Annual Report 2025

Demant

Demant A/S
Kongebakken 9
2765 Smørum, Denmark
CVR no. 71186911
1 January – 31 December 2025

About this report

We are pleased to present Demant's Annual Report 2025, prepared as an integrated report in accordance with the reporting framework of the International Financial Reporting Standards (IFRS) and the EU Corporate Sustainability Reporting Directive (CSRD) and its European Sustainability Reporting Standards (ESRS). It encompasses both financial and sustainability performance for the full calendar year 2025 presented in our Management statement, Sustainability statement and Financial statements.

Annual Report 2025 addresses how we create value for all our stakeholders as a leading hearing healthcare company and the impact we have on the environment and society. It provides a comprehensive overview of our strategy and business model, the risks and opportunities we face as well as our financial, environmental, social and governance performance.

All information related to the ESRS disclosure requirements is provided with the corresponding ESRS reference throughout Annual Report 2025. You can find an overview of all the disclosure requirements included and their location on pages 106-114.

You can find the auditor's reports in the Signatures section on page 199.

In the Document library of our News and media section on www.demant.com, we provide access to all our reports, including our Remuneration Report, which offers an overview of the remuneration of the Executive Board and the Board of Directors in 2025, and the Corporate Governance Report, which includes information on the company's management structure and a review on how we address corporate governance pursuant to section 107b of the Danish Financial Statements Act and the Nordic Main Market Rulebook for Issuers of Shares prepared by Nasdaq.

Thank you for your interest in this Annual Report 2025. We hope it provides valuable insights and that you enjoy reading it.

www.demant.com/reports-2025/remuneration-report-2025

www.demant.com/reports-2025/corporate-governance-report-2025

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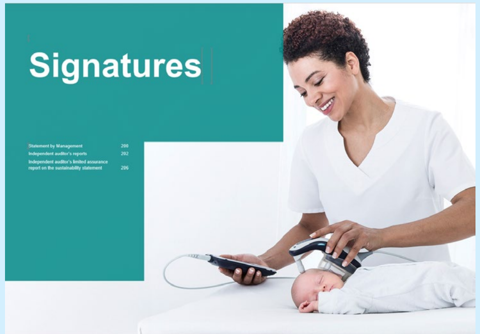


Management's review comprises the Management statement and the Sustainability statement.

Management statement

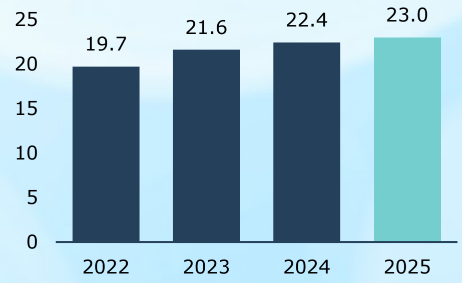
Overview

Performance highlights

We are guided by our purpose and strategic ambition to create life-changing differences through hearing health. In 2025 we continued to impact millions of people living with hearing loss, to deliver strong cash flow and to further improve our sustainability metrics.

Revenue[1]

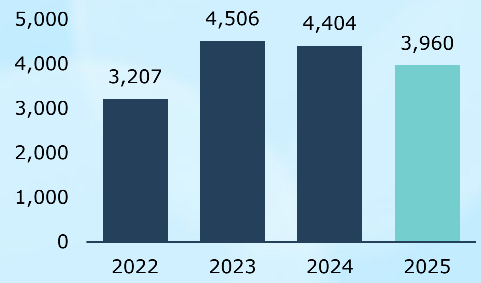
(DKK billion)



Medium- to long-term target: Growth of 8-10% p.a. in local currencies

EBIT before special items[1]

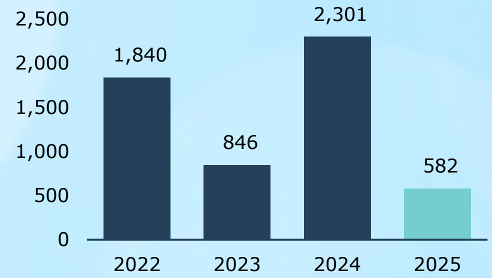
(DKK million)



Medium- to long-term target: Incremental EBIT margin expansion in constant currencies

Share buy-backs

(DKK million)

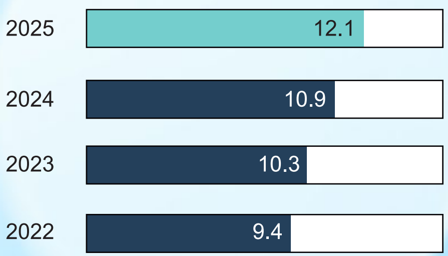


Medium- to long-term target: Excess free cash flow after acquisitions to be used for share buy-backs

Millions of lives improved

(Million)

2030
16 million

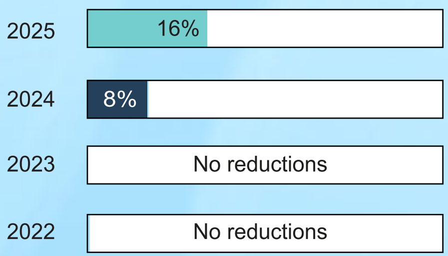


2030 target: More than 16 million lives improved[2]

Scope 1 and 2 GHG emissions

(Share of CO_2e reduced)

2030
46%

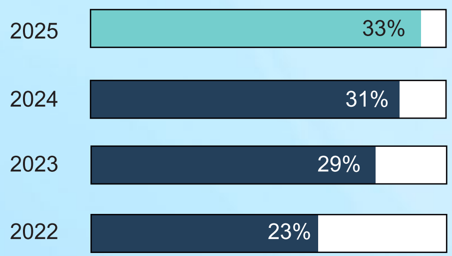


2030 target: 46% reduction in scope 1 and 2 greenhouse gas (GHG) emissions vs. 2019[3]

Gender balance in leadership

(Share of under-represented gender)

2030
35%

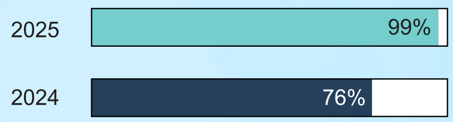


2030 target: Increase gender balance in top-level management to 35/65% (female/male)[4]

Code of Conduct training

(Share of relevant employees trained)

2030
100%



Data not available

2030 target: Code of Conduct training to reach 100% of highly exposed employees

[1]Comparative figures for 2023 have been restated to exclude Communications.
[2]This represents the number of people who benefit from hearing aids from Demant.
[3]The target for reduction in scope 1 and 2 market-based GHG emissions is calculated vs. the 2019 baseline of 31,980 tonnes of CO_2e.
[4]Actions to achieve gender representation targets will be implemented where permitted by applicable local laws and regulations.

CEO letter

In an eventful year, Demant delivered results in line with our revised expectations, driven by strong performance in Hearing Care. We achieved key strategic milestones with the acquisition of KIND and the launch of the hearing aid sensation, Oticon Zeal. The year ended on a positive note and, looking into 2026, we remain committed to our strategy, “leading hearing healthcare”. In a global hearing healthcare market that remains characterised by high macroeconomic uncertainties and intense competition, we have solid plans to strengthen Demant for the future.

2025 has been a challenging year for the global hearing healthcare market, which continued to be impacted by macroeconomic uncertainties. These dynamics have, unfortunately, reduced the willingness to invest and resulted in delayed purchases. In turn, this led to lower-than-normal growth in the hearing healthcare market, especially in the US, and thus intense competition.

Being one of the market leaders, we were influenced by these market dynamics in 2025. The Group saw organic revenue growth of 2% and an operating profit before special items of DKK 3.96 billion. Our Hearing Care business area saw particularly good performance with revenue growth of 10% in local currencies.

We are pleased that the Group delivered results in line with our updated expectations and maintained industry-leading margins. However, we cannot be fully satisfied with a year where we had to revise our outlook downward twice. Against the backdrop of a disappointing 2025, we have therefore presented an ambitious plan for 2026 for Demant to improve profitability in the coming years. I will get back to this plan below but let me first share highlights on how we delivered on our strategy through consistent execution in 2025.

