employees, FTEs	14,903	13,650
Number of employees at 30 September, FTEs	15,692	14,572
Number of employees at 30 September, headcount	15,913	14,783

[1)] Including share based payment. See note 17 to the financial statements.

See note 28 to the financial statements for information on the Executive Management's and the Board of Directors' remuneration.

Note 6
Special items

Accounting policies
Special items comprise material amounts of a non-recurring nature, such as costs relating to acquisitions, divestment, closure or restructuring, provisions for lawsuits, etc. These items are presented separately to facilitate the comparability of the income statement and to provide a better picture of the operating results.

Note 6, continued

Special items contains expenses to cover further costs to resolve the remaining claims in connection with legal assistance related to litigation about transvaginal surgical mesh products as the process takes longer than previously anticipated. See note 19 to the financial statements for more information regarding the litigation about transvaginal surgical mesh products.

In 2022/23 an adjustment of the provision related to Atos Medical US billing compliance was made. The exposure and related provision have been reassessed and the provision was reduced to DKK 90 million.

Special items also contains expenses related to business combinations (Atos Medical integration costs as well as costs related to the acquisition of Kerecis hf.). Transaction costs related to the Kerecis acquisition amounts to DKK 53 million. See note 32 to the financial statements.

DKK million	2022/23	2021/22
Provisions for litigation about transvaginal surgical mesh products	-200	-300
Expenses related to business combinations	-118	-171
Adjustment provision related to acquisition	244	-
Total	**-74**	**-471**

Note 7
Financial income and expenses

Accounting policies

Financial income and expenses include interest, financing costs of leases, realised and unrealised foreign exchange adjustments, gains on net monetary items in hyperinflationary economies, fair value adjustment of forward contracts transferred from other comprehensive income, fair value adjustments of cash settled share options, fees, market value adjustments of securities and dividend received on shares recognised under securities.

See note 23 to the financial statements for more information about accounting policy for items transferred from hedging reserve.

DKK million	2022/23	2021/22
Financial income		
Interest income	36	12
Fair value adjustments of forward contracts transferred from other comprehensive income	40	-
Fair value adjustments of cash-based share options	1	2
Interest hedges	75	27
Net exchange adjustments	-	57
Hyperinflationary adjustment of monetary position	36	19
Other financial income	3	2
Total	**191**	**119**

Note 7, continued

DKK million	2022/23	2021/22
Financial expenses		
Interest expenses[1)]	169	40
Interest expenses, lease liabilities	24	16
Interest expenses, bonds[1)]	445	116
Fair value adjustments of forward contracts transferred from other comprehensive income	-	191
Net exchange adjustments	218	-
Other financial expenses and fees	81	68
Total	**937**	**431**

[1)] Total interest expenses are measured at amortisied costs for financial assets and liability.

Note 8
Tax on profit for the year

Accounting policies

Coloplast A/S is jointly taxed with wholly owned Danish subsidiaries. The jointly taxed Danish enterprises are covered by the Danish on-account tax scheme.
Additions, deductions and allowances relating to the on-account tax scheme are included in financial items.
Current tax on the net profit or loss for the year is recognised in the income statement together with any change in deferred tax. Tax on changes in other comprehensive income is taken directly in other comprehensive income.

DKK million	2022/23	2021/22
Specification of tax on profit for the year		
Current tax on profit for the year	4,612	1,526
Change in deferred tax on profit for the year	-3,343	-98
Tax on profit from ordinary activities for the year	**1,269**	**1,428**
Adjustment of tax relating to prior years	-19	-5
Change due to change in tax rate	-8	-2
Tax on profit for the year	**1,242**	**1,421**
Tax on equity and other comprehensive income entries, income (-) / expense (+)	**-20**	**-84**
Reconciliation of tax rate differences		
Danish tax rate	22.0%	22.0%
Effect of change of tax rates	-0.1%	0.0%
Deviation in foreign subsidiaries' tax percentage	-1.5%	0.1%
Non-taxable income and non-deductible expenses	-0.3%	1.0%
Research and development incentives	-0.2%	-0.6%
Other taxes and other adjustments, net	0.7%	0.7%
Effective tax rate	20.6%	23.2%

Note 9
Earnings per share (EPS)

Accounting policies

Earnings per share (EPS) reflects the ratio between profit for the year and the year's weighted average of issued, ordinary shares, excluding ordinary shares purchased by the Group and held as treasury shares. Earnings per share, diluted, is calculated as the net profit for the year divided by the average number of outstanding shares adjusted for the dilutive effect of outstanding share options in the money.

	2022/23	2021/22
Net profit for the year, DKK million	4,783	4,706
Net profit for the year before special items, DKK million	4,841	5,073
Weighted average number of outstanding shares, millions of units	215.4	212.5
Dilutive effect of outstanding share options, millions of units	0.1	0.3
Average number of unrestricted shares including dilutive effect of outstanding share options, millions of units	215.5	212.8
Earnings per share before special items, DKK	22.47	23.87
Earnings per share, DKK	22.21	22.14
Earnings per share before special items, diluted, DKK	22.46	23.82
Earnings per share, diluted, DKK	22.20	22.11

	2022/23		2021/22	
Outstanding shares ('000):	**A shares**	**B shares**	**A shares**	**B shares**
Outstanding shares at 1 October	**18,000**	**194,307**	**18,000**	**194,801**
Issue of new shares	-	12,200	-	-
Sale of treasury shares	-	153	-	19
Acquisition of treasury shares	-	-	-	-513
Outstanding shares at 30 September	**18,000**	**206,660**	**18,000**	**194,307**
Holding of treasury shares at 30 September	-	3,540	-	3,693
Total shares issued at 30 September	**18,000**	**210,200**	**18,000**	**198,000**

Both share classes have a face value of DKK 1 per share. Class A shares carry 10 votes each, while class B shares carry 1 vote each. The class A shares are non-negotiable instruments. Any change of ownership or pledging of class A shares requires the consent of the Board of Directors. B shares are negotiable instruments, and no restrictions apply to their negotiability. No special dividend rights attach to either share class. The Group does not hold A shares.

Note 10
Dividend per share

Accounting policies

Dividend is recognised in the balance sheet as a liability when adopted at the Annual General Meeting. Proposed but not yet paid dividend for the financial year is recognised in equity until approved by the shareholders at the general meeting.

DKK	2022/23	2021/22
Interim dividend per share	5.00	5.00
Proposed dividend per share	16.00	15.00
Total dividend per share	**21.00**	**20.00**
Total dividend for the year, DKK million	4,657	4,247
Payout ratio	97%	90%

The Board of Directors recommends that the shareholders attending the general meeting approve an additional dividend of DKK 16.00 per share. An interim dividend of DKK 5.00 per share was distributed in the financial year, bringing the total dividend per share for the year to DKK 21.00. The increase in dividend per share, compared to last financial year, amounts to 5%. The payout ratio after special items for the year is 97%.

Note 11
Intangible assets

Accounting policies

Intangible assets with a finite life are measured at cost less accumulated amortisation and impairment losses. Subsequent milestone payments related to acquired patents, trademarks and know-how payable on achievement of a contingent event will be capitalised when the contingent event is achieved. Borrowing costs are recognised as part of cost. Amortisation is made on a straight-line basis over the expected useful lives of the assets, which are:

Software	3 – 5 years
Acquired patents, customer list, trademarks and know-how etc.	5 – 20 years

Goodwill and other intangible assets with indefinite lives are tested for impairment annually or whenever there is an indication of impairment, while the carrying amount of intangible assets with finite lives measured at cost or amortised cost are assessed if there is an indication of impairment. If a write-down is required, the carrying amount is written down to the higher of net selling price and value in use. For the purpose of assessing impairment, assets are grouped in the smallest group of assets that generates identifiable cash inflows (cash-generating units). The cash-generating units are defined as the smallest identifiable group of assets that generates cash inflows and which are largely independent of cash flows from other assets or groups of assets.

For other intangible assets, the amortisation period is determined on the basis of Management's best estimate of the expected economic lives of the assets. The expected economic lives are assessed at least annually, and the amortisation period is determined based on the latest assessment. For purposes of calculating amortisation, the residual value of the assets is nil, unless a third party has committed to purchasing the asset after its use or there is an active market for the asset. With the exception of goodwill and some specific trademarks, all intangible assets have a finite life.

All in-house research and development costs are recognised in the income statement as incurred. Management believes that mandatory regulatory approvals of products, completing the development of new products involves a high degree of uncertainty, for which reason the technical feasibility criteria are not considered to have been met.

Gains or losses on the disposal of intangible assets are stated as the difference between the selling price less costs to sell and the carrying amount at the date of disposal and are included in the income statement under other operating income or other operating expenses, respectively.

Key accounting estimates and judgements

Goodwill and other intangible assets: The measurement of intangible assets, including goodwill and acquired patents, trademarks and know-how etc., could be materially affected by significant changes in estimates and assumptions underlying the calculation of values. The carrying amount of these intangible assets was DKK 30,718 million as at 30 September 2023 (30 September 2022: DKK 22,360. million).

Atos Medical Group was acquired, as a share deal, in the financial year 2021/22. All intangible assets were transferred to Coloplast A/S resulting in exit taxation in the respective Atos entities. The subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction and, consequently, the tax base is considered established upon the acquisition. Furthermore, the subsequent is considered an integral part of the transaction due to the current tax setup of the group, that could be considered non-compliant if not transferring the assets. IP asset transferred remain recognised in functional currency, SEK, in the Consolidated Financial Statements. The judgement and functional currency choice was based on analyzing the primary economic environment and other indicators of the IP asset and related business, that most faithfully represents the underlying transactions.

Nine Continents Medical was acquired in a share deal in 2020. Shortly following the acquisition, all intangible assets was transferred to Coloplast A/S resulting in US exit taxation. The subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction and, consequently, the tax base in Coloplast A/S is considered established upon the acquisition. The transfer is considered an integral part of the transaction because not transferring the intangible assets to Coloplast A/S with the current tax setup of the Group is not a viable solution.

Note 11, continued

DKK million	Acquired patents, trademarks and know-how etc.	Goodwill	Software	Prepay-ments and intangible assets in progress	Total intangible assets
2022/23					
Cost at 1 October[1)]	**10,100**	**14,298**	**662**	**168**	**25,228**
Exchange adjustment	-345	-458	1	-	**-802**
Adjustment to acquisitions previous years	-	-50	-	-	**-50**
Additions from acquisitions	3,159	6,184	-	-	**9,343**
Transfers	-	-	102	-102	**-**
Additions during the year	2	-	58	161	**221**
Disposals during the year	-5	-	-40	-2	**-47**
Cost at 30 September	**12,911**	**19,974**	**783**	**225**	**33,893**
Amortisation at 1 October	**2,038**	**-**	**423**	**-**	**2,461**
Exchange adjustment	-116	-	-1	-	**-117**
Amortisation for the year	245	-	89	-	**334**
Amortisation reversed on disposals during the year	-	-	-40	-	**-40**
Amortisation at 30 September	**2,167**	**-**	**471**	**-**	**2,638**
Carrying amount at 30 September	**10,744**	**19,974**	**312**	**225**	**31,255**
2021/22					
Cost at 1 October	**3,010**	**2,028**	**526**	**84**	**5,648**
Exchange adjustment	-30	-259	-1	-1	**-291**
Additions from acquisitions[1)]	7,112	12,529	23	14	**19,678**
Transfers	-	-	93	-93	**-**
Additions during the year	8	-	36	164	**208**
Disposals during the year	-	-	-15	-16	**-31**
Cost at 30 September	**10,100**	**14,298**	**662**	**152**	**25,212**
Amortisation at 1 October	**1,628**	**-**	**369**	**-**	**1,997**
Exchange adjustment	220	-	-1	-	**219**
Amortisation for the year	190	-	70	-	**260**
Amortisation reversed on disposals during the year	-	-	-15	-16	**-31**
Amortisation at 30 September	**2,038**	**-**	**423**	**-16**	**2,445**
Carrying amount at 30 September	**8,062**	**14,298**	**239**	**168**	**22,767**

[1)] In 2022/23, the opening balance for goodwill and deferred tax have been adjusted due to changes in the purchase price allocation of Atos Medical Group acquired in 2021/22. The subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction, and thus, a deferred tax step-up is recognised as part of the purchase price allocation. This was not reflected in the purchase price allocation included in the 2021/22 financial statements. The change resulted in an increase in goodwill of DKK 2,490 million and an increase in deferred tax liability of DKK 2,490 million.

Note 11, continued

Goodwill

Goodwill mainly relates to the acquisitions of Atos Medical in 2022, Kerecis in 2023, Comfort Medical in 2016, Mentor's urology and continence business in 2006, Lilial in 2018 and Mpathy in 2010. Goodwill from the acquired businesses has been allocated to the individual cash-generating units. The allocation was made to the operating segment Chronic Care, Interventional Urology, Voice and Respiratory Care and the new operating segment Biologics.

Pursuant to IAS 36, a goodwill impairment test is performed when there is an indication of impairment, but at least once a year. In the impairment test, the carrying amount is compared with the recoverable amount (value in use or fair value less cost of disposal) of each cash-generating unit, calculated as the discounted expected future cash flows.

Future cash flows are determined using forecasts based on realised sales growth, earnings and strategy plans, etc. These forecasts are based on specific assumptions for each cash-generating unit during the planning period with respect to sales, results of operations, working capital, capital investments and assumptions for cost of capital, inflation and the level of interest rates. Growth rates for Chronic Care and Interventional Urology during the terminal period correspond to the expected long-term rate of inflation. Growth rate for Voice and Respiratory Care is slightly higher, due to the expectation of higher growth within the business area after the budget period. For Biologics, the growth rate during the terminal period is based on the rate used in the Management approved business case.

	2022/23				2021/22		
	Chronic Care	Interventional Urology	Voice and Respiratory Care	Biologics	Chronic Care	Interventional Urology	Voice and Respiratory Care[1)]
Key parameters applied in the calculation of recoverable amounts:							
Revenue growth in terminal period	2.2%	2.2%	3.5%	2.0%	2.1%	2.1%	1.5%
Tax percentage	23.0%	27.0%	23.0%	21.2%	23.0%	27.0%	21.8%
Carrying amount of trademarks[2)], DKK million	50	-	3,081	1,501	54	-	3,235
Carrying amount of goodwill, DKK million	1,726	373	11,511	6,364	1,762	394	12,142

[1)] In 2022/23, the opening balance for goodwill has been adjusted due to changes in the purchase price allocation of Atos Medical Group, as a result of the subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction, and thus, a deferred tax step-up is recognised as part of the purchase price allocation. This resulted in an increase in goodwill of DKK 2,490 million and an increase in deferred tax liability of DKK 2,490 million.

[2)] Carrying amount includes only those trademarks with indefinite useful lives.

	2022/23		2021/22	
	Before tax	After tax	Before tax	After tax
Discount rates applied in the calculation of recoverable amounts:				
Chronic Care	8.4%	6.9%	7.9%	6.5%
Interventional Urology	13.1%	9.9%	12.5%	9.5%
Voice and Respiratory Care	7.7%	6.9%	8.1%	6.7%
Biologics	13.8%	11.9%	-	-

For Chronic Care, Interventional Urology and Voice and Respiratory Care, the discount rate for 2022/23 and 2021/22 is based on the WACC used by the external analysts' covering Coloplast. For Biologics, the discount rate is based on the WACC used in the Management approved business case.

Note 11, continued

Special assumptions applied in impairment tests performed in Chronic Care
Chronic Care consists of the Ostomy Care and the Continence Care businesses. The Ostomy Care business involves the production and sale of ostomy pouches and accessories. The Continence Care business involves the production and sales of disposable catheters and various types of products designed for people suffering from urinary or faecal incontinence.

The impairment test performed for Chronic Care was based on forecasts for the 2023/24 financial year. Assumptions for Coloplast's long-term strategy were applied for the financial years 2024/25 to 2026/27. Revenue growth rates of 6-9% were assumed for the budget period, which are supported by the organic growth rates in recent financial years. On the other hand, it was assumed that the gross margin will decrease slightly until the terminal period due to anticipated price pressures and healthcare reforms.