Fundamentals intact

Even windy conditions do not change our view of the fundamentals of our industry – a growing need for hearing healthcare driven by increasing elderly populations all over the world. Our business is based on a long-term and well-defined demand for state-of-the-art hearing aids, diagnostic solutions and personalised care. Our strategy is clear: We want to become the leading hearing healthcare company, driven by our ambition to improve as many lives as possible and a purpose of creating life-changing hearing health.

Our strategy to become the leader in hearing healthcare guided our choices and decisions throughout the year. We achieved significant milestones.

Largest expansion in our history

We proudly announced and finalised the acquisition of KIND, one of the world’s leading retailers of hearing aids. This – our largest-ever – expansion of our global network of hearing care clinics complements our long-term aspirations of helping more people with hearing loss through personalised care.

The KIND acquisition makes Demant a leading retailer in Germany and will increase the Group’s revenue by almost 10%. Acquiring KIND is yet another strategic step for us to further consolidate and grow our Hearing Care business. By adding a broad national clinic network and a very strong brand in Germany, we are now closer to even more users. Combined with Demant’s existing global clinic footprint, we now have more than 4,500 clinics globally. With this transaction, I am delighted to have welcomed more than 3,000 new employees to the Demant Group, now totalling approximately 26,000 life-changers.

Even though numbers speak volumes, they do not necessarily tell the full story. By combining Demant’s innovative hearing aid technology and diagnostic equipment with professionalised hearing care, we cover the entire journey – from diagnosis and acceptance of hearing loss to getting a hearing aid – helping more people, faster and better. Helping more people is also about working to lower the age threshold for starting hearing treatment, meeting people physically and making hearing treatment easy and accessible.

> With the largest acquisition in our history, the launch of a remarkable new hearing aid, Oticon Zeal, as well as a clear direction for the future, we are building an even stronger Demant. We are committed to becoming the leader in hearing healthcare and improving more lives through better hearing.

Unprecedented innovation

In 2025, we stayed on course by offering a clear and focused hearing aid portfolio. We expanded our AI-driven product range with even more styles, including a truly compelling new product. Few moments capture our purpose as clearly as the launch of Oticon Zeal. The unseen in-ear hearing aid unites discretion with full functionality and directly addresses a classic barrier for first-time hearing aid users.

People with hearing loss want discreet solutions, but not at the expense of sound quality, reliability, rechargeability or connectivity. Bringing AI-driven sound processing, modern rechargeability and broad smartphone connectivity together in a small and ultra discreet device, Oticon Zeal is an “addictive” first encounter.

In addition to Oticon’s activities, our other hearing aid brands, Bernafon and Philips, also launched products during the year. Hearing Aids generated organic revenue growth of 2% in 2025, and we expect the business area to see improvements in 2026. This will be driven by Oticon Zeal and additional new products to be launched during the year, as we prepare for an intense competitive environment where everyone will fight even harder to compensate for the soft market.

Strengthening Diagnostics

The macroeconomic uncertainties also impacted performance in our Diagnostics business area. Despite a flat market, we managed to deliver organic revenue growth of 1% due to good commercial performance in the fourth quarter. We also saw strong tender wins and growth in service and consumables during the year.

Throughout 2025, we have worked to solidify Diagnostics global leadership position through a multi-brand strategy and key account wins. We have implemented structural changes in the organisation to enable scale and efficiency, positioning the business area to further growth. This includes a sharpening of our distribution activities and innovative product portfolio.

Focused on hearing healthcare

The year stood out as significant in terms of our transition into a focused hearing healthcare company. We signed an agreement to sell Oticon Medical in the fourth quarter, a transaction which is expected to close in the beginning of 2026. It has been a key priority to find a good new owner of the business, ensuring that patients will also be supported going forward. I am very happy that we have succeeded in doing so.

In late December, we wrapped up our divestment activities in 2025 when we signed an agreement to sell our audio and headset business, EPOS.

Lives improved

Why is it important to be focused? In addition to strengthening our core business, helping people with hearing loss return to life-changing conversations and interaction with family, colleagues and friends is what drives us.

In 2025, 1.6 million people were tested for hearing loss in our clinics, and we improved more than 12.1 million lives with Demant’s hearing aids. Thanks to higher unit sales in Hearing Aids and supported by our acquisition of KIND, we are on track to deliver on our impact targets: By 2030, we want to improve more than 16 million lives and raise awareness about hearing loss by testing more than 2 million people in our clinics.

As we deliver on our core commitment to society, creating life-changing hearing health, we also take pride in making progress on our targets for the broader ESG areas (Environment, Society, Governance). In 2025, we thus reached an important emissions milestone: We used 53% renewable electricity, thus delivering on our target of 50% renewable electricity in own operations by 2025. We also made good progress on our gender balance target for the Group, reaching a female/male ratio of 33%/67%, respectively, in our top management.

An even stronger future

Also in 2025, we continued building the foundation for an even stronger Demant for the benefit of our customers, employees and shareholders.

Ensuring cost-effective best practices and scalable solutions across the business is vital for operating the Demant Group even more effectively, as we continue to grow.

This brings me back to our plan for 2026: While we remain optimistic about the underlying need for hearing treatment, we expect no signs of changes to the soft global hearing healthcare market and intense competition. In line with our strategy and financial goals, we are executing a company-wide initiative that will make Demant more effective and lower cost growth in the coming years. By optimising and tightly prioritising our cost base, we will improve profitability in an expanding business. And we will be keeping customer focus and service high while continuing to deliver innovative new solutions.

These will be key topics for 2026 in order for Demant to be able to create long-term value for all our stakeholders, who put their faith in our company.

Thank you to our customers, users and shareholders, for your trust throughout the year. And thank you to our employees for your continued engagement and dedication to delivering life-changing hearing healthcare.

Søren Nielsen

Key figures and financial ratios – year

(DKK million)	2025	2024	2023	2022	2021
Income statement					
Revenue	22,971	22,419	21,601	19,705	17,905
Organic growth	2%	2%	14%	4%	27%
Gross profit	17,371	17,090	16,320	14,669	13,458
EBITDA	5,351	5,963	5,799	4,383	4,730
Operating profit before special items	3,960	4,404	4,506	3,207	3,663
Special items	-128	124	-	-	-
Operating profit (EBIT)	3,832	4,528	4,506	3,207	3,663
Net financial items	-731	-812	-761	-280	-202
Profit after tax – continuing operations	2,367	2,892	2,823	2,276	2,711
Profit after tax – discontinued operations	-823	-504	-1,025	-192	-183
Profit for the year	1,544	2,388	1,798	2,084	2,528
Cash flow statement					
Cash flow from operating activities (CFFO)	3,852	4,080	4,458	2,622	3,593
Acquisition of enterprises, participating interests and activities	-6,285	-1,234	-935	-2,323	-708
Investment in property, plant and equipment, net	-605	-545	-621	-630	-547
Free cash flow (FCF)	3,094	3,486	3,622	1,617	2,838
Share buy-backs	-582	-2,301	-846	-1,840	-3,200
Balance sheet					
Equity	9,919	9,644	9,338	8,562	7,981
Total assets	39,074	32,450	30,546	29,857	24,860
Net interest-bearing debt (NIBD)	18,742	13,545	12,280	12,711	9,150
Net working capital (NWC)	3,387	3,289	3,630	3,648	3,025
Financial ratios					
Gross margin	75.6%	76.2%	75.6%	74.4%	75.2%
EBIT before special items margin	17.2%	19.6%	20.9%	16.3%	20.5%
Effective tax rate	23.7%	22.2%	24.6%	22.2%	21.7%
Gearing multiple	3.4	2.3	2.1	2.9	1.9

The Communications business has been reported as discontinued operations since 2024, and comparative figures for 2023 in the income statement and cash flow statement as well as related key figures and financial ratios excluding organic growth have been restated. The Hearing Implant business has been reported as discontinued operations since 2022, and comparative figures for 2021 in the income statement and cash flow statement as well as related key figures and financial ratios excluding organic growth were restated.

	2025	2024	2023	2022	2021
Sustainability impacts					
Number of lives improved (million)	12.1	10.9	10.3	9.4	8.8
Number of people tested (million)	1.6	1.5	n.a.	n.a.	n.a.
Environment					
Scope 1 and 2 market-based GHG emissions (tonnes of CO_2e)[1]	26,781	29,426	33,103	37,136	34,288
Scope 1 and 2 location-based GHG emissions (tonnes of CO_2e)[1]	35,401	33,686	33,323	31,224	29,258
Scope 3 GHG emissions (tonnes of CO_2e)[2]	194,976	209,282	231,282	217,096	182,547
Renewable electricity share	53%	35%	21%	n.a.	n.a.
Social					
Gender balance, top-level management (female/male)	33/67%	31/69%	29/71%	23/77%	22/78%
Gender balance, all managers (female/male)	51/49%	50/50%	48/52%	44/56%	43/57%
Inclusion score (1-5)	4.30	4.27	4.26	n.a	n.a
Engagement score (1-5)	4.16	4.13	4.11	4.08	4.02
Average number of full-time employees	22,248	21,381	20,690	19,239	16,866
All employees (headcounts)	26,704	22,639	22,240	n.a.	n.a.
Governance					
Code of Conduct training to highly exposed employees	99%	76%	n.a.	n.a.	n.a.
Whistleblower reports	126	87	90	47	48
Share ratios					
Adjusted earnings per share (adjusted EPS), DKK	11.74	12.74	12.64	10.06	11.48
Earnings per share (EPS), DKK – continuing operations	11.20	13.31	12.64	10.06	11.48
Earnings per share (EPS), DKK	7.31	10.99	8.04	9.21	10.70
Share price, end of period, DKK	215.20	264.20	296.00	192.55	335.10

We refer to Note 1.1 for a description of the accounting policies for key figures and financial ratios.

[1]2023-2021 numbers are restated due to methodological improvement.
[2]2024-2021 numbers are restated due to methodological improvement.

Key figures and financial ratios – half-year

(DKK million)	H2 2025	H1 2025	H2 2024	H1 2024	H2 2023
Income statement					
Revenue	11,718	11,253	11,332	11,087	10,907
Organic growth	4%	0%	2%	3%	13%
Gross profit	8,824	8,547	8,580	8,510	8,303
EBITDA	2,758	2,593	3,066	2,897	3,010
Operating profit before special items	2,111	1,849	2,336	2,068	2,344
Special items	-128	-	-	124	-
Operating profit (EBIT)	1,983	1,849	2,336	2,192	2,344
Net financial items	-346	-385	-402	-410	-399
Profit after tax – continuing operations	1,237	1,130	1,538	1,354	1,452
Profit after tax – discontinued operations	-810	-13	-350	-154	-236
Profit for the period	427	1,117	1,188	1,200	1,216
Cash flow statement					
Cash flow from operating activities (CFFO)	2,339	1,513	2,589	1,491	2,540
Acquisition of enterprises, participating interests and activities	-5,436	-849	-471	-763	-622
Investment in property, plant and equipment, net	-298	-307	-259	-286	-320
Free cash flow (FCF)	1,968	1,126	2,329	1,157	2,071
Share buy-backs	-	-582	-1,164	-1,137	-829
Balance sheet					
Equity	9,919	9,475	9,644	9,522	9,338
Total assets	39,074	32,640	32,450	32,390	30,546
Net interest-bearing debt (NIBD)	18,742	14,099	13,545	13,853	12,280
Net working capital (NWC)	3,387	3,198	3,289	3,546	3,630
Financial ratios					
Gross margin	75.3%	76.0%	75.7%	76.8%	76.1%
EBIT before special items margin	18.0%	16.4%	20.6%	18.7%	21.5%
Effective tax rate	24.4%	22.8%	20.5%	24.0%	25.3%
Gearing multiple	3.4	2.5	2.3	2.3	2.1

	H2 2025	H1 2025	H2 2024	H1 2024	H2 2023
Sustainability impacts					
Number of lives improved (million)	12.1	11.2	10.9	10.6	10.3
Number of people tested (million)	0.8	0.8	n.a.	n.a.	n.a.
Environment					
Scope 1 and 2 market-based GHG emissions (tonnes of CO_2e)[1]	13,553	13,228	15,571	13,855	16,322
Scope 1 and 2 location-based GHG emissions (tonnes of CO_2e)[1]	18,166	17,235	17,328	16,358	16,451
Renewable electricity share	51%	55%	32%	38%	20%
Social					
Gender balance, top-level management (female/male)	33/67%	31/69%	31/69%	30/70%	29/71%
Gender balance, all managers (female/male)	51/49%	50/50%	50/50%	49/51%	48/52%
Average number of full-time employees	22,719	21,777	21,389	21,373	21,413
Share ratios					
Adjusted earnings per share (adjusted EPS), DKK	6.40	5.34	7.13	5.61	6.50
Earnings per share (EPS), DKK – continuing operations	5.86	5.34	7.13	6.18	6.50
Earnings per share (EPS), DKK	2.03	5.28	5.52	5.47	5.44
Share price, end of period, DKK	215.20	264.20	264.20	301.40	296.00

Comparative figures for the Communications business for 2023 in the income statement and cash flow statement as well as related key figures and financial ratios excluding organic growth have been restated.

We refer to Note 1.1 for a description of the accounting policies for key figures and financial ratios.

[1]2023 numbers are restated due to methodological improvement.