The Group's general tax rate was applied in the impairment test for Chronic Care because these products are sold in all of the Group's markets. Working capital invested has been projected using the same growth rate as that for revenue.

Special assumptions applied in impairment tests performed in Interventional Urology
The interventional urology business consists of the production and sale of products used in surgical procedures in urology and gynaecology, including prostate catheters, stents, vaginal slings used to restore continence, mesh products used to treat weak pelvic floor and penile implants for men experiencing severe impotence.

The impairment test performed for Interventional Urology was based on forecasts for the 2023/24 financial year. Assumptions for the long-term strategy of the urology business were applied for the financial years 2024/25 to 2026/27. Revenue growth rates of 5-11% were assumed for the budget period, which are supported by the Interventional Urology organic growth rates in recent financial years. On the other hand, it was assumed that the gross margin will decrease slightly until the terminal period due to general anticipated price pressures and healthcare reforms.

Nine Continents Medical Inc represents an option to enter the adjacent overactive bladder segment. Their technology 'Intibia' is expected to launch in 2025/26, pending successful clinical studies.

The tax rate applied in the impairment test for Interventional Urology was higher than the rate applied for the Group because sales and production mostly take place in the US, which imposes a corporate tax rate higher than the Group average. Working capital invested has been projected using the same growth rate as that for revenue.

Special assumptions applied on Voice and Respiratory Care
The voice and respiratory care business consists of production and sales of laryngectomy and tracheostomy products, used to treat removal of all or part of the larynex.

The impairment test performed for Voice and Respiratory Care was based on forecasts for the 2023/24 financial year. Assumptions for the long-term strategy of the voice and respiratory care business were applied for the financial years 2024/25 to 2026/27. Revenue growth rates of 8-10% were assumed for the budget period, which are supported by the organic growth rates in recent financial years. On the other hand, it was assumed that the gross margin will decrease slightly until the terminal period due to anticipated price pressures and healthcare reforms. It was also assumed that the Group's focus on cost management and regular efficiency improvements will ensure that overhead costs will increase at a rate lower than revenue, which will produce an annual margin improvement.

The Group's general tax rate was applied in the impairment test for Voice and Respiratory Care because these products are sold in most of the Group's markets. Working capital invested has been projected using the same growth rate as that for revenue.

The value calculated in the impairment test exceeds the carrying value by DKK 0.5 billion. The calculated value is sensitive to possible lower EBIT or higher WACC. If (a) the EBIT decreases by around 4% per year in the projection period, (b) EBIT decreases by around 3% in the terminal period or (c) WACC after tax increases by around 0.1% points it will lead to a reassessment.

Note 11, continued

Special assumptions applied on Biologics
The biologics business consists of production and sales of fish-skin technology for wound care treatment.

The impairment test performed for Biologics was based on forecasts for the 2023/24 financial year from the Management approved business case. Assumptions for Coloplast's long-term strategy were applied for the financial years 2024/25 to 2039/2040.

Revenue growth rates of 2-43% were assumed for the budget period, which are supported by the organic growth rates in recent financial years. On the other hand, it was assumed that the gross margin will decrease slightly until the terminal period. It was also assumed that the Group's focus on cost management and regular efficiency improvements will ensure that overhead costs will increase at a rate lower than revenue, which will produce an annual EBIT margin improvement. A tax rate of 21.2% was applied in the impairment test for Biologics, which is a blended tax rate of the markets where these products are sold. Working capital invested has been projected using the same growth rate as that for revenue.

The disclosed key parameters and discount rate arose from the Management approved business case regarding Kerecis Group, consequently the carrying amount is compared with fair value less cost to sell based on a discount cash flow model (level 3 in the fair value hierarchy). The key parameters and discount rate are assessed to still be prudent as of 30 September 2023, and no impairment triggers are identified in the subsequent period, hence Management has used the business case as basis for the impairment test as of 30 September 2023.

Acquired patents, trademarks and know-how etc.

This year's additions of acquired customer list, patents and trademarks are associated with the acquisition in 2023 of Kerecis, where Coloplast completed the acquisition of all shares and voting rights of Kerecis at a cash consideration of DKK 7,923 million. In addition, acquired patents and trademarks are primarily associated with the acquisition of Atos Medical in 2022 and Nine Continents Medical in 2020. In connection with the acquisitions, intangible assets were identified, and the cost was allocated to net assets at fair value at the date of acquisition, calculated on the basis of factors such as expected sales and revenue trends. Each component is amortised over its estimated useful life using the straight line method.

Patented and unpatented technologies
On acquiring Kerecis in August 2023, Coloplast acquired several patented technologies and unpatented technologies.

Unpatented technologies include:
- Unpatented inventions
- Trade secrets
- Know-how
- Confidential information
- Copyrights on computer software, databases or instruction manuals and the like

On acquiring Atos Medical in January 2022, Coloplast acquired a number of patented and unpatented technologies. Unpatented technologies include inventions not patentable or protectable, know-how, confidential information and copyrights on computer software and the like. Most relate to know-how regarding various technologies. Division of the individual components into small intangible assets is not considered material or relevant.

On acquiring Nine Continents Medical in November 2020, Coloplast acquired a number of patented and unpatented technologies. Unpatented technologies include inventions not patentable or protectable, know-how, confidential information and copyrights on computer software and the like. Most relate to know-how regarding various technologies. Division of the individual components into small intangible assets is not considered material or relevant.

Note 11, continued

Trademarks

In addition to patented and unpatented technologies, Coloplast acquired the Kerecis trademark through the acquisition of Kerecis, and the Atos Medical and TRACOE trademarks through the acquisition of Atos Medical.

Management has assessed that the value of brands with indefinite useful life, which consist primarily of Kerecis, Atos Medical and TRACOE, can be maintained for an indefinite period, as these are well-established brands in their markets, having existed for decades. The industry is characterised as being very stable with consistent consumer demand and a predictable competitive environment, and is expected to be profitable for the foreseeable future. Control of the brands is legally established and enforceable indefinitely. In management's opinion, the risk of the useful life of these brands becoming finite is minimal because of their individual market positions and because current and planned marketing initiatives are expected to sustain their useful life.

Customer lists/loyalties

Coloplast also acquired a substantial number of customer relationships on acquiring Kerecis and Atos Medical. Customer relationships include lists of and access to Kerecis' and Atos Medical's existing customers, both users, hospitals, distributors and private offices.

Material acquired patents, trademarks and know-how etc.

DKK million	Asset	Remaining amortisation period	2023	2022
Kerecis	Trademarks	indefinite	1,501	-
Kerecis	Technologies and customer relationships	10-20 years	1,741	-
Atos Medical and TRACOE	Trademarks	indefinite	3,081	3,235
Atos Medical and TRACOE	Technologies and customer relationships	8-18 years	3,075	3,446
Nine Continents	Technologies	n/a	1,218	1,218
Carrying value at 30 September			**10,616**	**7,899**

	2022/23	2021/22
Amortisations on intangible assets break down as follows		
Production costs	25	21
Distribution costs	291	219
Administrative expenses	13	10
Research and development costs	5	10
Total	**334**	**260**

Note 12
Property, plant and equipment

Accounting policies

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses. Cost comprises the cost of acquisition and expenses directly attributable to an acquisition until the asset is ready for use. In case of assets manufactured by the company, cost comprises materials, components, sub-supplier services, direct labour and costs directly attributable to the manufactured asset. In addition, borrowing costs are recognised as part of cost.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are:

Land	not depreciated
Buildings	15 – 25 years
Building installations	5 – 10 years
Plant and machinery	5 – 15 years
Other fixtures and fittings, tools and equipment	3 – 7 years

At the balance sheet date, the residual values, remaining useful lives and depreciation pattern of the assets are reassessed. Any changes are treated as changes to accounting estimates. Gains and losses on the sale or scrapping of an item of property, plant and equipment are recognised in the income statement as other operating income and other operating expenses, respectively.

DKK million	2022/23	2021/22
Depreciations on property, plant and equipment break down as follows		
Production costs	364	339
Distribution costs	41	35
Administrative expenses	32	23
Research and development costs	37	38
Total	**474**	**435**

Note 12, continued

DKK million	Land and buildings	Plant and machinery	Other fixtures and fittings, tools and equipment	Prepay-ments and assets under construc-tion	Total property, plant and equipment
2022/23					
Cost at 1 October	**3,167**	**5,126**	**1,319**	**1,015**	**10,627**
Exchange and other adjustments	67	23	-11	33	**112**
Additions from acquisitions	-	19	-	-	**19**
Transfers	241	359	124	-724	**-**
Additions and improvements during the year	7	18	78	917	**1,020**
Disposals during the year	-5	-127	-153	-	**-285**
Cost at 30 September	**3,477**	**5,418**	**1,357**	**1,241**	**11,493**
Depreciation at 1 October	**1,596**	**3,547**	**1,010**	**-**	**6,153**
Exchange and other adjustments	2	13	-6	-	**9**
Depreciations for the year	132	214	128	-	**474**
Depreciations reversed on disposals during the year	-3	-125	-146	-	**-274**
Depreciation at 30 September	**1,727**	**3,649**	**986**	**-**	**6,362**
Carrying amount at 30 September	**1,750**	**1,769**	**371**	**1,241**	**5,131**
Cost of property, plant and equipment fully depreciated	757	2,419	752	-	3,928
2021/22					
Cost at 1 October	**2,748**	**4,957**	**1,172**	**802**	**9,679**
Exchange and other adjustments	36	-115	14	-10	**-75**
Additions from acquisitions	137	32	49	29	**247**
Transfers	251	326	72	-649	**-**
Additions and improvements during the year	8	15	26	878	**927**
Disposals during the year	-13	-89	-14	-35	**-151**
Cost at 30 September	**3,167**	**5,126**	**1,319**	**1,015**	**10,627**
Depreciation at 1 October	**1,501**	**3,494**	**899**	**-**	**5,894**
Exchange and other adjustments	-13	-42	11	-	**-44**
Depreciations for the year	116	205	114	-	**435**
Depreciations reversed on disposals during the year	-8	-110	-14	-	**-132**
Depreciation at 30 September	**1,596**	**3,547**	**1,010**	**-**	**6,153**
Carrying amount at 30 September	**1,571**	**1,579**	**309**	**1,015**	**4,474**
Cost of property, plant and equipment fully depreciated	705	2,515	862	-	4,082

The Group has signed agreements with contractors for the supply of buildings, technical plant and machinery for DKK 144 million at 30 September 2023 (DKK 250 million at 30 September 2022). The Group has security upon properties for DKK 25 million at 30 September 2023 (DKK 26 million at 30 September 2022).

Note 13
Right-of-use assets

Accounting policies

At the commencement date, when a leased asset is made available for use, a right-of-use asset and a corresponding lease liability is recognised on the balance sheet.

Right-of-use assets are initially measured at cost, which comprises the initial amount of the lease liability, any lease payments made prior to the commencement date and any initial direct costs. Subsequently, the right-of-use asset is measured at cost less depreciation and impairment losses and adjusted for the remeasurement of the lease liability. The right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term or the useful life of the right-of-use asset.

Options to extend the initial leasing period are only included in the initial measurement if it is reasonably certain that the option will be utilised.

Lease liabilities are initially measured at the present value of future lease payments. The lease payments are discounted using the implicit rate of the lease contract or, if not readily determinable, the incremental borrowing rate of Coloplast for loans with similar term and security. As a practical expedient, the discount rates are determined on basis of a portfolio of leases with similar characteristics, e.g. a portfolio of leased cars in a specific country. The lease liabilities are subsequently reduced by the portion of lease payments which is regarded as repayment of those lease liabilities. Lease liabilities are remeasured in the event of a lease modification or a reassessment of the lease term which in turn may also impact the carrying value of the right-of-use assets. The lease term is reassessed when a significant event or change, which is within the control of Coloplast, affects the prior assessment.

Short-term leases and leases of low-value assets are exempted from the above accounting model. Consequently, lease payments associated with such lease contracts are recognised as an operating expense on either a straight-line basis over the lease term or another systematic basis which is more representative of the pattern of the benefit of the leased assets.

The majority of the Group's right-of-use assets comprise office space, warehouses, cars and IT equipment. Leasing arrangements are preferred for certain types of assets as it stabilises cash flows and reduces capital invested in non-current assets.

In certain situations, the leasing contracts include a right for Coloplast to extend the leasing period but this is only reflected in the cost of the right-of-use assets, and the corresponding lease liability, if it is reasonably certain that the option will be utilised.

Variable lease payments, which are not included in the measurement of the lease liability, are expensed directly in profit or loss. These payments are mainly related to consumption-based charges, e.g. extra mileage in leased cars.

The Group enters into new lease contracts continually, e.g. to replace an old right-of-use asset which is returned to lessor. The new contracts are usually entered prior to commencing the leasing period when a right-of-use assets is available for use. Consequently, the Group may have committed to lease contracts, which are insignificant from an individual perspective, at the balance sheet date which are not yet recognised on the balance sheet date.

The extent of residual value guarantees for right-of-use assets is limited and expected payments are included in the initial amount of the lease liability.

Note 13, continued

DKK million	Land and buildings	Other fixtures and fittings, tools and equipment	Total right-of-use assets
2022/23			
Carrying amount at 1 October	**508**	**169**	**677**
Exchange and other adjustments	-10	-3	**-13**
Additions from acquisitions	11	-	**11**
Additions during the year	316	136	**452**
Disposals during the year	-63	-115	**-178**
Depreciations for the year	-150	-111	**-261**
Depreciations reversed on disposals during the year	54	106	**160**
Carrying amount at 30 September	**666**	**182**	**848**

DKK million	Land and buildings	Other fixtures and fittings, tools and equipment	Total right-of-use assets
2021/22			
Carrying amount at 1 October	**447**	**154**	**601**
Exchange and other adjustments	-2	5	**3**
Additions from acquisitions	51	23	**74**
Additions during the year	151	100	**251**
Disposals during the year	-20	-77	**-97**
Depreciations for the year	-128	-107	**-235**
Depreciations reversed on disposals during the year	9	71	**80**
Carrying amount at 30 September	**508**	**169**	**677**

DKK million	2022/23	2021/22
Depreciations on right-of-use assets break down as follows		
Production costs	27	24
Distribution costs	199	182
Administrative expenses	33	27
Research and development costs	2	2
Total	**261**	**235**
Other lease expenses recorded in the income statement		
Lease payments related to short-term leases	14	11
Lease payments related to low-value assets	27	23
Variable lease payments	26	21
Total	**67**	**55**
Total cash outflow for leases		
Payments related to right-of-use assets	247	243
Payments related to other lease contracts	60	49
Total	**307**	**292**

Note 13, continued

DKK million	2023	2022
Maturity analysis of lease liabilities (undiscounted)		
In less than one year	237	227
Current lease liability (undiscounted)	**237**	**227**
Within 1 to 5 years	509	406
After more than 5 years	211	110
Non-current lease liability (undiscounted)	**720**	**516**
Total lease liability (undiscounted)	**957**	**743**

Note 14
Deferred tax

Accounting policies

Full provision is made for deferred tax on the basis of all temporary differences in accordance with the balance sheet liability method. Temporary differences arise between the tax base of assets and liabilities and their carrying amounts which are offset over time.

Deferred tax relating to differences between initial recognition of assets or liabilities is not recognised if at the transaction date neither the accounting profit nor the taxable income is affected unless such differences occurred in a business combination.

Uncertain tax positions generally relate to transfer pricing disputes and are recognised under payable tax and measured according to current tax rules and at the tax rates assumed in the year in which the assets are expected to be utilised.

Deferred tax assets are recognised to the extent that it is probable that future positive taxable income will be generated, against which the temporary differences and tax losses can be offset. Deferred tax assets are measured at expected net realisable values.

The value of future tax deductions in relation to share option programmes is recognised as deferred tax, until they are exercised by the employees. Any estimated excess tax deduction compared to the costs realised in the income statement is charged to equity.