This is Demant

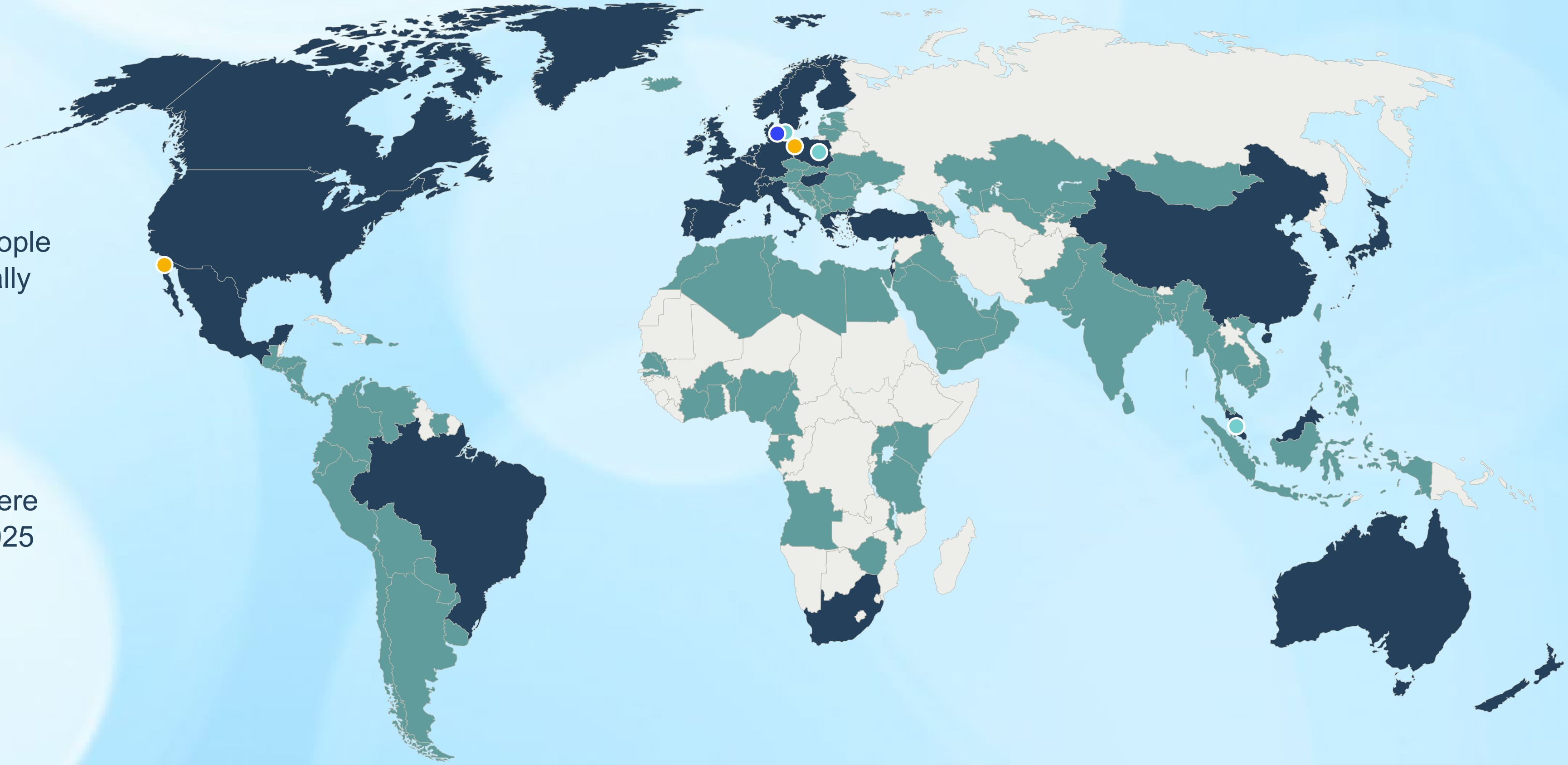
Our purpose

Life-changing hearing health

More than 26,000 people are employed globally

1.6 million people were hearing-tested in 2025

12.1 million lives were improved in 2025



Research and development

Innovation is an integral part of Demant's strategy, and we constantly strive for technological advancements in our R&D activities. Our main R&D sites are located in Denmark, Poland and Malaysia, and we also have a few smaller R&D sites in other countries.

Manufacturing and service

Demant has a strong manufacturing set-up with two main locations in Poland where we manufacture hearing aids and diagnostic equipment for global markets. We also have a site in Mexico, primarily for custom devices and servicing of our American markets.

Sales and distribution

Demant serves customers in more than 130 countries. In over 30 countries, we sell our products through our local sales companies to hearing care professionals and through our own hearing care clinics to hearing impaired people. Remaining markets are serviced by distributors.

Business areas

The Demant Group develops, manufactures and sells products and equipment that help people with hearing loss connect and communicate with the world around them.

We operate a focused hearing healthcare company, consisting of three business areas: Hearing Aids, Hearing Care and Diagnostics.

The business areas operate through separate organisations and offer multiple brands to best serve their individual markets and channels. However, the business areas also collaborate extensively across the entire value chain – from purchasing and manufacturing to technological development, distribution and global infrastructure.

Our approach to hearing healthcare and innovation, combined with the synergies obtained between our business areas, thus enables us to create life-changing differences through hearing health, thereby helping millions of people experience the joy of hearing – now and in the future.

For more details on our strategy and operating model, please refer to Our strategy on page 17.

Hearing Aids

The Hearing Aids business area engages in development, manufacture and wholesale of hearing aids in addition to support and service to our customers. We develop leading technological solutions that create life-changing hearing health for users every day, which is made possible through a strong commitment to investing in research and development.

The business area offers multiple brands to best serve different channels and customers across more than 130 countries through own local sales organisations and external distributors.

EXTERNAL REVENUE IN 2025

9,841

DKK MILLION

oticon PHILIPS Bernafon

Hearing Care

The Hearing Care business area comprises the Group's global retail operations, providing personalised hearing care to users all over the world through selected strong, local brands.

Expanding access to hearing care globally is an essential pillar in Demant's strategy, which is achieved through bolt-on and strategic acquisitions as well as greenfield clinic openings in Hearing Care. As a result of these efforts and initiatives, Demant now owns and operates more than 4,500 hearing care clinics across more than 25 countries worldwide.

REVENUE IN 2025

10,724

DKK MILLION

Audika HearingLife Hidden Hearing SW 声望听力 sheng wang hearing KIND

Diagnostics

The Diagnostics business area consists of a group of international companies. Major product areas are audiometers and hearing instrument fitting solutions. In recent years, we have also expanded into other areas, including balance products. In addition to manufacturing and selling diagnostic instruments, consumables and service of devices also contribute to sales.

The combined Diagnostics business area is the global market leader in hearing and balance assessment solutions used by audiologists, ENT doctors and balance clinics worldwide.

REVENUE IN 2025

2,406

DKK MILLION

Interacoustics gsi Grason-Stadler MAICO inventis Audiology & Balance audioscan MedRx amplivox

Event highlights in 2025

Read more at demant.com/about/latest-news

31 January
Demant adds 77 clinics to the Group's network of hearing care clinics by acquiring the Ohrwerk Group in Germany

9 April
Interacoustics introduces a game-changing audiometry solution: Equinox Evo and Touch Keyboard

11 June
Demant signed an agreement to acquire KIND and significantly expands the Group's hearing care footprint with around 650 clinics

1 September
Demant eliminates 51 tonnes of plastic from production

22 October and 20 December
Wrap-up of divestment activities: Demant signed agreements to sell Oticon Medical and EPOS, respectively

22 October
Oticon introduces the world's most discreet and complete hearing aid, Oticon Zeal

Market and strategy

The societal implications of hearing loss

The World Health Organization (WHO) estimates that one in five people live with some degree of hearing loss and that, due to increasing life expectancy, this number is growing. Out of the total number of people living with hearing loss, over 400 million people have a moderate to severe hearing loss and would benefit from treatment.

However, less than 20% of people, who would benefit from using a hearing aid, receive treatment. This low number is particularly driven by regions and countries that lack hearing health infrastructure. Furthermore, barriers, such as lack of awareness and stigmatisation, continue to limit the wider adoption of hearing aids globally.

If left untreated, hearing loss impacts many aspects of life for the individual, from preventing active participation in education and employment to reducing interaction with family and friends, which can potentially impact the individual's physical and mental health.

Hearing loss has a considerable economic impact on society, beyond the financial challenges it can present for the individual. The WHO estimates that the global annual cost for society is USD 980 billion, consisting of healthcare costs incurred, if hearing loss is not treated, as well as the costs of educational support and loss of productivity due to unemployment and premature retirement.

At Demant, we believe that alleviating hearing loss starts with the hearing care professional, who delivers personalised care by diagnosing and fitting hearing aids based on a person's needs. Through best-in-class customer experience and innovative solutions, we can help more people live life to the fullest and thus contribute to creating a better society.

ESTIMATED ANNUAL GLOBAL COST
980
USD BILLION

OVER
400
MILLION LIVING WITH A MODERATE TO SEVERE HEARING LOSS

INCLUDING
34
MILLION CHILDREN

Source: World report on hearing, World Health Organization, 2021

Market trends and developments

Hearing aid market

The global hearing aid market is characterised by stable and resilient growth drivers, as people with hearing loss have a need for treatment, which must be addressed at some point.

For the last ten years, the market has grown at an average annual growth rate of around 6% in units, which is at the high end of the long-term structural growth rate of 4-6% p.a. If we look at the future long-term structural growth rate, roughly half of this market growth is expected to be driven by demographic developments, including increasing life expectancy, and the other half by increased access to hearing aids for the hearing impaired.

Besides unit growth, the industry has historically seen flattish development in the average selling price (ASP), a trend that we expect to continue. Continuously improving technology supports increasing prices over time. However, this trend is offset by a generally competitive environment and negative impact of geography and channel mix. When combining unit growth and ASP developments, we expect long-term growth in the hearing aid market to be 4-6% p.a. in value terms.

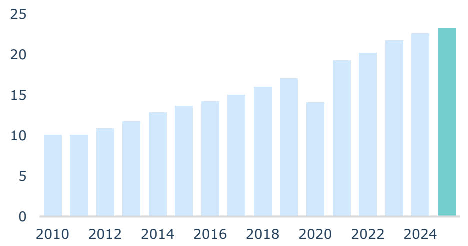
In 2025, the hearing aid market grew at a slower pace than normal, which we attribute to general macroeconomic uncertainty. We have not seen any changes to the structural growth drivers of the hearing aid market and continue to expect the market to return to value growth of 4-6% p.a. in the medium- to long-term.

Market size and structure

We estimate that approximately 13 million people were fitted with around 23 million hearing aids worldwide in 2025. The value of the wholesale

Global hearing aid unit sales[1]

(million)



[1]Source: EHIMA statistics and Demant's own estimates.

hearing aid market is estimated to be roughly USD 7 billion p.a., while the retail value, excluding government channels, is estimated to be roughly USD 20 billion p.a.

The wholesale market consists of highly specialised players competing in very product-driven markets, where significant R&D initiatives underpin market positions. In the highly fragmented retail market, the majority of hearing aid clinics globally are independently owned and operated, leading to competitive markets, where strong market positions are important for customer awareness.

Distribution channels

Distribution channels of hearing aids are broadly categorised as either offering full reimbursement or some level of reimbursement, supplemented by out-of-pocket expenditures by the user.

Channels offering full reimbursement include government programmes, such as the National Health Service (NHS) in the UK and Veterans Affairs (VA) in the US. In addition, many countries offer a level of reimbursement when purchasing hearing aids through privately owned hearing clinics, and in some countries, such as France and Germany, it is also possible to get a fully reimbursed hearing aid in a private clinic.

The private category typically allows for greater flexibility and customisation based on the user's specific needs and preferences with the possibility to opt for more advanced technology. This category includes independent audiologists or larger chains and where individuals pay some or all of the expenses for hearing aids out-of-pocket.

Current trends

Increasingly sophisticated products

Hearing aids are getting increasingly more advanced, which increases the complexity of their development and requires increasing investments in R&D. The most advanced hearing aids feature deep neural networks (DNNs) and use artificial intelligence (AI) to understand the sound scene, providing users with a clearer sound picture. Despite significant progress in this area, these features still have considerable untapped potential for improving the users' audiological experience.

Counselling is crucial

Effective counselling and information are crucial. Different people have different types of hearing loss, and as technology advances, the service of a hearing healthcare professional is essential not only to determine what the best treatment is and fitting a hearing aid, but also to ensure that the user gets the most out of the increasingly powerful features provided by the devices. Continuous support and counselling are of paramount importance in supporting users in their treatment.

Consolidating distribution

In retail, larger chains benefit from economies of scale, giving them greater purchasing power and operating leverage. For many years, distribution has been consolidating through larger players' acquisitions of smaller chains and independent clinics. Acquisitions by manufacturers offer the further benefit of increasing the manufacturer's market share.

Diagnostic market

The diagnostic markets where Demant operates cover a range of product categories related to hearing. Major product areas are audiometers and hearing instrument fitting solutions, but other product areas, such as auditory brainstem response (ABR) testing, otoacoustic emission (OAE) testing and impedance equipment, are also important. Balance testing has in recent years increased in relevance. In addition to diagnostic instruments, consumables and instrument servicing, including calibration, also contribute to market value. Distribution channels are diverse and are both government-funded and private and include not only hearing care professionals, but also schools, large hospitals and specialised clinics.

Like the hearing aid market, the market for diagnostic instruments was also impacted by macroeconomic uncertainties in 2025, despite generally being characterised by stability and long-term structural growth trends. We expect the market to return to historical growth patterns supported by an increasing, global, installed instrument base driving growth in services and consumables. In value terms, the long-term structural growth rate in the market for diagnostic instruments and services is 4-6% p.a., with the global market size estimated to be roughly USD 0.7 billion p.a.

Our strategy

Our Group strategy – leading hearing healthcare – reflects our ambition as the leading hearing healthcare company to improve as many lives as possible. In doing so, we contribute to building a more sustainable world and enable more people to enjoy life to the fullest.

Our strategy focuses on creating value by growing our business at a rate exceeding the market growth rate, while improving our profitability through economies of scale and efficiency. Our strategy comprises three choices and three enablers, all of which are considered key for Demant in order to create value:

Fuel innovation and core technology development

An important organic growth driver is to bring superior technological solutions to the market in a timely manner and in high quality. We are therefore firmly focused on investing in R&D in both Hearing Aids and Diagnostics, aiming to make further technological advances in our R&D programme.

Participate in consolidation of distribution and leverage commercial position

Another key growth driver is the acquisition and integration of hearing care clinics worldwide into our existing network. We believe in the benefits of specialised care and high-quality equipment. By continuously expanding our network, we can reach more people with our products and services, thus delivering specialised hearing care. In addition, our growing presence allows us to further raise awareness about hearing loss and to treat even more users in our clinics in the future.

Grow across geographies and channels and in adjacent business activities

To enable future growth, we focus strongly on growing sales in our existing markets as well as in new markets and channels across the three business areas. The aim is to deliver profitable growth through market share gains, as we expand our activities with both existing and new customers.

Leverage scalability and increase business resilience

We leverage our size and ensure efficiency in everything we do to increase profitability across the Group. A continuing effort, as set out in our strategy, is to optimise our operations and supply chain to drive up the EBIT margin. Other important elements include ensuring that the Group benefits from economies of scale through our Group Services functions and investing in and implementing global standard business processes and applications to support further scalability.

Continuously drive a culture of inclusion and engagement to a higher level

Demant is a global employer with more than 26,000 employees worldwide, all dedicated to creating life-changing differences through hearing health. Our employees are our most valuable resource, as they are critical to Demant's future success. Therefore, it is essential that Demant is a great company to work for and that we drive a strong culture of inclusion and engagement. We want to ensure that everyone can contribute with their strengths, regardless of their background. Our key focus is thus to further develop and engage our employees and leaders.

Drive responsible and sustainable business practices

We are committed to adding value responsibly and sustainably, not only to meet requirements and comply with increasing regulations in this area, but also to align with the purpose and ambition of Demant. As part of our strategy, we have ambitious 2030 targets for our core impact and ESG focus areas to ensure that we continuously apply responsible and sustainable business practices. Please refer to our sustainability strategy model on page 53.

Medium- to long-term outlook

Our ambition and strategy are also reflected in our medium- to long-term financial outlook. Please note that the outlook contains forward-looking statements that reflect Demant's expectations of future events and financial performance. Please refer to Outlook for 2026 on page 34.

Revenue outlook: 8-10% growth p.a. in local currencies

This assumes 6-8% organic growth based on an assumed market growth rate of around 5% and an acquisitive growth rate of approximately 2%.

EBIT margin outlook: Incremental margin expansion

This assumes constant foreign exchange rates.

Capital allocation outlook: Excess free cash flow after acquisitions used for share buy-backs

This is subject to our long-term gearing multiple target of 2.0-2.5.

Medium- to long-term outlook

REVENUE
8-10%
GROWTH P.A. IN LOCAL CURRENCIES

EBIT MARGIN
INCREMENTAL EBIT MARGIN EXPANSION

CAPITAL ALLOCATION
EXCESS FREE CASH FLOW AFTER ACQUISITIONS USED FOR SHARE BUY-BACKS

Our Group strategy – leading hearing healthcare – continues to guide our priorities and decisions.

Our **PURPOSE** is to create life-changing differences through hearing health

Our **AMBITION** is, as the leading hearing healthcare company, to improve as many lives as possible

Our **PRIORITISATION** is to support the entire journey towards better hearing by focusing on personalised care and innovative solutions

Our **COMMITMENT**

Customers
Deliver a world-class customer and **user experience that exceeds expectations**

Employees
Pursue an engaging, inclusive and innovative work culture, enabling **employees to develop and grow**

Investors
Drive **attractive financial returns** and growth based on a resilient business model

Our **CHOICES** and **ENABLERS** support sustainable growth

CHOICES

Fuel **innovation and core technology development** to ensure strong customer value generation

Participate in **consolidation of distribution** and leverage commercial position

Grow **across geographies and channels** and in **adjacent business activities**

ENABLERS

Leverage **scalability** and increase **business resilience**

Continuously drive a **culture of inclusion and engagement**

Drive **responsible and sustainable** business practices

How we create value

Operating model

Our operating model is designed to help us operate our three business areas, Hearing Aids, Hearing Care and Diagnostics, in a set-up that ensures that we remain focused on excelling in each business area, while leveraging synergies across the Group through strong collaboration. This enables each business area to adopt a customer-centric approach and to deliver on their specific strategy, thereby enabling the Group to create life-changing solutions that complement each other.