Key accounting estimates and judgements

The recognition of deferred tax assets and uncertain tax positions requires an assessment by management. Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised if management estimates that the tax assets can be utilised within a foreseeable future by offsetting against future positive taxable income. The assessment is made annually on the basis of budgets and business plans for the following years, including any scheduled business measures. As the Group conducts business globally, transfer pricing disputes may arise with tax authorities in respect of settlement prices etc. Management applies a probability-weighted assessment to determine obligations in connection with transfer pricing disputes.

Atos Medical Group was acquired, as a share deal, in the financial year 2021/22. All intangible assets were transferred to Coloplast A/S resulting in exit taxation in the respective Atos entities. The subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction and, consequently, the tax base is considered established upon the acquisition.

The Group's tax losses expiring after more than five years amount to DKK 188 million at 30 September 2023 (DKK 34 million at 30 September 2022). Of these tax losses, the Group has recognised a tax asset of DKK 27 million on a DKK 124 million tax loss at 30 September 2023 (DKK 4 million on a DKK 15 million tax loss at 30 September 2022).

Note 14, continued

The tax value of the Group's tax credits amounts to DKK 158 million at 30 September 2023 (DKK 134 million at 30 September 2022). This amount includes a recognised tax asset of DKK 32 million at 30 September 2023 (DKK 39 million at 30 September 2022). The tax credits expire after five years.

Taxable temporary differences regarding investments in subsidiaries and branches are insignificant and no deferred tax has been provided because the company controls the timing of the elimination of the temporary difference, and it is probable that the temporary difference will not be reversed in the foreseeable future.

DKK million	2022/23	2021/22
Deferred tax at 1 October, net[1)]	**-3,893**	**72**
Exchange adjustments	-	9
Additions from acquisitions[1)]	-660	-4,071
Adjustment due to change in tax rate	8	2
Prior-year adjustments	24	4
Other changes in deferred tax – charged to income statement	3,343	98
Change in deferred tax - charged to equity	-60	-7
Deferred tax at 30 September, net	**-1,238**	**-3,893**

DKK million	2023	2022[1)]
Recognised in the balance sheet as follows		
Deferred tax assets	884	674
Provision for deferred tax	-2,122	-4,567
Deferred tax at 30 September, net	**-1,238**	**-3,893**
Deferred tax relates to the following items		
Intangible assets[1)]	-2,193	-4,574
Property, plant and equipment, and right-of-use assets	-218	-184
Indirect production costs	-13	-14
Unrealised gain from intra-group sale of goods	501	451
Trade receivables	-42	-33
Provisions	341	142
Share options	8	33
Tax losses carried forward and tax credits	59	44
IFRS 16 liabilities	167	112
Effect from hedge of cash flow and interest rates	91	131
Other	61	-1
Deferred tax at 30 September, net	**-1,238**	**-3,893**

[1)] In 2022/23, the opening balance for goodwill and deferred tax have been adjusted due to changes in the purchase price allocation of Atos Medical Group acquired in 2021/22. The subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction, and thus, a deferred tax step-up is recognised as part of the purchase price allocation. This was not reflected in the purchase price allocation included in the 2021/22 financial statements. The change resulted in an increase in goodwill of DKK 2,490 million and an increase in deferred tax liability of DKK 2,490 million.

Note 15
Inventories

Accounting policies

Inventories are measured at the lower of cost and net realisable value. Cost is determined using the FIFO principle. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and indirect production overheads. Production overheads comprise indirect material and labour costs, maintenance and depreciation of the machinery and production buildings used in the manufacturing process as well as costs of production administration and management. Net realisable value is the expected selling price less cost of completion and costs to sell.

Key accounting estimates and judgements

Capitalised production overheads have been calculated using a standard cost method, which is reviewed regularly to ensure the relevant assumptions concerning capacity utilisation, lead times and other relevant factors in the calculation of actual costs of sales. Changes to the calculation method for production overheads, including levels of capacity utilisation, lead times, etc. could affect the gross margin and the overall valuation of inventories.

DKK million	2023	2022
Raw materials and consumables	796	621
Work in progress	755	722
Manufactured goods	1,971	1,844
Inventories at 30 September	**3,522**	**3,187**

DKK million	2022/23	2021/22
Write-downs at 1 October	**49**	**50**
Additions from acquisitions	-	9
Write-downs realised during the year	-15	-21
Write-downs reversed during the year	-16	-23
Additional write-downs made during the year	37	34
Write-downs at 30 September	**55**	**49**

Production overheads was included in the carrying amount of inventories with DKK 880 million at 30 September 2023 (DKK 889 million at 30 September 2022).

Production costs include directly attributable production costs of DKK 5,039 million related to goods sold (2021/22: DKK 4,633 million).

Note 16
Trade receivables and other receivables

Accounting policies

Receivables consist mainly of trade receivables. On initial recognition, receivables are measured at fair value and subsequently at amortised cost. Receivables are written down on the basis of an individual assessment and the simplified approach in accordance with IFRS 9 where loss allowances are based on lifetime expected credit losses.

DKK million	2023	2022
Ageing of trade receivables		
Not due	3,066	2,825
Due up to 30 days	379	384
Due between 30 and 90 days	285	238
Due more than 90 days	695	601
Trade receivables at 30 September, gross	**4,425**	**4,048**
Loss allowance at 30 September	-110	-108
Trade receivables at 30 September, net	**4,315**	**3,940**
Loss allowance at 1 October	**-108**	**-139**
Exchange adjustment	2	-4
Allowances used during the year (realised losses)	3	17
Unused allowances reversed during the year	-	38
Additional allowances recognised during the year	-7	-20
Loss allowance at 30 September	**-110**	**-108**

Given the profile of our customers, including large wholesalers and government-backed agencies, the risk of loss allowance is assessed to be limited, consequently the loss allowance in percent of due amounts is low.

Other receivables, non-current

The portion of other receivables, which are falling due after more than one year after the balance sheet date, is recognised in the balance sheet as non-current assets and amounts to DKK 39 million (DKK 31 million at 30 September 2022).

The majority of the non-current other receivables falls due after three years of the balance sheet date. Interest accruing on receivables is 0%.

Note 17
Share options

Accounting policies

Share options are granted to the executive management and senior management. For equity-settled schemes, the fair value of options is determined at the grant date. The option value is subsequently recognised over the vesting period as staff costs. For cash-settled schemes, the fair value of options granted during the period is recognised as staff costs, whereas the fair value adjustment of granted options from previous periods is recognised under financial items. The purchase and selling prices of treasury shares on exercise are deducted from or added to equity, as the case may be.

Share options are granted to members of the executive management and other senior management for the purpose of motivating and retaining a qualified management group and in order to align the interests of management with those of the shareholders. Options are awarded as unconditional allocations at the date of grant, but vest over a three-year period. The value of options at the date of grant equalled an average of three months' salary for each recipient, with the exception of the executive management.

The carrying amount of the cash settled share option programmes was DKK 1 million at 30 September 2023 (DKK 2 million at 30 September 2022), while the fair value of all option programmes amounted to DKK 156 million at 30 September 2023 (DKK 226 million at 30 September 2022).

DKK million	2022/23	2021/22
Share options have affected the profit or loss for the year as follows		
Staff costs, accounting value of cash and equity-settled programmes	58	51
Financial costs, fair value adjustment of cash-settled programmes	-1	-2
Cost of share options recognised in profit or loss	**57**	**49**

The fair value of the options was calculated using the Black-Scholes formula at the date of the grant, in which the interest rate applied was the yield on Danish government securities. Volatility in the share is calculated as monthly movements (period-end to period-end) over five years. Options are assumed to be exercised on average one year into the exercise period.

	2022	2021
The following assumptions were applied in determining the fair value of share options granted during the financial year		
Black-Scholes value, DKK	128.65	119.70
Share price, DKK	814.50	1,154.91
Exercise price, DKK	855.23	1,212.65
Expected dividend per share, DKK	1.50%	1.50%
Expected duration, years	4.00	4.00
Volatility	21.97%	19.90%
Risk-free interest	2.34%	-0.39%
Value, million DKK	68.60	63.97

Note 17, continued

	2022/23			2021/22		
	No. of options	Average exercise price	Average share price	No. of options	Average exercise price	Average share price
Outstanding share options at 1 October	**2,231,521**	**892**		**2,080,407**	**768**	
Options awarded	536,131	881		534,416	1,209	
Options awarded, repricing[1)]	439,639	916		-	-	
Options forfeited, repricing[1)]	-715,971	1,076		-	-	
Options forfeited	-28,287	958		-61,570	1,053	
Options exercised	-333,471	557	862	-321,732	580	1,018
Outstanding share options at 30 September	**2,129,562**	**871**		**2,231,521**	**892**	

[1)] At 30 November 2022, Coloplast exchanged options awarded in 2020 and 2021 with new share options with a lower exercise price.

Year of issue	No. of options issued	Share options lapsed	Options exercised	Not exercised at 30 September 2023[1)]	Exercise price[2)3)]	Exercise period
Specification of outstanding share options						
2018	501,877	-10,461	-247,817	**243,599**	613	31/12/21 - 31/12/23
2018 US	119,260	-	-39,985	**79,275**	635	31/12/21 - 31/12/23
2019	403,750	-13,921	-28,056	**361,773**	853	31/12/22 - 31/12/24
2019 US	88,846	-	-	**88,846**	870	31/12/22 - 31/12/24
2020	531,920	-329,813	-	**202,107**	968	31/12/23 - 31/12/25
2020, repriced	241,296	-3,944		**237,352**	915	31/12/23 - 31/12/25
2020 US	109,900	-91,396	-	**18,504**	981	31/12/23 - 31/12/25
2020 US, repriced	65,197	-		**65,197**	920	31/12/23 - 31/12/25
2020 JP	3,232	-3,232	-	**-**	968	31/12/23 - 31/12/25
2021	439,062	-283,927	-	**155,135**	1,201	31/12/24 - 31/12/26
2021, repriced	103,554	-1,941		**101,613**	918	31/12/24 - 31/12/26
2021 US	95,846	-77,687	-	**18,159**	1,213	31/12/24 - 31/12/26
2021 US, repriced	29,592	-		**29,592**	915	31/12/24 - 31/12/26
2021 JP	2,432	-2,432	-	**-**	1,201	31/12/24 - 31/12/26
2022[4)]	422,429	-4,797		**417,632**	850	31/12/25 - 31/12/27
2022 US	108,646	-		**108,646**	855	31/12/25 - 31/12/27
2022 JP	2,132	-		**2,132**	850	31/12/25 - 31/12/27
Total	**3,268,971**	**-823,551**	**-315,858**	**2,129,562**		

[1)] Exercisable options as per 30 September 2023 was 773,493.
[2)] Average exercise price for options exercisable at the balance sheet date was DKK 742.58.
[3)] The exercise prices are adjusted for payment of dividend. In 2022/23, the adjustment of the exercise price was DKK -6.69.
[4)] Of which 129,670 was granted to key management.

Coloplast's holding of treasury shares fully covers the option programmes, so the options exercised under the programme will not influence the Group's cash position by forcing it to buy up shares in the market. See note 9 to the financial statements for an overview of treasury shares held by Coloplast at the balance sheet date.

Note 18
Provisions for pensions and similar obligations

Accounting policies

In defined contribution plans, the Group makes regular payments of fixed contributions to independent pension funds and insurance companies. The Group is under no obligation to pay additional contributions. Costs for defined contribution plans are recognised in the income statement as Coloplast assumes an obligation to make the payment.

In defined benefit plans, the Group is under an obligation to pay a defined benefit on retirement. The actuarially calculated present value less the fair value of any plan assets is recognised in the balance sheet under provision for pension and similar obligations or in plan assets in the balance sheet. The total service costs of the year plus calculated interest based on actuarial estimates and financial assumptions at the beginning of the year are recognised in the income statement. The difference between the forecast development in plan assets and liabilities and the realised values at the end of the year is called actuarial gains or losses and is recognised in other comprehensive income. In connection with a change in benefits regarding the employees' employment with the Group to date, there will be a change in the actuarial calculation of the net present value, which is taken directly to the profit or loss.

Defined contribution plans

The Group offers pension plans to certain groups of employees in Denmark and abroad. Most of the pension plans are defined contribution plans. The Group funds the plans through regular payments of premiums to independent insurance companies responsible for the pension obligations towards the beneficiaries. Once the pension contributions for defined contribution plans have been made, the Group has no further obligation towards current or former employees. Contributions to defined contribution plans are recognised in the income statement when paid. In 2022/23, DKK 410 million (2021/22: DKK 359 million) was recognised.

Defined benefit plans

For certain groups of employees in foreign subsidiaries, the Group has signed agreements to pay defined benefits, including pension payments.

Share of gross obligation by country	2023	2022
France	21%	21%
Germany	11%	12%
UK	67%	66%
Italy	1%	1%
Total	**100%**	**100%**

These pension liabilities are not or are only partly covered by insurance (in the UK). Defined benefit liabilities are recognised in the balance sheet and in the income statement as indicated below. Coloplast funds the plans in the UK. The plans in Italy have been closed, and no further payments are made.

The figures below include liabilities regarding the post-service remuneration scheme applicable to Board members prior to the amendment to the articles of association adopted at the Annual General Meeting held in 2002.

The pension plans are based on the individual employee's salary and years of service with the company, and benefits are paid as a lifelong pension. The active plans are not exclusive to any particular employee group.

Note 18, continued

Special funding requirements apply in the UK, while this is not the case for the other countries. In the UK, employee interests are handled by a Trustee Board. Accounts are prepared every three years and funding of any deficit is determined. Any surplus reverts to Coloplast. The plans have no requirements for risk diversification on equities or for matching strategies. The plans have a duration of an average of 11 years, and all plans generally mature after more than 10 years.

The Group expects to pay DKK 7 million to the defined benefit plans in 2023/24.

DKK million	2022/23	2021/22
Defined contribution plans	410	359
Defined benefit plans	12	12
Cost of pension plans recognised in profit or loss	**422**	**371**
Pension costs concerning current financial year	8	10
Net interest expenses	4	2
Cost of defined benefit plans recognised in profit or loss	**12**	**12**
Actuarial gains/losses on pension obligations	27	227
Actuarial gains/losses on plan assets	-36	-152
Actuarial gains/losses on defined benefit plans recognised in other comprehensive income	**-9**	**75**
Plan assets at 1 October	**249**	**397**
Exchange adjustments	4	-2
Actual rate of interest	12	8
Actuarial gains/losses on plan assets	-36	-152
Paid by the Coloplast Group	12	14
Benefit paid out	-16	-16
Plan assets at 30 September	**225**	**249**

DKK million	2023	2022
Specification of plan assets		
Shares, listed	35	63
Bonds	82	57
Investments funds	107	126
Cash and similar assets	1	3
Plan assets at 30 September	**225**	**249**

Note 18, continued

DKK million	2022/23	2021/22
Specification of present value of defined benefit obligation		
Present value of defined benefit liability at 1 October	**370**	**593**
Exchange adjustments	5	-
Current service costs	8	10
Calculated interest on liability	16	10
Actuarial gains/losses, financial assumptions	-28	-223
Actuarial gains/losses, demographic assumptions	-	11
Actuarial gains/losses, experience	1	-15
Benefit paid out	-16	-16
Present value of defined benefit liability at 30 September	**356**	**370**
Fair value of plan assets at 30 September	-225	-249
Net liability of defined benefit plans at 30 September	**131**	**121**
Net liability of defined benefit plans at 1 October	**121**	**196**
Expenditure for the year	12	12
Actuarial gains/losses on pension obligation	-27	-227
Exchange adjustment	1	2
Actuarial gains/losses on plan assets	36	152
Payments received	-12	-14
Net liability of defined benefit plans at 30 September	**131**	**121**
Actuarial assumptions applied at the balance sheet date (expressed as an average)		
Discount rate	4.3%	3.5%
Future rate of salary increases	1.9%	2.0%
Inflation	2.3%	1.7%

The below sensibility analysis shows the change in one of the actuarial assumptions, while other assumptions are kept constant. In practice, a change in one of the assumptions will in many instances be matched by a change in the other assumptions.

	2022/23		2021/22	
	+1%-point	-1%-point	+1%-point	-1%-point
Percentage increase/decrease in the gross liability resulting from a change in a single actuarial assumption				
Discount rate	-12%	14%	-13%	15%
Future rate of salary increases	3%	-2%	2%	-2%
Inflation	8%	-7%	8%	-7%

Note 19
Other provisions

Accounting policies

Provisions are recognised when the Group has a legal or constructive obligation arising from a past event, and it is probable that an outflow of the Group's financial resources will be required to settle the obligation. Provisions are measured as Management's best estimate of the amount with which the liability is expected to be settled. The Group recognises a provision for the replacement of products covered by warranties at the balance sheet date.

Key accounting estimates and judgements

Provisions for legal obligations consist of provisions for pending litigation. Management makes assessments of provisions and contingent liabilities, including the probable outcome of pending and possible future litigation, which is inherently subject to uncertain future events. Based on information available, Management believes that adequate provisions have been made for pending litigation, but there can be no assurance that the scope of these matters will not be extended, nor that material lawsuits, claims, legal proceedings or investigations will not arise in the future.

	2022/23			2021/22		
DKK million	Legal claims	Other	Total	Legal claims	Other	Total
Provisions at 1 October	**197**	**408**	**605**	**194**	**12**	**206**
Exchange adjustment	-	-15	**-15**	61	-5	**56**
Additions from acquisitions	-	-	**-**	-	400	**400**
Provisions used during the year	-281	-	**-281**	-361	-	**-361**
Unused provisions reversed during the year	-8	-291	**-299**	-12	-	**-12**
Additional provisions	208	39	**247**	315	1	**316**
Provisions at 30 September	**116**	**141**	**257**	**197**	**408**	**605**
Expected maturities						
Non-current liabilities	17	54	**71**	51	207	**258**
Current liabilities	99	87	**186**	146	201	**347**
Provisions at 30 September	**116**	**141**	**257**	**197**	**408**	**605**
Provisions charged to profit or loss during the year	200	-252	**-52**	303	1	**304**

Note 19, continued

Legal claims
The amounts are gross amounts relating to certain legal claims.

Since 2011, Coloplast, along with a number of other major manufacturers, has been named as a defendant in individual lawsuits in various federal and state courts around the United States alleging injury resulting from use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence. A multidistrict litigation (MDL) was formed in 2012 in the Southern District of West Virginia to consolidate federal court cases in which Coloplast is the first named defendant.

Since the first lawsuits were filed, Coloplast has been intent on disputing the current and any future litigation and has continually considered which strategy and other steps may serve the company's best interests.

Against this background, Coloplast has from the start reached settlements with groups of law firms. In 2017, Judge Joseph Goodwin issued a court order stating that plaintiffs may no longer direct claims against Coloplast in the ongoing MDL. In 2019, the remaining cases were remanded to the relevant Courts, and on 18 December 2020 the MDL was formally closed.

The total amount recognised since the 2013/14 financial year for expected costs of litigation in the USA amounts to DKK 6.35 billion including legal costs (before insurance cover of DKK 0.5 billion).

The total expected expense is based on a number of estimates and assumptions and is therefore subject to uncertainty.

The remaining provision made for legal claims amounted to DKK 0.1 billion at 30 September 2023 (DKK 0.2 billion at 30 September 2022) plus DKK 0.1 billion recognised under other debt (DKK 0.3 billion at 30 September 2022). Liabilities are classified as other debt when agreements are reached with the plaintiffs' legal counsel and amounts and timing become known.

Other
Other liabilities relate to provisions for expenses associated with restructuring, guarantees and other non-legal claims.

The majority of the provisions are related to Atos Medical Inc. (US) which is on a regular basis subject to public audits regarding billing compliance. It is assessed that these audits are associated with a material risk of recoupment and based on the preliminary high-level analysis the maximum exposure was estimated to around DKK 500 million at the acquisition date. The exposure and the related provision has been reassessed during the year, which lead to an adjustment so the provision at 30 September 2023 amounts to DKK 90 million.

Note 20
Credit institutions

Accounting policies
Borrowings from credit institutions are recognised at fair value less expenses incurred and subsequently at amortised cost. Repo debt relates to mortgage bonds forming a part of repo transactions. Repo debt is recognised at amortised cost plus accumulated repo interest.

Note 20, continued

DKK million	2023	2022	Maturity
Repo debt to credit institutions	-	199	Matured in 2022/23
Other borrowings from credit institutions	2,268	1,445	Less than one year
Borrowings from credit institutions at 30 September	**2,268**	**1,644**	
Bonds	16,405	16,359	Matures in 2024, 2027 and 2030
Lease liability	894	705	See note 13 'Right-of-use assets'
Other payables	4	16	More than one year
Marketable securities	-	-219	Matured in 2022/23
Bank balances	-911	-414	Available for withdrawal
Net interest-bearing debt at 30 September	**18,660**	**18,091**	

Other borrowings from credit institutions
Other borrowings from credit institutions mainly comprise drawdowns on revolving credit facilities which are committed for three years on the balance sheet date in addition to minor bank overdrafts on authorised short-term facilities. The borrowings from credit institutions are presented as current liabilities due to its nature as instruments for liquidity management.

Bonds
Coloplast raised in 2021/22 EUR 2.2 billion in debt financing through the issuance of senior unsecured notes in an aggregate principal amount of EUR 2.2 billion under the Coloplast Euro Medium Term Note programme. The Notes are unconditionally and irrevocably guaranteed by Coloplast. COLOCB1 EUR 650 million Floating Rate Note carries a coupon adjusted quarterly. COLOCB2 EUR 850 million carries a fixed coupon for five years, and COLOCB3 EUR 700 million a fixed coupon for eight years. COLOCB2 and COLOCB3 can be redeemed at a market price fixed on the redemption date in relation to named EUR bonds with similar maturity.

A pre-hedge was made with Interest swaps on the two fixed rate bonds COLOCB2 and COLOCB3. The swaps were closed down upon issue of the bonds. The objective was to lock in interest rates to the level prevailing when entering into the swaps. The gain of DKK 521 million has been recognised in the cash flow hedge reserve and transferred to financial items as an offset to the fixed interest coupons during the lifetime of the bonds.

Short name	Currency	Nom. amount, million	Less than one year, million	Within 1 to 5 years, million	More than 5 years, million	Coupon, %[1)]
COLOCB1	EUR	650	672	-	-	4.57
COLOCB2	EUR	850	19	907	-	2.25
COLOCB3	EUR	700	19	77	739	2.75

[1)] Fixed for COLOCB1 as per 17 August 2023. The coupon rate is set as 3M Euribor + 0.75%.

Note 21
Financial instruments by category

Accounting policies

Financial instruments are measured at either amortised cost or fair value. Those financial instruments, which are measured at fair value, can be categorised according to the fair value measurement hierarchy below:
Level 1: Observable prices in active markets for identical instruments.
Level 2: Valuation models primarily based on observable prices or traded prices of comparable instruments.
Level 3: Valuation models primarily based on non-observable prices.

The fair value of forward exchange contracts and other derivative financial instruments are considered a level 2 fair value measurement as the fair value is determined directly based on the published exchange rates and quoted forward exchange rates at balance sheet dates. The fair value of derivative financial instruments is calculated on the basis of current market data.

DKK million	Amortised cost	Fair value through profit or loss (level 1)	Hedging instruments at fair value through OCI (level 2)	Contingent consideration at fair value through profit or loss (level 3)	Total
2023					
Trade receivables	4,315	-	-	-	**4,315**
Other receivables	259	-	53	-	**312**
Cash and cash equivalents	911	-	-	-	**911**
Financial assets	**5,485**	**-**	**53**	**-**	**5,538**
Other credit institutions	2,268				**2,268**
Bonds[2)]	16,405	-	-	-	**16,405**
Trade payables	1,294	-	-	-	**1,294**
Other payables	2,518	-	69	666	**3,253**
Lease liability	894	-	-	-	**894**
Financial liabilities	**23,379**	**-**	**69**	**666**	**24,114**
2022[1)]					
Trade receivables	3,940	-	-	-	**3,940**
Other receivables	325	-	89	-	**414**
Marketable securities[1)]	-	219	-	-	**219**
Cash and cash equivalents	414	-	-	-	**414**
Financial assets	**4,679**	**219**	**89**	**-**	**4,987**
Other credit institutions	1,644	-	-	-	**1,644**
Bonds[2)]	16,359	-	-	-	**16,359**
Trade payables	1,242	-	-	-	**1,242**
Other payables	2,389	-	171	-	**2,560**
Lease liability	705	-	-	-	**705**
Financial liabilities	**22,339**	**-**	**171**	**-**	**22,510**

[1)] The securities portfolio consists of mortgage bonds and corporate bonds. The bond portfolio carried an effective rate of interest of 1-6% (2021/22: 1-6%). [2)] The fair value of the bonds amounts to DKK 15,605 million (DKK 15,636 million 30 September 2022) calculated based on market prices (level 1).

Note 22
Financial risks

Risk management policy
Financial risks are managed centrally and, accordingly, all derivative instruments are managed and controlled by the parent company. The framework is determined by the financial policy approved annually by the Board of Directors. The financial policy comprises policies for foreign exchange, funding, liquidity and financial counterparts. The core principle is for financial risk to be managed with a view to reducing significant risk.

Foreign exchange risk
A number of the Group's financial instruments is exposed foreign exchange risks as a natural consequence of its global activities. The Board of Directors determines the level of risk as a percentage of EBITDA. Foreign exchange risk is calculated by applying the principles of a cash-flow-at-risk model. The foreign exchange risk related to financial instruments is concentrated in receivables, payables and cash positions denominated in foreign currencies. In addition to this, the fair value of the Group's hedging instruments is significantly exposed to changes in foreign exchange rates. On the other hand, there is only a low foreign exchange risk attached to the Group's marketable securities as these are denominated in DKK and EUR. Borrowings from credit institutions, including repo debt, are denominated in DKK, and bonds in EUR.

While EUR is a key currency for the Group, the foreign exchange risk is regarded as low due to fixed exchange rate policy of the central bank of Denmark.

As at 30 September 2023, an average of 59% of the following twelve months of expected net cash flows were hedged (30 September 2022: 59% of the following twelve months of cash flows).

The table below shows how a theoretical change of +/- 2% in all currencies against Danish kroner will impact the financial instruments recognised at the balance sheet date. The impact on profit or loss comes mainly from receivables denominated in foreign currencies. The impact on other comprehensive income relates to the fair value of hedging instruments. The hedged exposure is included in the sensitivity analysis and, therefore, the effect is reduced.

	2022/23					2021/22				
DKK million	USD	GBP	HUF	EUR	Other	USD	GBP	HUF	EUR	Other
Impact from a 2% increase in currencies										
Profit or loss	10	-1	16	-332	106	20	-2	8	-314	24
Other comprehensive income	-18	-25	12	-8	-20	-19	-25	8	-9	-20
Total comprehensive income	**-8**	**-26**	**28**	**-340**	**86**	**1**	**-27**	**16**	**-323**	**4**
Impact from a 2% decrease in currencies										
Profit or loss	-10	1	-16	332	-106	-20	2	-8	314	-24
Other comprehensive income	18	25	-12	8	20	19	25	-8	9	20
Total comprehensive income	**8**	**26**	**-28**	**340**	**-86**	**-1**	**27**	**-16**	**323**	**-4**

The increase and decrease resulting from a 2% change are the same as all hedging instruments are forward contracts.

Note 22, continued

Interest rate risk
64% of the Group's net interest-bearing debt is carrying fixed interest rate for 4-7 years, and 46% is at floating interest rate. The duration as per balance sheet date was 3.7 years. An interest increase of 1% p.a. on COLOCB1 EUR 650 million Floating Rate Note will increase the annual interest expense with DKK 45 million.

Liquidity risk
The exposure to liquidity risks is considered to be low. In addition to cash available for withdrawal and marketable securities, the Group's cash reserves comprise a mix of committed and uncommitted credit facilities to ensure an adequate level of funding for the Group's activities, even in periods of operational uncertainty.

DKK million	2023	2022
Cash and cash equivalents	911	414
Marketable securities	-	219
Liquid assets recorded on the balance sheet at 30 September	**911**	**633**
Committed credit facilities, unutilised (3 years term)	3,577	4,370
Uncommitted credit facilities, unutilised (short-term)	3,259	3,170
Financial reserves at 30 September	**7,747**	**8,173**

The Board of Directors generally intends to distribute excess cash to the shareholders by way of dividends and share buybacks. It is expected that dividends will be paid twice a year: after the Annual General Meeting and after the release of the half-year interim report. However, share buybacks and distribution of dividend will always be made with due consideration for the Group's liquidity requirements and plans.

The capital management objective of the Group is to raise new debt only for acquisition purposes or for other special purposes. The Group assesses the capital on the basis of the solvency ratio, which is calculated in accordance with the guidelines issued by the Danish Society of Financial Analysts.

Credit risk
The Group's credit risk relates to the possibility that the counterparties of its financial assets are not able to meet their obligations as they fall due. The carrying amount of the financial assets represents the maximum credit risk exposure. The Group's policy for managing credit risks involves an ongoing credit assessment of major customers and other key business partners.

The credit risk exposure relates to (i) receivables, (ii) bank deposits, (iii) marketable securities (mortgage bonds and corporate bonds) as well as (iv) derivative financial instruments (forward exchange contracts) with a positive fair value at the balance sheet date.

- The credit risk related to trade receivables and other receivables is diversified over a large number of customers and other counterparties. For this reason, the credit risk is regarded as insignificant. See also note 16.
- The credit risk related to bank deposits is, pursuant to the Group's counterparty policy, managed and mitigated by making money market deposits only with selected financial institutions holding a satisfactory credit rating. In addition, the maximum deposit limits have been defined for each financial counterparty.
- The credit risk related to marketable securities is considered to be limited as investment is only made in selected liquid bonds with a high credit rating.
- The credit risk related to derivative financial instruments is aligned with the credit risk for bank deposits as derivative contracts are only entered with selected financial institutions with a satisfactory credit rating.

Note 23
Derivative financial instruments

Accounting policies

At the initiation of derivative contracts, it is assessed whether they qualify for hedge accounting and the derivatives are classified as either cash flow hedges or fair value hedges. Cash flow hedges relates to highly probable forecasted transactions at a future point in time. Fair value hedges relate to changes in the fair value of assets or liabilities recognised on the balance sheet.

Upon initial recognition, the fair values of derivative financial instruments are recognised as an asset or a liability on the balance sheet date. These are presented together with other receivables or other payables, respectively. The fair values of derivative financial instruments are subsequently remeasured at fair value at each reporting date.

The subsequent value adjustments of cash flow hedges are recognised through other comprehensive income as a cash flow hedge reserve when the hedging relationship continues to meet the effectiveness requirement. The reserve is recognised in the income statement upon realisation of the hedged transactions. Interest hedge of bonds with fixed rate is recognized in the other comprehensive income as reserve for hedging, until the hedged interests will be recognized in the income statement. If a derivative financial instrument used to hedge expected future transactions expires, is sold or no longer qualifies for hedge accounting, any accumulated reserve remains in equity until the hedged transaction is concluded. If a transaction is no longer expected to be concluded, any reserve accumulated under equity is transferred to the income statement.

The subsequent value adjustments of fair value hedges are recognised through profit or loss along with any adjustments of the value of the hedged asset that concern the hedged risk.

Pursuant to the Group's foreign exchange policy, forward exchange contracts are used for the purpose of neutralising and delaying the effect of exchange rate fluctuations in profit or loss and thereby enhance the predictability of the financial results.

The foreign exchange risk is calculated by applying the principles of a cash-flow-at-risk model, with the Board of Directors determining the level of risk as a percentage of operating profit (EBITDA). The risk is managed and mitigated through cash flow hedges and, in some cases, through fair value hedges. Sources of hedging ineffectiveness comprise mainly those that arise from assumptions on expected 12-month rolling cash flows not being realised.

The Group hedges key currencies e.g. USD, GBP, JPY and HUF, and selectively hedges emerging markets currencies taking the cost of hedging into consideration.

The Group does not hedge forecasted cash flows denominated in EUR as the foreign exchange risk is regarded as low due to the fixed exchange rate policy of the central bank of Denmark.