Innovation

With our business areas' common understanding of technology, innovation is at the core of our operating model. We will continue to focus on value-adding collaboration between the R&D functions of our individual business areas. Furthermore, our resilient manufacturing set-up across the value chain within R&D, production and distribution ensures supply chain agility and resilience.

Infrastructure

Our operating model is founded on a robust internal infrastructure, covering IT, HR, Finance, Communication & Sustainability, Group Legal & Compliance as well as Corporate Functions. This strong backbone, which we call Group Services, supports business growth, ensures efficiency and enables economies of scale in a sustainable and responsible way.

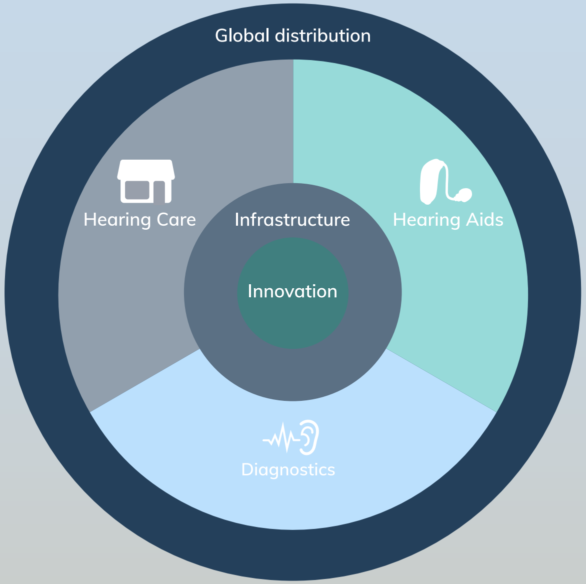
Distribution

With sales companies and hearing care clinics all over the world, the Group benefits from a strong global distribution set-up, which enables us to continuously increase our reach to a variety of countries, markets and customer segments, thereby expanding our business. This global network ensures that we can raise awareness and make our diagnostic equipment, hearing aids and personalised hearing care and treatments accessible to those in need, thereby enhancing patient care and improving lives.

Input

- Employing 26,000+ people.
- More than DKK 1.4 billion invested annually in R&D.
- Growing portfolio of 2,600+ patents and designs as well as a portfolio of 1,200+ registered trademarks.
- Global distribution network, comprising 4,500+ hearing care clinics, distribution of hearing aids to 130+ countries and a comprehensive distribution set-up of diagnostic products, spanning around 100 countries.
- Core expertise within audiology with a strong understanding of the difficulties faced by people living with hearing loss.
- Strong brand value across our multi-brand set-up, enabling the Group to strategically position itself across many markets and channels, thereby effectively addressing various customer needs.
- Strong relationships with component suppliers.

Demant's operating model



Output

- Diagnostic equipment, increasing the quality of patient care.
- High-quality hearing aid solutions.
- Personal and individualised treatment, offering the highest level of expertise in audiology.

Outcome

We create life-changing differences through hearing health by helping people overcome hearing loss and improving their lives supported by innovative solutions and hearing care.

- Customers: We deliver a user experience that exceeds expectations by providing life-changing hearing health through innovative, state-of-the-art products. This benefits both individuals and society, improving the lives of 12.1 million people in 2025.
- Employees: We are a great place to work with engaged employees who feel included and empowered to develop, grow and do what they do best. In 2025, our engagement score increased to 4.16 from 4.13 the year before.
- Investors: We deliver attractive financial returns and growth based on a resilient business model and a strategy that focuses on value-creating growth.

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Financial performance

Group performance

Income statement

	H1			H2			FY		
(DKK million)	**2025**	**2024**	**Growth**	**2025**	**2024**	**Growth**	**2025**	**2024**	**Growth**
Revenue	11,253	11,087	1%	11,718	11,332	3%	22,971	22,419	2%
Production costs	-2,706	-2,577	5%	-2,894	-2,752	5%	-5,600	-5,329	5%
Gross profit	**8,547**	**8,510**	**0%**	**8,824**	**8,580**	**3%**	**17,371**	**17,090**	2%
Gross margin	76.0%	76.8%		75.3%	75.7%		75.6%	76.2%	
R&D costs	-730	-733	0%	-671	-661	2%	-1,401	-1,394	1%
Distribution costs	-5,386	-5,154	5%	-5,481	-5,092	8%	-10,867	-10,246	6%
Administrative expenses	-596	-586	2%	-583	-559	4%	-1,179	-1,145	3%
Share of profit after tax, associates and joint ventures	14	31	-55%	22	68	-68%	36	99	-64%
Operating profit (EBIT) before special items	**1,849**	**2,068**	**-11%**	**2,111**	**2,336**	**-10%**	**3,960**	**4,404**	-10%
Operating profit (EBIT) margin before special items	16.4%	18.7%		18.0%	20.6%		17.2%	19.6%	
Special items	-	124	n.a.	-128	-	n.a.	-128	124	n.a.
Operating profit (EBIT)	**1,849**	**2,192**	**-16%**	**1,983**	**2,336**	**-15%**	**3,832**	**4,528**	**-15%**

Introduction

In 2025, Demant entered into agreements to sell Oticon Medical, the former Hearing Implants business area, and EPOS, the former Communications business area. These businesses were already recognised as discontinued operations as reflected in the comparative figures in the income statement and cash flow statement for 2023 and 2024. Comparative figures for 2021-2022 exclude Hearing Implants but include Communications.

Revenue

The Group's full-year revenue amounted to DKK 22,971 million, corresponding to a growth rate of 5% in local currencies. Organic growth was 2%, which is in line with our revised expectations for 2025. Acquisitive growth was 3%, and exchange rates impacted revenue by -2%, which includes the effect of exchange rate hedging. Total reported growth for 2025 was 2%.

Revenue in H2

Revenue for H2 amounted to DKK 11,718 million, corresponding to a growth rate of 7% in local currencies. Organic growth was 4% and growth from acquisitions 3%. Exchange rates impacted revenue by -4%, predominantly due to the US dollar, and total reported growth for H2 was 3%.

Organic growth in H2 was broad-based with solid performance in Hearing Care despite market weakness. Reported growth was further supported meaningfully by acquisitions, including the KIND acquisition, which was closed in Q4. Hearing Aids saw improved growth in H2, despite lower sales to a large US retailer following an increase in the number of suppliers to this customer in H1. Diagnostics saw an improvement in organic growth towards the end of the year, particularly in Q4.

Revenue by geography in H2

Driven by Hearing Care, Europe delivered good organic growth in H2, particularly in Poland and France. Hearing Aids also saw good growth in both France and the UK. Acquisitions, primarily in Germany, continued to contribute to growth.

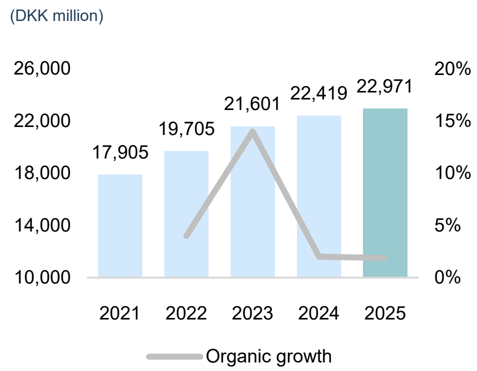
In North America, organic growth was positive in H2, driven by Diagnostics and Hearing Care. However, in the US, growth was negative and impacted by weak market developments and by a loss of market share, primarily due to lower sales to a large retailer.