Note 23, continued

Specification of derivative financial instruments held at the balance sheet date.

DKK million	Contract amount at year-end[1)]	Fair value of contract at year-end[2)]	Average exchange rate per the hedging contracts	Expiry period of the contracts
2023				
USD	967	-24	681.34	Oct 23 - Aug 24
GBP	1,360	-21	839.56	Oct 23 - Sep 24
JPY	178	12	5.16	Oct 23 - Sep 24
HUF	-454	22	1.76	Oct 23 - Sep 24
Other currencies	978	2	n/a	Oct 23 - Sep 24
Forward exchange contracts at 30 September, cash flow hedges	**3,029**	**-9**		
Power purchase agreement	63	14		Sep 33
Power purchase agreement at 30 September, cash flow hedges	**63**	**14**		
HUF	277	-7	1.85	Oct 23 - Jan 24
Forward exchange contracts at 30 September, fair value hedges	**277**	**-7**		
Deferred gain on settled interest swaps:				
EUR	2,983	94		May 27
EUR	5,593	325		May 30
Interest swaps at 30 September, to hedge future interest payments	**8,576**	**419**		
2022				
USD	960	-107	671.49	Oct 22 - Aug 23
GBP	1,367	44	859.67	Oct 22 - Aug 23
JPY	177	8	5.54	Oct 22 - Sep 23
HUF	-438	-39	1.82	Oct 22 - Aug 23
Other currencies	953	-6	n/a	Oct 22 - Sep 23
Forward exchange contracts at 30 September, cash flow hedges	**3,019**	**-100**		
HUF	275	18	1.84	Nov 22 - Jan 23
Forward exchange contracts at 30 September, fair value hedges	**275**	**18**		
Deferred gain on settled interest swaps:				
EUR	2,974	120		May 27
EUR	5,577	373		May 30
Interest swaps at 30 September, to hedge future interest payments	**8,551**	**493**		

[1)] Amount is translated to DKK millions using the exchange rates per the hedging contracts. Positive amounts indicate a forecasted sale of the currency in question; negative amounts indicate a forecasted purchase of currency in question.

[2)] Positive amounts indicate that the net fair value of the hedging contracts is an asset. Negative amounts indicate that the net fair value of the hedging contracts is a liability.

Note 24
Specifications of cash flow from operating and financing activities

DKK million	2022/23	2021/22
Net gain/loss on divestment of non-current assets	3	7
Change in other provisions	-281	-3
Other non-cash operating items	58	52
Adjustment for other non-cash operating items	**-220**	**56**
Inventories	-474	-540
Trade receivables	-392	-351
Other receivables, including amounts held in escrow	11	-295
Trade and other payables etc.	-38	337
Changes in working capital	**-893**	**-849**

	2022/23				2021/22			
DKK million	Lease liability	Bonds	Credit facilities	Total	Lease liability	Bonds	Credit facilities	Total
Balance at 1 October	**705**	**16,359**	**1,644**	**18,708**	**626**	**-**	**2,160**	**2,786**
Addition from acquisitions	11	-	-	11	74		4,882	4,956
Additions during the year	452	-	-	452	251	-	-	251
Cash flows	-244	-	622	378	-239	16,367	-5,398	10,730
Exchange and other adjustments	-30	46	2	18	-7	-8	-	-15
Balance at 30 September	**894**	**16,405**	**2,268**	**19,567**	**705**	**16,359**	**1,644**	**18,708**

Note 25
Cash and cash equivalents

Accounting policies
Cash and cash equivalents, recognised under current assets, comprise bank deposits and cash at hand and are measured at fair value.

DKK million	2023	2022
Bank deposits, short term	911	414
Cash and cash equivalents at 30 September	**911**	**414**

Note 26
Public grants

Accounting policies

Public grants comprise of grants for research, development and other investments. Grants for investments are recognised as deferred income, which is recognised systematically in the income statement under production costs from the date when the conditions attaching to them are deemed to be complied with until the date on which the deadline for retaining such conditions expires. Other grants are recognised as income on a systematic basis, so that they are matched with the related costs for which they compensate.

The Group has received DKK 3 million in public grants for research and development purposes (2021/22: DKK 4 million) and DKK 1 million in public grants for investments (2021/22: DKK 5 million). An income of DKK 2 million relating to investment grants has been recognised under production costs in the income statement (2021/22: DKK 13 million).

Note 27
Contingent liabilities and guarantees

As part of the normal course of business, Coloplast is involved in pending litigations, claims and investigations. Provisions for probable losses have been made for those matters Management has assessed as needed, but there are uncertainties associated with these estimates. Please also see note 19 to the financial statements.

Coloplast does not expect any pending litigations, claims and investigations to materially influence the Group's future earnings, cash flows or financial position, neither individually nor in aggregate, in addition to the amounts recognised as provisions.

Bonds in repo transactions have been provided as collateral for repo debt. Bonds provided as collateral were valued at DKK 0 million at 30 September 2023 (DKK 199 million at 30 September 2022). See note 20 to the financial statements for information on interest rate risk relating to bonds.

Note 28
Remuneration of the Board of Directors and Executive Management

The current policy for the remuneration of the Board of Directors and Executive Management was adopted in 2021 and sets out the general guidelines for the remuneration of the Group's management. The guidelines for the remuneration of the Board of Directors and Executive Management are available on the Group website.

In addition to the disclosures provided in this note, more details on the remuneration of Executive Management and Directors are provided in the separate Remuneration report for the Coloplast Group, which is not a part of the audited financial statements. The report is also available on the Group website.

Fees to Board members in respect of the current financial year
Fees to Board members make up DKK 6.9 million (2021/22: DKK 7.0 million) of the total staff costs (see note 5 to the financial statements) and are specified as follows:

DKK million	2022/23	2021/22
Ordinary board member fee	5.3	5.3
Audit Committee	0.9	1.0
Nomination and Remuneration Committee	0.7	0.7
Fee to members of the Board of Directors	**6.9**	**7.0**

In addition, the accounting cost of not-yet-vested share options held by the Chairman amount to DKK 0.1 million in 2022/2023 (2021/22: DKK 0.9 million) of the total staff costs (see note 5 to the financial statements). The accounting cost is calculated in line with IFRS 2 and relates to share options awarded to him during his term as CEO.

Remuneration of members of the Executive Management in respect of the current financial year
Remuneration of members of Executive Management make up DKK 66.9 million (2021/22: DKK 61 million) of the total staff costs (see note 5 to the financial statements) and are specified as follows:

DKK million	2022/23	2021/22
Base salaries	34.4	33.2
Pension	5.0	4.9
Other benefits	1.7	1.9
Cash bonus	9.9	5.7
Remuneration of Executive Management, excluding value of share options and contingent salary items	**51.0**	**45.7**
Share options	15.9	14.9
Contingent bonus schemes	-	0.4
Remuneration of Executive Management	**66.9**	**61.0**

Note 28, continued

The value of share options, which is calculated as the fair value of share options at the grant date using the Black-Scholes Formula in line with IFRS 2, comprise the annual accounting cost of share options awarded in the current and in prior years in accordance with the accounting policies applied. Consequently, it does not represent the fair value of share options awarded or exercised in the current financial year.

If a member of Executive Management is given notice of termination by the company and such termination is not due to breach on the part of the member of Executive Management, such member is entitled to compensation corresponding to a maximum of two years' salary and pension contribution.

Share options are granted to members of Executive Management and senior management. See note 17 to the financial statements for further information regarding share-based payments as well as the separate Remuneration Report for the Coloplast Group, which is not part of the audited financial statements. The report is available on the Group website.

Note 29
Related party transactions

Related parties to the Coloplast Group include members of the Board of Directors and the Executive Management and main shareholders of Coloplast A/S. There were no major transactions with related parties. Information about the remuneration of the Management is set out in note 28 to the financial statements.

Note 30
Fees to auditors appointed by the Annual General Meeting

DKK million	2022/23	2021/22
Statutory audit	13	12
Assurance engagements other than audit	1	1
Tax advisory	3	3
Other services	2	2
Fee to PricewaterhouseCoopers	**19**	**18**

Fee for non-audit services provided to the Group by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark, amounted to DKK 4 million (2021/22: DKK 4 million), relating to tax compliance, transfer pricing, due diligence and other assurance assessments and opinions.

Certain of the Group's subsidiaries are not subject to an audit by PricewaterhouseCoopers.

Note 31
Events occurring after the balance sheet date

No events have occurred after the balance sheet date which are deemed to have a material impact on the financial results or equity at 30 September 2023.

Note 32
Acquisitions

In the financial year 2021/22 Coloplast acquired Atos Medical. See the Annual Report 2021/22 note 32 for further information regarding the acquisition. In 2022/23, Coloplast has changed the purchase price allocation of Atos Medical Group. The subsequent transfer of the intangible assets to Coloplast A/S is considered an integral part of the transaction, and thus, a deferred tax step-up is recognised as part of the purchase price allocation. This was not reflected in the purchase price allocation included in the 2021/22 financial statements. The change resulted in an increase in goodwill of DKK 2,490 million and an increase deferred tax liability of DKK 2,490 million. There is no effect on the statement of comprehensive income or equity. Due to the materiality of the correction, this is treated as an adjustment to prior year figures and notes, where applicable.

On 31 August 2023 Coloplast acquired all shares and voting rights of Kerecis hf. and its subsidiaries at a cash consideration of DKK 7,923 million.

About Kerecis
Kerecis develops, manufactures and sells patented fish-skin soft tissue regeneration products that have regulatory approval in the United States, Europe, and several other jurisdictions. The products are classified as medical devices and Kerecis operates and develops product portfolios in the surgical, chronic and burn segment. The vast majority of Kerecis' sales are in the US. Kerecis is headquartered in Iceland and has 550 employees globally.

Strategic rationale
The transaction gives Coloplast a unique opportunity to strengthen its presence in the advanced wound care market by entering the fast-growing US-centric biologics wound care segment. The acquisition supports Coloplast to expand its position in the US biologics market and in the mid-to long- term also in geographies outside of the US.

Transaction costs
In 2022/23, Coloplast incurred acquisition related costs of DKK 53 million, which has been recognised under special items in the statement of comprehensive income.

Purchase price and contingent consideration
The total purchase consideration amounts to DKK 8,868 million, including cash consideration, deferred consideration and contingent consideration.

Contingent consideration relates to a potential earn-out payment to the previous shareholders of Kerecis. The earn out depends, exclusively, on two targets, revenue and EBITDA, measured from 1 October 2023 to 30 September 2024. Each of the targets are subject to a maximum amount of 50% of the aggregated maximum earn out amount of USD 100 million. Both thresholds are mutual qualifiers and must both be met to trigger any earn-out payment.

Contingent consideration is measured at fair value and classified as a financial liability in Coloplast's consolidated financial statements. The liability is subsequently remeasured to fair value, with changes in fair value recognized in profit or loss.
The fair value of contingent consideration amounts to DKK 648 million at the acquisition date.

Note 32, continued

Fair value of acquired net assets and recognised goodwill
The fair value of the acquired net assets has been identified and goodwill recognised. Net assets, goodwill and contingent assets and liabilities recognised at the reporting date are preliminary. Adjustments may be applied to the purchase price allocation for a period of up to 12 months from the acquisition date in accordance with IFRS 3.

Intangible assets consist of customer relationships (DKK 324 million) and patent and trademarks (DKK 2,835 million). Customer relationships consist of access to In-patients (private offices and hospitals) and out-patients (private clinics). Patent and trademarks consist of developed technology (production know-how and patents) and the corporate trademark, Kerecis. The fair value of acquired trade receivables is DKK 179 million. Trade receivables have only been subject to insignificant write-downs.

After recognition of identifiable assets and liabilities at fair value, goodwill related to the acquisition amounts to DKK 6,184 million. Goodwill is mainly related to the expertise and know-how of the acquired workforce. It will not be deductible for tax purposes.

Details of the purchase consideration, the assets and liabilities recognised as a result of the acquisition are as follows:

DKK million	Preliminary fair value at date of acquisition (31/08/2023)
Assets identified at fair value:	
Customer relationships	324
Patents and trademarks	2,835
Property, plant and equipment	19
Right-of-use assets	11
Deferred tax assets	17
Inventories	35
Trade and other receivables	179
Cash and cash equivalents	194
Total assets	**3,614**
Liability identified at fair value:	
Lease liabilities	11
Corporate tax	6
Trade and other payables	253
Deferred tax liability	660
Total liability	**930**
Total net assets acquired	**2,684**
Goodwill	6,184
Consideration transferred	**8,868**
Payable consideration	-103
Contingent consideration	-648
Acquired cash	-194
Cash consideration paid	**7,923**

Note 32, continued

Earnings impact
In 2022/23, Kerecis is recognized in consolidated net revenue at DKK 75 million and in consolidated operating profit before special items at DKK 0 million, which also includes around DKK 9 million PPA amortization costs. If the acquisition had occurred on 1 October 2022, consolidated pro-forma revenue and operating profit before special items for the period ended 30 September 2023 of the acquired Group would have been approximately DKK 772 million and DKK 46 million excluding amortizations of intangibles recognized in the acquisition (DKK 103 million).

Kerecis activities is presented as a new operating segment for the Coloplast Group.

Fair value measurement
Material net assets acquired for which significant estimates and judgements have been applied in the fair value assessment have been recognised using the following valuation techniques:

Customer relationships
Customer relationships have been valued using the income-Multi-period Excess Method (MEEM), by which the present value of future cash flows from recurring contract customers expected to be retained after the date of acquisition has been valuated using a WACC of 11.9% as discount rate. The main input drivers in the MEEM model used are the estimated future retention rate and net cash flow of the acquired contract customer base. These inputs have been estimated based on Management's professional judgement from analysis of the acquired customer base, historical data and general business insight.

Patent and trademarks
Technology has been measured by applying the income-based relief from royalty method to the revenue stream. The discount rate applied is 10.9% which is deemed a fair reflection of the risk comprised in the technology, which is well protected and unique for the industry.

The corporate trademark, Kerecis, is valued by applying the income-based relief from royalty method, where the royalty rate is based on benchmark study of valuations from former transactions with similar assets. The discount rate applied is 11.9% which is deemed a fair reflection of the risk comprised in the corporate trademarks.

Trade receivables and payables
Trade receivables and trade payables have not been fair value adjusted as the current provisions are sufficient in terms of potential losses based on historical information.

Note 33
Company overview

Company	Country	Ownership
Parent company		
Coloplast A/S	Denmark	
Sales subsidiaries		
Coloplast de Argentina SA	Argentina	100%
Coloplast Pty Ltd	Australia	100%
Coloplast Ges.m.b.H.	Austria	100%
Coloplast Belgium NV/SA	Belgium	100%
Coloplast do Brasil Ltda.	Brazil	100%
Coloplast Canada Corporation	Canada	100%
Coloplast (China) Medical Devices Ltd.	China	100%
Coloplast (Hong Kong) Ltd.	China	100%
Coloplast S.A.S	Columbia	100%
Coloplast Czech s.r.o.	Czech Republic	100%
Coloplast Danmark A/S	Denmark	100%
Coloplast Oy	Finland	100%
Laboratoires Coloplast S.A.S.	France	100%
Lilial S.A.S.	France	100%
Coloplast GmbH	Germany	100%
Coloplast (India) Private Limited	India	100%
Coloplast Israel Ltd.	Israel	100%
Coloplast S.p.A.	Italy	100%
Coloplast K.K.	Japan	100%
Coloplast Korea Limited	Korea	100%
Coloplast B.V.	Netherlands	100%
MC Europe BV	Netherlands	100%
Coloplast Norge AS	Norway	100%
Coloplast Sp. zo.o.	Poland	100%
Coloplast II Portugal, Unipessoal Lda	Portugal	100%
Coloplast Portugal, Sociedade Unipessoal, Lda	Portugal	100%
Coloplast LLC	Russia	100%
Coloplast Slovakia s.r.o.	Slovakia	100%
Coloplast Productos Médicos S.A	Spain	100%
Coloplast AB	Sweden	100%
Coloplast AG	Switzerland	100%
Coloplast Taiwan Co., Ltd.	Taiwan	100%
Coloplast Turkey Medikal Gereçler San. ve Tic. A.Ş.	Turkey	100%
Charter Healthcare Limited	UK	100%
Coloplast Limited	UK	100%
Porges UK Limited	UK	100%
Affordable Medical LLC	USA	100%
Coloplast Corp.	USA	100%
Comfort Medical, LLC	USA	100%
Rocky Mountain Medical, LLC	USA	100%
Zi-Med Supply Co., Inc.	USA	100%
Sales subsidiaries - Kerecis group		
Kerecis GmbH	Germany	100%
Kerecis hf.	Iceland	100%
Kerecis AG	Switzerland	100%
Kerecis LLC	USA	100%
Sales subsidiaries - Atos group		
Atos Medical Pty Ltd	Australia	100%
Atos Medical Austria GmbH	Austria	100%
TRACOE Medical GmbH	Austria	100%
Atos Medical BVBA	Belgium	100%
Atos (Beijing) Medical Technology CO. Ltd	China	100%
Atos Medical ApS	Denmark	100%
Atos Medical SAS	France	100%
Atos Medical GmbH	Germany	100%
Atos Medical Srl	Italy	100%
Atos Medical Japan Inc.	Japan	100%
Atos Medical BV	Netherlands	100%
Atos Medical Ltd.	New Zealand	100%
Atos Medical AS	Norway	100%
Atos Medical S.L.	Spain	100%
Atos Medical UK Ltd.	UK	100%
Kapitex Healthcare Ltd	UK	100%
Atos Medical Inc.	USA	100%

Note 33, continued

Company	Country	Ownership
Manufacturing subsidiaries		
Coloplast (China) Ltd.	China	100%
Coloplast Volume Manufacturing Costa Rica S.A.	Costa Rica	100%
Coloplast Manufacturing France S.A.S.	France	100%
Coloplast Distribution GmbH	Germany	100%
TRACOE Medical GmbH	Germany	100%
Coloplast Hungary Kft.	Hungary	100%
Viruxal ehf	Iceland	100%
Coloplast Manufacturing Portugal, Unipessoal LDA	Portugal	100%
Atos Medical AB	Sweden	100%
Coloplast Medical Limited	UK	100%
Coloplast Manufacturing US, LLC	USA	100%

Company	Country	Ownership
Other		
Coloplast Ejendomme A/S	Denmark	100%
Mercure Medical (société à responsabilité limité)	France	100%
Heimomed Heinze Gmbh & Co KG	Germany	100%
Heimomed Heinze Verwaltungs-GmbH	Germany	100%
iSKiA GmbH & Co KG	Germany	100%
iSKiA Verwaltungs-GmbH	Germany	100%
Kerecis Services ehf	Iceland	100%
Coloplast Finance B.V.	Netherlands	100%
Coloplast Business Centre Sp. zo.o.	Poland	100%
Atos Medical Holding	Sweden	100%
XTR Holding Ltd.	UK	100%
Francis Medical	USA	13%
Griffin Laboratories Inc.	USA	100%

Coloplast representative offices and branches

Dubai	Singapore
Hungary	South Africa
New Zealand	Ukraine
Saudi Arabia	

Atos group representative offices and branches

Bahrain	Korea
Czech Republic	Portugal
Finland	Switzerland
Hungary	

Note 34
Definitions of key ratios

The ratios are calculated and applied in accordance with Recommendations and Financial Ratios issued by the Danish Society of Financial Analysts. Key ratios are shown on page 4 and 5.

EBIT

Earnings before interest and tax

EBITDA

Earnings before interest, tax, depreciation and amortisation

Invested capital

Assets less cash, less marketable securities plus accumulated goodwill amortised before 1 October 2002 less non-interest bearing debt including provisions

EBIT margin, %

EBIT as a percentage of revenues

Return on average invested capital (ROIC), %

EBIT as a percentage of invested capital (average)

Return on equity, %

Profit for the year attributable to Coloplast as a percentage of equity before minority interests (average)

Equity ratio, %

Equity at year-end as a percentage of total assets at year-end

Net asset value per share, DKK

Equity excluding minority interests per outstanding share

Market price/net asset value per share

Market price per share relative to net asset value per share

PE, price/earnings ratio

Market price per share relative to earnings per share (EPS)

Payout ratio, %

Dividend declared as a percentage of profit for the year attributable to Coloplast

Earnings per share (EPS)

Profit for the year attributable to Coloplast per outstanding share (average of four quarters)

Free cash flow per share

Free cash flow per outstanding share (average of four quarters)

Consolidated sustainability performance tables

Basis of preparation
General accounting policies

Scope
Unless otherwise stated, the data and reporting included in the performance tables cover the entire Coloplast organisation, i.e., production sites, distribution centres, administration, sales and representative offices. Voice and Respiratory Care is included in the reported data for the first time in 2022/23. Furthermore, Voice and Respiratory Care is included in the base year 2018/19 in relation to greenhouse gas emissions. Due to the acquisition of Kerecis late in the financial year, we are not able to include this new business in our reporting. We are currently addressing how to include Kerecis in ESG-related data and aim to include Kerecis in our first Corporate Sustainability Reporting Directive (CSRD) compliant reporting for 2024/25.

For water, waste and energy, the reporting scope covers Coloplast's headquarters, production sites and distribution centres. Coloplast has eleven production sites (Mørdrup, Tatabanya 1, Tatabanya 2, Nyírbátor, Zhuhai, Mankato, West River Road/Minneapolis, Sarlat, Cartago, Hörby and Nieder-Olm), the corporate headquarters (Humlebæk) and three global distribution centres (Hamburg, Atlanta, and Tatabanya).

Environmental data
Waste

(Part of PwC's limited assurance report 2022/23)

Accounting policies
Waste is based on invoiced and/or weighted amounts from the production sites, major distribution centres and corporate headquarters and is reported based on the waste generation registered. Waste splits pertaining to disposal methods are reported based on data registered. Waste per product is calculated based on data registered and number of Coloplast products registered in our master data.

Tonnes	2022/23	2021/22	2020/21	2019/20
Hazardous waste	603	522	512	608
Landfill	426	460	418	1,028
Incineration	2,898	3,348	5,295	7,219
Recycled	11,483	10,862	8,453	6,242
Total	**15,410**	**15,192**	**14,678**	**15,097**

Grams	2022/23	2021/22	2020/21	2019/20
Waste generated per product	11.6	11.4	11.5	11.8

CONSOLIDATED SUSTAINABILITY PERFORMANCE TABLES
Environmental data

Water

(Part of PwC's limited assurance report 2022/23)

Accounting policies

Total water use includes invoiced and/or metered amounts from production sites, major distribution centers, corporate headquarters, and the office of Coloplast's Swedish sales subsidiary, and is based on registered consumption.

m3	2022/23	2021/22	2020/21	2019/20
Total water use	261,925	259,439	266,521	248,709

Energy

(Part of PwC's limited assurance report 2022/23)

Accounting policies

Data on energy consumption is obtained from invoiced consumption from our utility providers and/or from readings of meters at production sites, major distribution centers, corporate headquarters, and the office of Coloplast's Swedish sales subsidiary, and it is based on registered consumption. Energy per product is calculated as total energy consumption in kWh per number of Coloplast products registered in our master data. Electricity from renewable sources is related to Coloplast's purchased electricity certificates and is disclosed as a percentage of total energy.

MWh	2022/23	2021/22	2020/21	2019/20
Natural gas	37,440	45,473	55,767	52,836
Coal or fuel distilled from crude oil	100	10	105	5
Electricity	130,335	117,739	111,832	109,499
District heating and cooling	-	0	-	-
Total energy use	**167,875**	**163,222**	**167,704**	**162,340**

Percent	2022/23	2021/22	2020/21	2019/20
Renewable energy as share of total	78	72	67	67

kWh	2022/23	2021/22	2020/21	2019/20
Energy use per product	0.13	0.12	0.13	0.13

GHG emissions

(Part of PwC's limited assurance report 2022/23)

Accounting policies

Scope 1 and 2: Emissions reported cover all Coloplast production sites (Mørdrup, Tatabanya 1 and 2, Nyírbátor, Zhuhai, Mankato, West River Road/Minneapolis, Sarlat, Cartago, Hörby and Nieder-Olm), Coloplast headquarters and three major distribution centres (Germany, Hungary and US).

Leased company cars covers emissions from all leased company cars submitted by local affiliates. Emissions are calculated using average CO2 emission factors multiplied by the average distance travelled per car. To accommodate actual driving patterns, a correction factor is used. Data on Volatile organic compounds (VOCs) is based on amounts handled in air cleaning systems. Data on Hydrofluorocarbon (HFC) gasses is obtained from local registrations and/or invoices. Emissions from electricity consumption are based on International Energy Agency (IEA) country-specific GHG emission factors. Emissions from the other consumption categories are based on emission factors from IPCC (HFCs), IEA (district heating) and the Danish Energy Agency (natural gas). Per product and per revenue emission are measured as total emissions (scope 1 & 2) in tonnes CO2e divided by the total number of Coloplast products or revenue in million DKK, respectively.

Scope 3: GHG emissions reported are aligned with the Greenhouse Gas Protocol Accounting and Reporting Standard and include categories considered material to Coloplast. Quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases. As data quality for remaining scope 3 categories improves, we plan to expand the assurance of our reporting.

Purchased goods and services:

- Raw materials: Covers all ingoing raw materials registered in Coloplast's primary ERP production data management system and spend data registered in the ERP system used within Voice and Respiratory Care. Does not include goods contract manufactured for Coloplast, production equipment and other capital goods, processing aids and other supporting materials.
- Contract manufacturing: Covers GHG emissions from outsourced production, e.g., finished goods produced by external suppliers under the Coloplast brand. Emissions from outsourced production are calculated using Coloplast's average CO2 scope 1 & 2, and emissions resulting from raw materials used.

Transportation of goods:

- Upstream transportation: Based on supplier-provided data covering all transportation between Coloplast sites, sterilization sites and distributors in Emerging Markets. Main suppliers with spending above 2%, in total accounting for approximately 90% of upstream transportation spending, were included in 2022/23. Data from Voice and Respiratory Care are based on spend, and emissions are estimated from Coloplast's intensity emission factor per spend.

Business travels:

- Based on data from Coloplast's global travel agents and calculated using the VDR standard for corporate travel. Data from global travel agents accounted for more than 70% of total business air travel costs in 2022/23. The remaining data relating to air travel costs were extrapolated based on the average amount of CO2e per spend to ensure completeness of data.

Leased assets (upstream):

- Energy consumption in sales offices, subsidiaries and local/regional warehouses: Covers all sales offices, subsidiaries and regional warehouses, which are primarily leased. Emissions are based on the number of FTE's working there and are calculated using a conversion factor from the UN Environment Programme Global Status Report for Buildings.

Emissions for the base year 2018/19 have been recalculated to include Voice and Respiratory Care, which was added to Coloplast's emissions accounting in 2022/23. The recalculation is based on assumed, pre-acquisition annual revenue growth of 8% for Voice and Respiratory Care from 2018/19 to 2021/22. We plan to further refine this recalculation to reflect the structural and methodological changes in line with SBTi and Greenhouse Gas Protocol requirements and seek revalidation by SBTi during 2023/24.

All emission data are rounded to the nearest 100.

GHG emissions, continued

(Part of PwC's limited assurance report 2022/23)

Tonnes CO2e	2022/23	2021/22	2020/21	Base year 2018/19[1)]
Scope 1: Direct emissions				
Natural gas	7,600	9,300	11,400	11,200
VOCs and HFC gasses	300	300	200	300
Leased company cars[3)]	13,300	10,700	12,000	12,000
Total	**21,200**	**20,300**	**23,600**	**23,500**

Tonnes CO2e	2022/23	2021/22	2020/21	Base year 2018/19[1)]
Scope 2: Indirect emissions[2)]				
Electricity (market-based)	0	0	0	0
Electricity (location-based)	32,200	30,000	29,200	34,600
Total[4)]	**0**	**0**	**0**	**0**
Total scope 1 and 2	**21,200**	**20,300**	**23,600**	**23,500**

	2022/23	2021/22	2020/21	Base year 2018/19[1)]
Scope 1 and 2 emission intensity				
Scope 1 and 2 emission intensity per product[3)], grams CO2e	15	15	19	19
Scope 1 and 2 emission intensity per revenue, tonnes CO2e/DKK million	0.9	0.9	1.2	1.2

Tonnes CO2e	2022/23	2021/22	2020/21	Base year 2018/19[1)]
Scope 3: Other relevant indirect emissions				
Purchased goods and services: Raw materials	117,700	110,300	103,100	96,300
Purchased goods and services: Contract manufacturing	7,300	6,700	5,300	8,100
Purchased goods and services, total	**125,000**	**117,000**	**108,400**	**104,400**
Transportation of goods: Upstream transportation	**21,600**	**17,600**	**15,500**	**22,200**
Business travel	**7,400**	**5,600**	**2,300**	**12,600**
Leased assets (upstream)	**4,200**	**4,800**	**4,700**	**4,700**
Total scope 3: Other relevant indirect emissions	**158,200**	**145,000**	**130,900**	**143,900**

[1)] Base year emissions have been recalculated to include Voice and Respiratory Care, which was added to Coloplast's emissions accounting in 2022/23.
[2)] Market-based method is used to report scope 2 emissions and for tracking progress. Location-based electricity was 32,200 tonnes CO2e in 2022/23 and 30,000 tonnes CO2e. in 2021/22 [3)] Figure for 2020/21 has been adjusted due to improved data quality. [4)] RECs purchased to cover 100% of electricity used in our own operations.

GHG emissions, continued

(Not part of PwC's limited assurance report 2022/23)

Accounting policies

Scope 3: GHG emissions reported have been identified as material for Coloplast

- Purchased goods and services: Sterilisation: Includes emissions from external sterilization of Coloplast products. The calculation is based on energy consumption at selected, representative sterilisation facilities. Emissions from transportation of Coloplast products to/from sterilisation facilities are included in upstream transportation of goods.
- Fuel and energy-related activities (not included in scope 1 or 2) include (1) upstream emissions from natural gas consumption, (2) upstream fuel emissions from electricity consumed (market-based), (3) trade-adjusted emissions from transmission and distribution of electricity, and (4) upstream emissions of fuels used in Coloplast leased car fleet. Emission factors from DEFRA are used for 1, 2 and 4. Emission factors from IEA are used for 3.
- Transportation of goods: Downstream transportation: Emissions reported by selected carriers are extrapolated to the reporting periods using carrier-specific quantities.
- Waste generated in operations: Emissions from waste management are based on actual waste amounts reported to be sent to recycling, incineration or landfilling, and emission factors from DEFRA.

Emissions for the base year 2018/19 have been recalculated to include Voice and Respiratory Care, which was added to Coloplast's emissions accounting in 2022/23. The recalculation is based on assumed, pre-acquisition annual revenue growth of 8% for Voice and Respiratory Care from 2018/19 to 2021/22. We plan to further refine this recalculation to reflect the structural and methodological changes in line with SBTi and Greenhouse Gas Protocol requirements and seek revalidation by SBTi during 2023/24.

All emission data are rounded to the nearest 100.

Tonnes CO2e	2022/23	2021/22	2020/21	Baseline year 2018/19[1)]
Scope 3: Other relevant indirect emissions				
Purchased goods and services: Sterilisation	2,500	2,400	2,400	2,100
Fuel and energy-related activities	6,600	6,300	10,100	10,200
Transportation of goods: Downstream transportation	7,800	6,800	9,500	9,400
Waste generated in operations	700	700	900	900
Total Scope 3: Other relevant indirect emissions	**17,600**	**16,200**	**22,900**	**22,600**
Total scope 3	**175,800**	**161,200**	**153,800**	**166,500**
Total scope 1, 2 and 3	**197,000**	**181,500**	**177,400**	**190,000**

[1)] Base year emissions have been recalculated to include Voice and Respiratory Care, which was added to Coloplast's emissions accounting in 2022/23.