Revenue by business area

			Growth				
(DKK million)	H2 2025	H2 2024	Org.	Acq.	LCY	FX	Rep.
Hearing Aids, total revenue	6,252	6,183	4%	0%	4%	-3%	1%
Hearing Aids, internal revenue	-1,325	-1,183	9%	5%	14%	-2%	12%
Hearing Aids, external revenue	4,927	5,000	3%	-1%	2%	-3%	-1%
Hearing Care	5,575	5,098	4%	9%	13%	-4%	9%
Diagnostics	1,216	1,234	3%	0%	3%	-5%	-1%
Group	**11,718**	**11,332**	**4%**	**3%**	**7%**	**-4%**	**3%**

			Growth				
(DKK million)	FY 2025	FY 2024	Org.	Acq.	LCY	FX	Rep.
Hearing Aids, total revenue	12,473	12,413	2%	1%	2%	-2%	0%
Hearing Aids, internal revenue	-2,632	-2,391	7%	4%	11%	-1%	10%
Hearing Aids, external revenue	9,841	10,022	0%	0%	0%	-2%	-2%
Hearing Care	10,724	9,932	3%	7%	10%	-2%	8%
Diagnostics	2,406	2,465	1%	0%	1%	-3%	-2%
Group	**22,971**	**22,419**	**2%**	**3%**	**5%**	**-2%**	**2%**

Five-year revenue



Revenue by geographic region

(DKK million)	H2 2025	H2 2024	Growth Org.	Acq.	Rep.
Europe	5,362	4,733	6%	8%	13%
North America	4,428	4,622	2%	0%	-4%
Asia	1,034	1,088	2%	0%	-5%
Pacific region	551	560	4%	2%	-2%
Rest of world	343	329	12%	-6%	4%
Total	**11,718**	**11,332**	**4%**	**3%**	**3%**

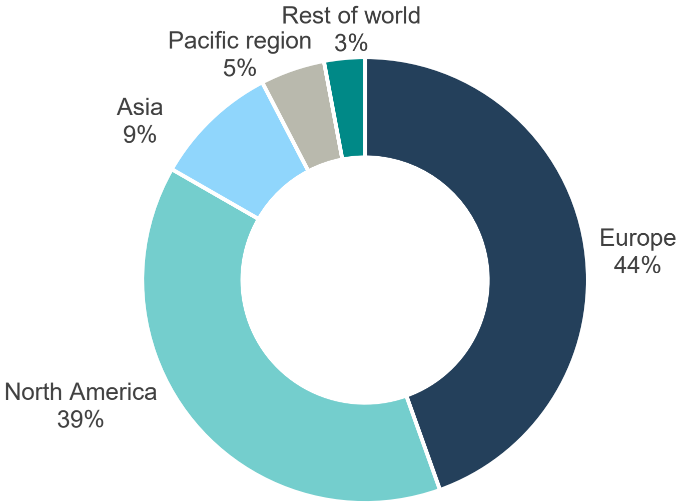
Organic growth in Asia was positive in H2, which was primarily driven by Japan. China delivered good performance in Hearing Care, but the Group saw flat growth in the country, reflecting continuously challenging market dynamics, which also impacted Diagnostics negatively.

In the Pacific region, good organic growth was driven by Australia. In our Rest of world region, we realised strong organic growth fuelled by several markets in South America.

Gross profit

The Group's gross profit increased by 2% to DKK 17,371 million in 2025, corresponding to a gross margin of 75.6%. This is a decline of 0.6 percentage points compared to 2024, primarily driven by weak market growth, particularly in the US, and by ASP headwinds in Hearing Aids from geography and channel mix changes. Increasing costs due to a higher share of rechargeable devices also had a negative impact on the Group's gross margin.

Revenue by geographic region FY2025



For H2, the Group's gross profit amounted to DKK 8,824 million, leading to a gross margin of 75.3%, which is a decline of 0.4 percentage points compared to H2 2024. Despite a positive impact from business mix, the decline was primarily driven by geography and channel mix changes in Hearing Aids and by our Diagnostics business, where the gross margin was negatively impacted by tariffs. Foreign exchange rates also had a slightly negative impact on the gross margin.

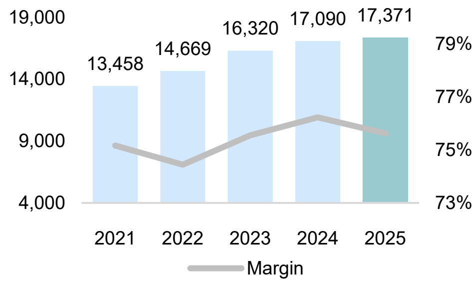
Operating expenses (OPEX)

For the full year, OPEX increased by 7% in local currencies of which only 3 percentage points relate to organic growth and 4 percentage points to acquisitive growth.

In H2, reported OPEX saw flat sequential development compared to H1 2025, which is in line with our expectations and reflects a continued focus on cost management. Distribution costs were the main driver of the increase in absolute terms driven by acquisitions in Hearing Care. Due to efforts to control costs in H2 2024, organic OPEX growth was 5%, and we saw an additional impact of acquisitions of 5 percentage points. Foreign exchange rates reduced OPEX by 4%, primarily due to a decline in the US dollar.

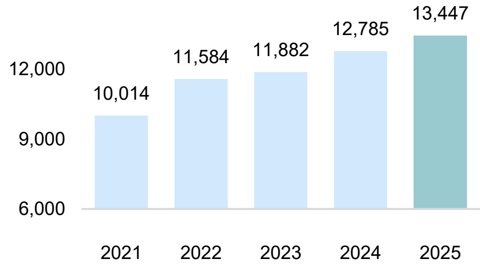
Five-year gross profit

(DKK million)



Five-year OPEX

(DKK million)



OPEX by function

(DKK million)	H2 2025	H2 2024	Growth Org.	Acq.	Rep.
R&D costs	671	661	2%	0%	2%
Distribution costs	5,481	5,092	5%	6%	8%
Administrative expenses	583	559	10%	0%	4%
Total	**6,735**	**6,312**	**5%**	**5%**	**7%**

Share of profit after tax from associates

For the full year, the share of profit after tax from associates amounted to DKK 36 million compared to DKK 99 million in 2024. In H2, the share of profit after tax from associates amounted to DKK 22 million.

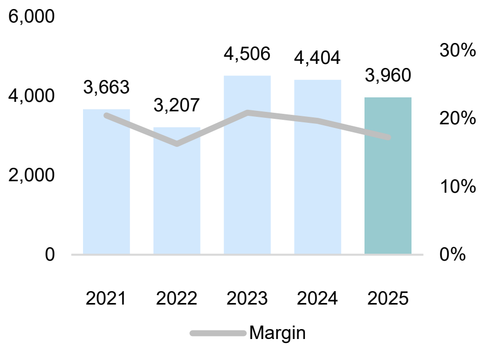
Operating profit (EBIT) before special items

In line with our updated expectations, the Group's EBIT before special items amounted to DKK 3,960 million in 2025, corresponding to an EBIT margin before special items of 17.2%.

In H2, EBIT before special items was DKK 2,111 million. The EBIT margin before special items was 18.0%, a contraction of 2.6 percentage points compared to H2 2024. EBIT before special items was negatively impacted by exchange rates and by lower operating leverage in Hearing Aids, driven by weaker-than-normal growth in the hearing aid market and by a loss of market share in the US.

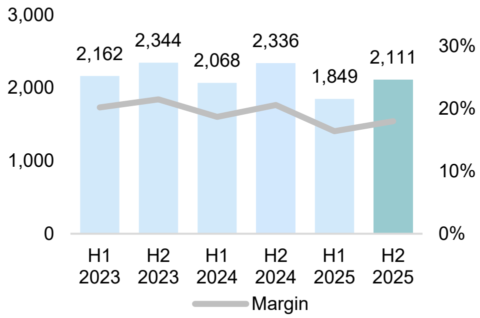
Five-year EBIT before special items

(DKK million)



Half-year EBIT before special items

(DKK million)



In 2025, we did not recognise any fair value adjustments of non-controlling interests in step acquisitions, contingent considerations etc. to EBIT before special items (DKK 13 million in 2024). Please refer to Financial statements, Note 7.1, for more details.

Special items

In 2025, we recognised special items of DKK -128 million, which exclusively relate to H2. The special items partly relate to acquisition costs associated with the acquisition of KIND, as announced on 1 December 2025, and partly to a non-cash adjustment of a previously recognised step-up gain on FUEL Medical Group in 2024. Please refer to Financial statements, Note 2.8, for further details.