Social data

Employees

(Not part of PwC's limited assurance report 2022/23)

Accounting policies

Employee headcount includes all active full-time and part-time contracts. European markets include: UK, Germany, France, the Nordics, Benelux, Austria, Switzerland, Italy, Spain, Denmark and Hungary. Other developed markets include: USA, Canada, Japan and Australia. Emerging markets include countries not listed in the other categories for all remaining markets in Americas, Asia, Africa, Europe and Oceania plus production in China.

Female employees total, female managers and female senior leaders all include both active employees and employees on leave of absence. Managers include all positions at or above Manager level. Senior leaders include the Executive Leadership Team, Senior Vice Presidents and Vice President positions.

Employee turnover indicates the share of employees who have left Coloplast within the last year out of an average employee headcount. The employee engagement score is based on a 0-10 scale, where 10 indicates the highest engagement level.

Number	2022/23	2021/22	2020/21	2019/20
Employee headcount				
Blue-collar	6,194	5,736	5,324	5,488
White-collar[1)]	9,169	7,951	7,501	7,080
Total[2)]	**15,363**	**13,687**	**12,825**	**12,568**
Regions				
European markets	9,647	8,502	8,056	8,173
Other developed markets	1,846	1,520	1,501	1,351
Emerging markets	3,870	3,665	3,268	3,044
Total[1)]	**15,363**	**13,687**	**12,825**	**12,568**

Percentage	2022/23	2021/22	2020/21	2019/20
Gender diversity				
Female employees total	62	63	63	64
Female managers	47	45	46	43
Female senior leaders	26	21	24	24
Employee turnover				
Voluntary turnover	10.1	10.6	10.1	8.3
Total turnover	15.0	14.3	13.3	13.1

	2022/23	2021/22	2020/21	2019/20
Employee engagement				
Response rate, %	91	90	90	88
Engagement score, index[3)]	8.1	8.2	8.2	7.9

[1)] Figures for 2020/21 has been restated due to improved data quality. [2)] Excluding Kerecis employees. Kerecis employed 550 headcounts as per 30 September 2023. [3)] Due to the introduction of a new engagement survey, the engagement score for 2019/20 is not comparable with data previously reported

Employees, continued

(Part of PwC's limited assurance report 2022/23)

Accounting policies

Occupational injuries and accidents (LTI freq.) are calculated as the number of injuries per one million working hours for Coloplast employees and temporary workers. An occupational injury is defined as an injury resulting in absence from work for more than one day.

LTI frequency	2022/23	2021/22	2020/21	2019/20
Occupational injuries and accidents (all employees)[1)]	2.6	2.5	2.2	2.5

[1)] Figures for 2021/22 has been restated due to improved data quality

Anti-corruption

(Part of PwC's limited assurance report 2022/23)

Accounting policies

White-collar employees trained in Code of Conduct indicates the percentage of active white-collar employees who have completed an e-learning module and a test in our Code of Conduct at the end of the accounting year. Numbers are based on registrations in Coloplast's learning management system. Only employees that have been with Coloplast for more than 45 days are included in the reporting (excluding long term leave such as maternity leave, long sick leave etc. and excluding personnel not employed by Coloplast such as contractors or consultants). Cases submitted to the Ethics Hotline include all cases reported either directly via the Ethics Hotline system or through line management. The scope of relevant cases for the Ethics Hotline includes violations of all topics covered by Coloplast's Code of Conduct, Coloplast BEST. Business Ethics & Compliance cases reported via the Ethics Hotline are investigated via Coloplast's standard global compliance investigations process. Substantiated cases are defined as closed cases in which the investigation has validated the raised concern(s) and further corrective measures are then taken. Not all cases are substantiated.

Percent	2022/23	2021/22	2020/21	2019/20
White-collar employees trained in Code of Conduct	99	100	99	98

	2022/23	2021/22	2020/21	2019/20
Cases submitted to the Ethics Hotline, no.	75	70	61	78
Of which within scope, no.	42	48	32	63
Substantiation rate for cases closed in 2022/23, %	58	-	-	-

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the Annual Report of Coloplast A/S for the financial year 1 October 2022 – 30 September 2023.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and further requirements set out in the Danish Financial Statements Act.

The parent company financial statements have been prepared in accordance with the Danish Financial Statements Act. In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 30 September 2023 and of the results of the Group's and the parent company's operations and the cash flows for the Group for the financial year 1 October 2022 – 30 September 2023.

In our opinion, the Management's report includes a fair account of the development and performance of the Group and the parent company, the results for the year and of the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that the Group and the parent company face.

In our opinion, the Annual Report for the financial year 1 October 2022 to 30 September 2023 with the file name Coloplast-2023-09-30-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

In our opinion , the Consolidated Sustainability Performance Tables represent a reasonable, fair, and balanced representation of the Group's environmental, social and governance (ESG) performance and are prepared in accordance with the stated accounting policies.

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

Humlebæk, 9 November 2023

Executive Management

Kristian Villumsen
President, CEO

Anders Lonning-Skovgaard
Executive Vice President, CFO

Nicolai Buhl Andersen
Executive Vice President

Paul Marcun
Executive Vice President

Allan Rasmussen
Executive Vice President

Board of Directors

Lars Rasmussen
Chairman

Niels Peter Louis-Hansen
Deputy Chairman

Carsten Hellmann

Annette Brüls

Jette Nygaard-Andersen

Marianne Wiinholt

Thomas Barfod
Elected by the employees

Roland V. Pedersen
Elected by the employees

Nikolaj Kyhe Gundersen
Elected by the employees

Independent Auditor's Reports

To the shareholders of Coloplast A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements (pages 83-139) give a true and fair view of the Group's financial position at 30 September 2023 and of the results of the Group's operations and cash flows for the financial year 1 October 2022 to 30 September 2023 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements (pages 159-168) give a true and fair view of the Parent Company's financial position at 30 September 2023 and of the results of the Parent Company's operations for the financial year 1 October 2022 to 30 September 2023 in accordance with the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements of Coloplast A/S for the financial year 1 October 2022 to 30 September 2023 comprise statement of comprehensive income, statement of cash flows, balance sheet, statement of changes in equity and notes, including summary of significant accounting policies.

The Parent Company Financial Statements of Coloplast A/S for the financial year 1 October 2022 to 30 September 2023 comprise income statement, balance sheet and notes, including summary of significant accounting policies.

Collectively referred to as the "Financial Statements".

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

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Coloplast A/S on 12 June 1998 for the financial year 1997/98. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of 26 years including the financial year 2022/23.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2022/23. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Accounting for the acquisition of Kerecis hf. On 31 August 2023, Coloplast acquired Kerecis hf. ("Kerecis") for a cash consideration of DKK 7,923 million. Identification of assets and liabilities as part of the acquisition of Kerecis is considered a key judgement by Management, whereas the determined fair values of the identified assets and liabilities are considered to be key estimates applied by Management. The preliminary purchase price allocation was performed with assistance from an independent valuer expert, who advised on the applied valuation techniques and significant assumptions, in particular in respect of the preliminary valuation of the identified intangible assets and liabilities. In order to determine the preliminary fair value of the identified intangible assets, the multi-period excess earnings method and the income-based relief method were applied, which uses a number of significant assumptions regarding the expected useful life of customer relationships, revenue growth, profitability, royalty rate, and discount rate. Further, to determine the preliminary fair value of liabilities, the most significant judgement and assumptions relates to the fair value of contingent consideration, including the likelihood of the contingent consideration to be materialised, which, by nature, is subject to significant judgement and estimate by Management. We focused on this area because purchase price allocation requires significant estimation by Management in determining the fair value of identified assets and liabilities, which is significantly sensitive to changes in those applied assumptions. We refer to note 3 and 32 in the Consolidated Financial Statements.	We assessed whether the acquisition met the criteria for a business combination. We verified the assets and liabilities recognised in the opening balance sheet by performing audit procedures in relation to the opening balance sheet. We tested management's process and methodology (including assessing the competence and objectivity of management's expert) for determining fair values. We included our in-house valuation experts to evaluate the appropriateness of the valuation techniques used by management's experts, including tests of the completeness and accuracy of the models. We challenged the significant assumptions, including the expected useful life of customer relationships, revenue growth, profitability, royalty rate and discount rate used to determine the preliminary fair value of the acquired assets and liabilities in the business combination, including intangible assets. We challenged the significant judgement and assumptions made by Management in relation to the preliminary fair value of the contingent consideration. We assessed the appropriateness of the disclosure in note 3 and 32 of the Consolidated Financial Statements.
Recoverability of the carrying amount of goodwill and acquired patents, trademarks and knowhow The Group has goodwill and acquired patents, trademarks and knowhow, totalling DKK 30,718 million at 30 September 2023. The principal risks are related to Management's assessment of the future timing and amount of cash flows that are used to project the recoverability of the carrying amount of goodwill and acquired patents, trademarks and knowhow. There are specific risks related to the amount and timing of projected future cash flows, growth rates, discount rates,	We performed risk assessment procedures to obtain an understanding of the business processes and relevant controls related to the assessment of the recoverable amount. We tested Management's process for determining the recoverable amount and the underlying data used in the impairment tests, including reconciliation of the cash flows to Management approved budget. Further, we evaluated the appropriateness of the methodology used in the impairment tests and Management's assumptions used in the impairment

Key audit matter	How our audit addressed the key audit matter
patent expiry, probability of technical and regulatory success and timing of product launch. Changes in these assumptions could have a significant impact on the recoverable amount of goodwill and acquired patents, trademarks and knowhow. We focused on this area, as the amounts involved are material and there is a high level of subjectivity exercised by Management in estimating future cash flows. We refer to note 11 in the Consolidated Financial Statements.	tests, including the amount and timing of projected future cash flows, growth rates, discount rates, patent expiry, probability of technical and regulatory success, and timing of product launch. In addition, we included our in-house valuation experts to assess the valuation techniques used and to assist with evaluating significant assumptions, including the discount rates applied. We assessed the appropriateness of the disclosure in note 11 of the Consolidated Financial Statements.
Revenue recognition The preparation and negotiation of sales agreements take place with due consideration of territorial healthcare reforms, diverse legislation, increased competition, growth strategies and requirements relating to various tenders. The main part of Coloplast's sales is carried out through distributors, who operate under diverse circumstances and consequently have different requirements that affect the sales agreements. Coloplast's agreements with distributors include rebates and discounts, which fall under certain commercial and government-mandated contracts and reimbursement agreements. These arrangements result in deductions to gross sales in arriving at net sales and give rise to obligations for the Group to provide rebates, discounts and allowances, which for unsettled amounts are recognised as a provision. We focused on these arrangements because they are complex and require significant estimation by Management in establishing an appropriate provision for the unsettled amounts. This includes estimation of sales volumes subject to the rebates, including estimation of applicable rebate rates. We refer to note 3, and 4 in the Consolidated Financial Statements.	We discussed the recognition principles with Management, including sales agreements and the related rebates. We performed risk assessment procedures and obtained an understanding of the IT systems, business processes and relevant controls for revenue recognition, including sales agreement and provisions on rebates. We assessed whether the controls were designed and implemented to effectively address the risk of material misstatements. For selected controls, which we planned to rely on, we tested whether these were performed on a consistent basis. We tested a sample of revenue transactions to underlying sales agreements, including the related rebate. We obtained Management's calculations and evaluated the accuracy hereof. Further, we assessed and tested key data inputs and significant assumptions and recalculated the rebate percentages. We considered the Group's historical provisions by comparing the actual rebate with the rebate percentage estimate used by Management to recognise the provision, including performing a retrospective review of the prior period provision compared to subsequent payments to evaluate the accuracy of Management's estimate and to identify any potential management bias. We assessed the appropriateness of the disclosure in note 3 and 4 the Consolidated Financial Statements.

Independent Auditor's Reports

Statement on Management's Report

Management is responsible for Management's Report (pages 4-82 and page 169).

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

Moreover, we considered whether Management's Report includes the disclosures required by the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Report is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Report.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of parent company 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 Group's and the Parent 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 unless Management either intends to liquidate the Group or the Parent 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 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 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 Group's and the Parent 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 and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation

As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of Coloplast A/S for the financial year 1 October 2022 to 30 September 2023 with the filename Coloplast-2023-09-30-en.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements, including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgement where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements, including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of Coloplast A/S for the financial year 1 October 2022 to 30 September 2023 with the file name Coloplast-2023-09-30-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 9 November 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Mogens Nørgaard Mogensen
State Authorised Public Accountant
mne21404

Rikke Lund-Kühl
State Authorised Public Accountant
mne33507

Independent limited assurance report

To the shareholders of Coloplast A/S

Independent limited assurance report on selected consolidated Social and Environmental data for 2022/23

Coloplast A/S engaged us to provide limited assurance on the selected consolidated Social and Environmental data stated on pages 141-144 and 147-148 in the Annual Report of Coloplast A/S for the period 1 October 2022 - 30 September 2023.

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us to believe that the selected consolidated Social and Environmental data in the Annual Report 2022/23 of Coloplast A/S are not prepared, in all material respects, in accordance with the accounting policies developed by Coloplast A/S as stated on pages 141-144 and 147-148.

This conclusion is to be read in the context of what we say in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over the selected consolidated Social and Environmental data stated on pages 141-144 and 147-148 in the Annual Report 2022/23 of Coloplast A/S, which includes:

- Waste generation
- Water consumption
- Energy consumption
- Share of renewable energy
- GHG emissions, scope 1, 2 and selected scope 3 categories
- Lost time injury frequency
- Code of Conduct training
- Ethics hotline cases

We express limited assurance in our conclusion.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements'. The quantification of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emissions factors and the values needed to combine emissions of different gases.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark. PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1, and thus applies a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and current statutory requirements and other regulation.

Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The selected consolidated Social and Environmental data need to be read and understood together with the accounting policies stated on pages 141-144 and 147-148. The accounting policies used for the preparation of the selected consolidated Social and Environmental data are the applied accounting policies developed by Coloplast A/S, which Management is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure sustainability data allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the selected consolidated Social and Environmental data. In doing so and based on our professional judgement, we:

- Made inquiries and conducted interviews with Coloplast's management with responsibility for management and reporting of selected consolidated Social and Environmental data to assess reporting and consolidation process, use of company-wide systems and controls performed.

Independent limited assurance report

- Performed limited substantive testing on a sample basis to underlying documentation and evaluated the appropriateness of quantification methods and compliance with the accounting policies used for preparation of the selected consolidated Social and Environmental data at corporate head office and in relation to selected Coloplast reporting sites.
- Performed analysis of the selected consolidated Social and Environmental data from all reporting sites, selected based on risk and materiality to the Group.
- Made inquiries to significant development in the selected consolidated Social and Environmental data.
- Considered the disclosure and presentation of the selected consolidated Social and Environmental data.
- Assessed whether Coloplast in relation to the reported greenhouse gas emissions data stated on pages 143-144 has complied with the principles of relevance, completeness, consistency, transparency, and accuracy outlined in the Greenhouse Gas Protocol (WRI and WBCSD, 2001); and
- Evaluated the evidence obtained.

Management's responsibilities

Management of Coloplast A/S is responsible for:

- Designing, implementing, and maintaining internal control over information relevant to the preparation of the selected consolidated Social and Environmental data that are free from material misstatement, whether due to fraud or error;
- Establishing objective accounting policies for preparing the selected consolidated Social and Environmental data;
- Measuring and reporting the selected consolidated Social and Environmental data based on the accounting policies; and
- The content of the selected consolidated Social and Environmental data.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the selected Social and Environmental data for the period 1 October 2022 to 30 September 2023 is free from material misstatement, whether due to fraud or error.
- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and
- Reporting our conclusion to the Shareholders of Coloplast A/S.

Hellerup, 9 November 2023

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31

Mogens Nørgaard Mogensen
State Authorised Public Accountant
mne21404

Rikke Lund-Kühl
State Authorised Public Accountant
mne33507

Parent company financial statements Coloplast A/S

Income statement

1 October - 30 September

DKK million	Note	2022/23	2021/22
Revenue	3	15,410	14,548
Production costs	4	-8,790	-7,182
Gross profit		**6,620**	**7,366**
Distribution costs	4	-1,721	-1,256
Administrative expenses	4, 5	-311	-864
Research and development costs	4	-888	-889
Other operating income		13	11
Other operating expenses		-114	-
Operating profit (EBIT)		**3,599**	**4,368**
Profit/loss after tax on investments in subsidiaries	10	301	682
Financial income	6	1,230	183
Financial expenses	6	-1,132	-363
Profit before tax		**3,998**	**4,870**
Tax on profit for the year	7	-804	-908
Net profit for the year	2	**3,194**	**3,962**

Balance sheet

At 30 September

DKK million	Note	2023	2022
Assets			
Intangible assets	8	19,724	2,121
Property, plant and equipment	9	732	689
Financial assets	10	26,488	19,378
Non-current assets		**46,944**	**22,188**
Inventories	11	1,190	1,240
Trade receivables		491	478
Receivables from Group companies		3,218	3,152
Income tax		220	-
Other receivables		182	183
Prepayments		158	183
Marketable securities		-	219
Cash and cash equivalents		457	201
Current assets		**5,916**	**5,656**
Assets		**52,860**	**27,844**
Equity and liabilities			
Share capital		228	216
Reserve for hedging		423	415
Proposed ordinary dividend for the year		3,595	3,185
Retained earnings		9,551	2,528
Equity	12	**13,797**	**6,344**
Provisions for pensions and similar liabilities	13	2	2
Provision for deferred tax	14	1,033	200
Other provisions	13	-	30
Payable to Group companies		16,405	16,360
Non-current liabilities		**17,440**	**16,592**
Other provisions	13	94	139
Other credit institutions		2,418	1,794
Trade payables		289	373
Payable to Group companies		17,593	1,015
Income tax		-	782
Other payables		1,229	805
Current liabilities		**21,623**	**4,908**
Liabilities		**39,063**	**21,500**
Equity and liabilities		**52,860**	**27,844**
Contingent items and other financial liabilities	15		

Note 1
Accounting policies

Basis of preparation
The parent company's financial statements are presented in accordance with the Danish Financial Statements Act for companies in reporting class D.

The accounting policies of the parent company are the same as those of the Group, but with the addition of the policies described below. The Group's accounting policies are set out in note 1, 2 and 3 to the consolidated financial statements. Other than as set out hereinabove, there have been no changes to the accounting policies relative to last year.

General information
No separate cash flow statement has been prepared for the parent company as per the exemption clause of section 86(4) of the Danish Financial Statements Act. The consolidated cash flow statement is set out on page 85.

Intangible assets
Goodwill is measured at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method over the expected useful life, estimated at 10 years. This estimate was made on the basis of estimated useful lives of the other assets acquired in the transaction.

Property, plant and equipment
Leases, under which substantially all risk and rewards or ownership of an asset are transferred, are classified as finance leases. Other leases are classified as operating leases. No finance leases have been recognised in the parent company's financial statements.

Financial assets
In the parent company's financial statements, investments in subsidiaries and associates are recognised according to the equity method. The share of the results of subsidiaries less unrealised intra-group gains is recognised in the parent company's income statement. Net revaluation of investments in subsidiaries and associates exceeding the dividend declared by such companies is recognised in equity as reserve for net revaluation according to the equity method.

Financial instruments
The accounting policies and other information about derivative financial instruments are set out in note 23 to the consolidated financial statements.

Tax
The parent company is taxed jointly with its domestic subsidiaries. The jointly taxed Danish subsidiaries are covered by the Danish on-account tax scheme. Current tax for jointly taxed companies is recognised in each individual company.

Note 2
Profit distribution

DKK million	2022/23	2021/22
Profit distribution		
Retained earnings	-1,463	-285
Dividend paid during the year	1,062	1,062
Proposed dividend for the year	3,595	3,185
Total	**3,194**	**3,962**

Note 3
Revenue

DKK million	2022/23	2021/22
Business areas		
Intimate healthcare	15,410	14,548
Total	**15,410**	**14,548**
Geographical markets		
Europe	9,538	9,411
Americas	3,962	3,361
Rest of the world	1,910	1,776
Total	**15,410**	**14,548**

Note 4
Staff costs

DKK million	2022/23	2021/22
Specification of staff costs recognised in the financial year		
Salaries, wages and directors' remuneration	1,163	1,148
Pensions	103	98
Other social security costs	10	11
Total	**1,276**	**1,257**
Average number of employees, FTEs	1,371	1,378

See note 28 to the consolidated financial statements for information on the remuneration for the Board of Directors and Executive Management.

Note 5
Fees to auditors appointed by the Annual General Meeting

DKK million	2022/23	2021/22
Statutory audit	6	5
Assurance engagements other than audit	1	1
Tax advisory	3	2
Other services	2	2
Fee to PricewaterhouseCoopers	**12**	**10**

Fee for non-audit services provided to the Parent Company by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark, amounted to DKK 4 million (2021/22: DKK 4 million), relating to tax compliance, transfer pricing, due diligence and other assurance assessments and opinions.

Note 6
Financial income and expenses

DKK million	2022/23	2021/22
Financial income		
Interest income, etc.	51	7
Interest income from Group companies	403	109
Interest hedges	75	27
Net exchange adjustments	661	40
Fair value adjustments, forward contracts	40	-
Total	**1,230**	**183**
Financial expenses		
Interest expenses, etc.	211	48
Interest expenses from Group companies	921	124
Fair value adjustments, forward contracts	-	191
Total	**1,132**	**363**

Note 7
Tax on profit for the year

DKK million	2022/23	2021/22
Current tax on profit for the year	15	994
Change in deferred tax on profit for the year	801	-98
Adjustment of tax relating to prior years	-12	12
Tax on profit for the year	**804**	**908**
Tax on equity entries, income	**-10**	**8**

Note 8
Intangible assets

DKK million	Acquired patents, trademarks and know-how etc.	Goodwill	Software	Prepay-ments and intangible assets in progress	Total 2022/23	Total 2021/22
Cost at 1 October	**2,743**	**1,546**	**578**	**166**	**5,033**	**4,837**
Transfers	-	-	102	-102	**-**	**-**
Additions and improvements during the year	18,140	-	57	160	**18,357**	**196**
Disposals during the year	-	-	-37	-	**-37**	**-**
Cost at 30 September	**20,883**	**1,546**	**700**	**224**	**23,353**	**5,033**
Amortisation at 1 October	**1,422**	**1,121**	**369**	**-**	**2,912**	**2,746**
Amortisation for the year	579	96	79	-	**754**	**166**
Amortisation reversed on disposals during the year	-	-	-37	-	**-37**	**-**
Amortisation at 30 September	**2,001**	**1,217**	**411**	**-**	**3,629**	**2,912**
Carrying amount at 30 September	**18,882**	**329**	**289**	**224**	**19,724**	**2,121**

Note 9
Property, plant and equipment

DKK million	Plant and machinery	Other fixtures and fittings, tools and equipment	Prepay-ments and assets under construc-tion	Total 2022/23	Total 2021/22
Cost at 1 October	**625**	**922**	**281**	**1,828**	**1,687**
Transfers	64	75	-139	**-**	**-**
Additions during the year	15	59	131	**205**	**189**
Disposals during the year	-86	-125	-	**-211**	**-48**
Cost at 30 September	**618**	**931**	**273**	**1,822**	**1,828**
Depreciations at 1 October	**387**	**752**	**-**	**1,139**	**1,026**
Depreciations for the year	39	83	-	**122**	**118**
Depreciations reversed on disposals during the year	-49	-122	-	**-171**	**-5**
Depreciations at 30 September	**377**	**713**	**-**	**1,090**	**1,139**
Carrying amount at 30 September	**241**	**218**	**273**	**732**	**689**

Note 10
Financial assets

DKK million	Investments in Group companies	Receivables from Group companies	Other securities and investments	Total 2022/23	Total 2021/22
Cost at 1 October	**15,575**	**5,074**	**44**	**20,693**	**5,261**
Capital investments	8,993	1,294	14	**10,301**	**16,134**
Divestments	-	-15	-	**-15**	**-3**
Exchange adjustments	290	-140	-	**150**	**-699**
Cost at 30 September	**24,858**	**6,213**	**58**	**31,129**	**20,693**
Value adjustments at 1 October	**-1,322**	**-**	**7**	**-1,315**	**-1,345**
Profit after tax	301	-	-	**301**	**682**
Dividend received	-3,013	-	-	**-3,013**	**-1,639**
Exchange adjustments	-610	-	-	**-610**	**110**
Other adjustments	-4	-	-	**-4**	**877**
Value adjustments at 30 September	**-4,648**	**-**	**7**	**-4,641**	**-1,315**
Carrying amount at 30 September	**20,210**	**6,213**	**65**	**26,488**	**19,378**

See note 33 in the consolidated financial statements for an overview of subsidiaries.

Note 11
Inventories

DKK million	2023	2022
Raw materials and consumables	66	61
Work in progress	267	303
Manufactured goods	857	876
Inventories at 30 September	**1,190**	**1,240**

The company has not provided inventories as security for debt obligations.

Note 12
Statement of changes in equity

	Share capital					Total equity	
DKK million	A shares	B shares	Hedging reserve	Proposed dividend	Retained earnings	2022/23	2021/22
Equity at 1 October	**18**	**198**	**415**	**3,185**	**2,528**	**6,344**	**7,031**
Net profit for the year	-	-	-	4,657	-1,463	**3,194**	**3,962**
Value adjustment of hedging	-	-	145	-	-	**145**	**281**
Transferred to financial items	-	-	-114	-	-	**-114**	**164**
Tax effect of hedging	-	-	-23	-	-	**-23**	**11**
Currency adjustment of opening balances and other adjustments relating to subsidiaries	-	-	-	-	-725	**-725**	**-505**
Transactions with shareholders							
Transfer	-	-	-	-	-	**-**	**-**
Acquisition of treasury shares	-	-	-	-		**-**	**-500**
Increase in share capital	-	12	-	-	9,088	**9,100**	
Sale of treasury shares and loss on exercised options	-	-	-	-	73	**73**	**-89**
Share-based payment	-	-	-	-	37	**37**	**33**
Tax on equity entries	-	-	-	-	13	**13**	**-3**
Interim dividend paid out in respect of 2022/23	-	-	-	-1,062	-	**-1,062**	**-1,062**
Dividend paid out in respect of 2021/22	-	-	-	-3,185	-	**-3,185**	**-2,979**
Equity at 30 September	**18**	**210**	**423**	**3,595**	**9,551**	**13,797**	**6,344**

Note 13
Provisions

			Total	
DKK million	Legal claims	Pension	2022/23	2021/22
Provisions at 1 October	**169**	**2**	**171**	**170**
Exchange adjustments	-12	-	**-12**	**60**
Provisions used during the year	-263	-	**-263**	**-359**
Additional provisions	200	-	**200**	**300**
Provisions at 30 September	**94**	**2**	**96**	**171**
Expected maturities				
Non-current liabilities	-	2	**2**	**32**
Current liabilities	94	-	**94**	**139**
Provisions at 30 September	**94**	**2**	**96**	**171**

See note 19 to the consolidated financial statements for more information regarding the litigation about transvaginal surgical mesh products.

Note 14
Deferred tax

DKK million	2023	2022
Calculation of deferred tax is based on the following items		
Intangible assets	1,135	341
Property, plant and equipment	33	36
Production overhead	12	12
Provisions	-43	-46
Jointly taxed companies (recaptured balances)	-	9
Cash flow hedges	-91	-131
Other	-13	-21
Deferred tax at 30 September, net	**1,033**	**200**

Note 15
Contingent items and other financial liabilities

	2023			2022		
DKK million	Rent	Other operating leases	Total	Rent	Other operating leases	Total
Falling due in						
Less than one year	53	25	**78**	54	15	**69**
Within 1 to 5 years	-	8	**8**	4	22	**26**
After more than 5 years	-	-	**-**	-	-	**-**
Other financial liabilities at 30 September	**53**	**33**	**86**	**58**	**37**	**95**

The parent company had provided guarantees for loans raised by Group companies amounting to DKK 648 million at 30 September 2023 (DKK 542 million at 30 September 2022).

The parent company has issued a letter of subordination to the benefit of other creditors of subsidiaries.

The parent company is involved in minor lawsuits, which, other than as described in note 19 to the consolidated financial statements, are not expected to influence the parent company's future earnings.

The parent company is jointly and severally liable for tax on the Group's jointly taxed Danish income, etc.

Bonds in repo transactions have been provided as collateral for repo debt. Bonds provided as collateral were valued at DKK 0 million at 30 September 2023 (DKK 199 million at 30 September 2022).

SHAREHOLDER INFORMATION

Financial calendar, analysts following Coloplast and contact information

Announcements 2022/23

2022

09/2022	Full-year Financial Results 2021/22
10/2022	Annual Report 2021/22 and Remuneration Report 2021/22
11/2022	Sustainability Report 2021/22
12/2022	Notice of Annual General Meeting
13/2022	Decisions of Annual General Meeting 2022
14/2022	Articles of Association

2023

01/2023	Interim Financial Report, Q1 2022/23
02/2023	Interim Financial Report, H1 2022/23
03/2023	Coloplast announces agreement to acquire Kerecis and raises long-term growth expectations
04/2023	Interim Financial Report, 9M 2022/23
05/2023	Major shareholder notification
06/2023	Coloplast launches offering to raise around DKK 9 billion through issue of new B shares in a directed issue and private placement
07/2023	Coloplast announces completion of offering of 12.2 million new B shares in a directed issue and private placement
08/2023	Coloplast announces registration of share capital increase of 12.2 new B shares completed
09/2023	Financial Calendar 2023-24

Financial calendar 2022/23

2023

11 October	Silent period until 9 November
25 October	Deadline for submission of agenda points for the Annual General Meeting
9 November	Financial Statements for the full year 2022/23 and Annual Report 2022/23
7 December	Annual General Meeting 2023
12 December	Dividends for 2022/23 at the disposal of shareholders
23 December	Silent period until 9 February 2024

2024

9 February	Interim Financial Statements for Q1 2023/24
8 April	Silent period until 7 May
7 May	Interim Financial Statements for H1 2023/24
1 July	Silent period until 20 August
20 August	Interim Financial Statements for 9M 2023/24
7 October	Silent period until 5 November
23 October	Deadline for submission of agenda points for the Annual General Meeting
5 November	Financial Statements for the full year 2023/24 and Annual Report 2023/24
5 December	Annual General Meeting 2024
10 December	Dividends for 2023/24 at the disposal of shareholders

Banks and stockbroking companies following Coloplast

ABG Sundal Collier
AlphaValue
Barclays
Berenberg
Bernstein
BofA Securities
Carnegie
CFRA
Citi
Danske Bank
DNB
Equita
Goldman Sachs
Handelsbanken
HSBC
Jefferies
J.P. Morgan
Jyske Bank
Kepler Cheuvreux
Morgan Stanley
Morningstar Inc.
Nordea
Nykredit
ODDO BHF
RBC
Redburn
SEB
Sydbank
UBS

Investor Relations contacts

Aleksandra Dimovska
Senior Director, Investor Relations
Tel. +45 49 11 24 58
Email: dkadim@coloplast.com

Kristine Husted Munk
Senior Manager, Investor Relations
Tel. +45 49 11 32 66
Email: dkkhu@coloplast.com

The Coloplast story begins back in 1954. Elise Sørensen is a nurse. Her sister Thora has just had an ostomy operation and is afraid to go out in public, fearing that her stoma might leak. Listening to her sister's problems, Elise conceives the idea of the world's first adhesive ostomy bag.

Based on Elise's idea, Aage Louis-Hansen, a civil engineer and plastics manufacturer, and his wife Johanne Louis-Hansen, a trained nurse, created the ostomy bag. A bag that does not leak, giving Thora – and thousands of people like her – the chance to live the life they want.

A simple solution that makes a difference.

Today, our business includes Ostomy Care, Continence Care, Advanced Wound Care, Interventional Urology, and Voice and Respiratory Care. We operate globally and employ close to 16,000 employees.

Ostomy Care | Continence Care | Advanced Wound Care | Interventional Urology | Voice and Respiratory Care

Coloplast A/S
Holtedam 1
3050 Humlebaek
Denmark

Company registration (CVR) No. 69 74 99 17