Operating profit (EBIT)

For the full year, reported EBIT amounted to DKK 3,832 million, corresponding to an EBIT margin of 16.7%. In H2, reported EBIT amounted to DKK 1,983 million, corresponding to an EBIT margin of 16.9% due to the special items mentioned above.

Financial items

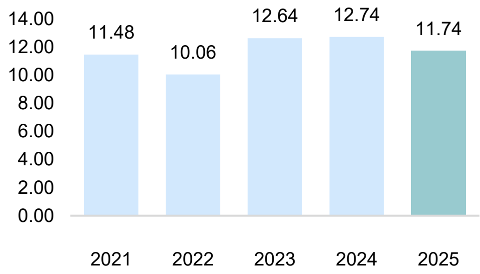
For the full year, net financial items amounted to DKK -731 million, a decrease of DKK 81 million compared to 2024. The decrease primarily relates to lower interest expenses following a lower average interest rate level in 2025. In H2, net financial items totalled DKK -346 million, a decrease of DKK 56 million versus H2 2024.

Profit for the year – continuing operations

Reported profit before tax from continuing operations amounted to DKK 3,101 million in 2025, which is a decrease of 17% compared to 2024, due to the lower reported EBIT and special items. Tax amounted to DKK 734 million, resulting in an effective tax rate of 23.7%. This is slightly higher than expected and entirely due to the adjustment of the step-up gain recognised under special items, which is not tax deductible. For H2, profit before tax from continuing operations was DKK 1,637 million, and tax amounted to DKK 400 million.

Adjusted earnings per share (adjusted EPS)

(DKK per share)



For the full year, reported net profit for continuing operations was DKK 2,367 million, resulting in adjusted earnings per share (EPS) of DKK 11.74. In H2, the reported net profit for continuing operations was DKK 1,237 million, corresponding to an adjusted EPS of DKK 6.40. Please refer to Financial statements, Note 1.1, for our definition of adjusted EPS.

Profit for the year – discontinued operations

Profit after tax from discontinued operations, which comprise Communications and Hearing Implants, amounted to DKK -823 million in 2025, which was slightly better than expected. In H2, profit after tax from discontinued operations amounted to DKK -810 million.

The loss in H2 is primarily related to various non-cash charges in respect of balance sheet adjustments following the agreement to sell EPOS and to provisions for future services and deliverables according to the agreement to sell Oticon Medical.

Profit for the year

For the Group as a whole, profit after tax in 2025 amounted to DKK 1,544 million, which is in line with our expectations. This corresponds to an EPS of DKK 7.31. In H2, net profit after tax was DKK 427 million, with an EPS of DKK 2.03.

At the annual general meeting, the Board of Directors will propose that the entire profit for the year will be retained and transferred to the company's reserves.

Cash flow statement

The Group continues to be very cash-generative, and 2025 was another year of strong cash flow generation. Cash flow from operating activities (CFFO) amounted to DKK 3,852 million, which is a decrease of 6%, driven by the lower operating profit and higher tax payments. CFFO was also strong in H2, amounting to DKK 2,339 million.

In 2025, our net investments in property, plant and equipment and intangible assets (CAPEX) amounted to DKK 810 million. CAPEX relative to revenue was 4%, which is in line with our medium- to long-term ambition of 4%. In H2, CAPEX was DKK 409 million, an increase of 10% on the same period in 2024, primarily due to slightly higher investments in production facilities.

Net investments in other non-current assets, which comprise customer loans and loans to associates, amounted to a positive impact of DKK 52 million. Net investments thus totalled DKK 758 million in 2025. For H2, net investments in other non-current assets amounted to a positive impact of DKK 38 million, resulting in total net investments of DKK 371 million.

Free cash flow

Following strong cash flow generation but also higher investments, the free cash flow before acquisitions and divestments decreased by 11% to DKK 3,094 million for the full year. In H2, the free cash flow decreased by 16% to DKK 1,968 million.

Acquisitions of enterprises

Net cash flow relating to acquisitions and divestments totalled an outflow of DKK 6,285 million for the year. The significant increase was driven by the acquisition of KIND, a leading retailer in Germany. In H2, when closing of the KIND acquisition took place, the cash flow from acquisitions and divestments amounted to an outflow of DKK 5,436 million, relating entirely to acquisitions in Hearing Care.

Share buy-backs

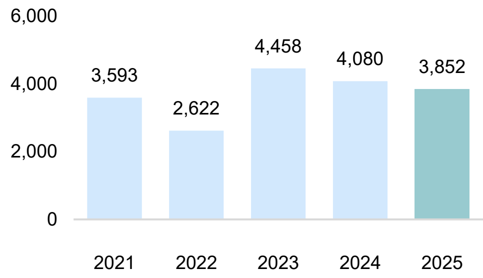
In 2025, the Group bought back a total of 2,272,349 shares worth DKK 582 million under the share buy-back programme, until it was suspended on 11 June 2025 following the announcement to acquire KIND. The shares were bought at an average price of DKK 255.97. In H2, the Group did not purchase any shares under the share buy-back programme.

Cash flow from discontinued operations

Driven by positive cash flows in both Communications and Hearing Implants, the net cash flow from discontinued operations was DKK 121 million for the full year and DKK 117 million in H2. Please refer to Financial statements, Note 7.2, for more details.

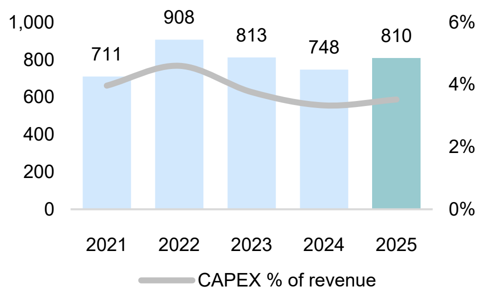
CFFO

(DKK million)



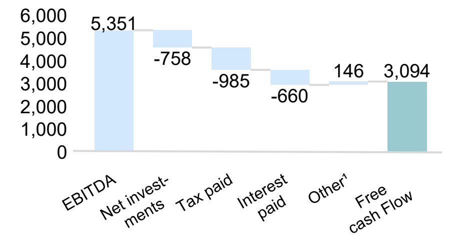
CAPEX

(DKK million)



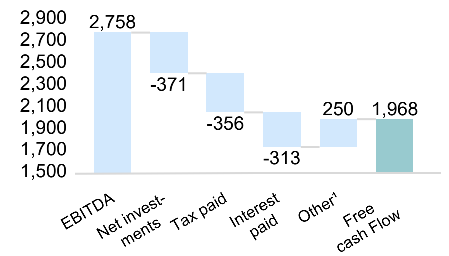
Full-year cash flow

(DKK million)



H2 cash flow

(DKK million)



[1]Other contains non-cash items, working capital and provisions.

Balance sheet

As at 31 December 2025, the Group's total assets amounted to DKK 39,074 million. This is an increase of 20% compared to 31 December 2024, entirely driven by acquisitions, which added 25 percentage points. The total balance sheet amount includes DKK 699 million relating to Communications and Hearing Implants, which are recognised as assets held for sale, pending closing of the agreements to sell the businesses.

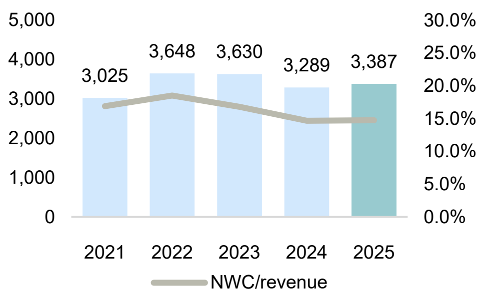
The increase in total assets is primarily due to an increase in goodwill related to acquisitions. Due to the consolidation of KIND following closing of the acquisition on 1 December 2025, this is also the case if we look at the development from 30 June 2025.

Net working capital

Net working capital (NWC) increased by 3% relative to the end of 2024, amounting to DKK 3,387 million, while the NWC-to-revenue ratio was flat at 15%. The increase in NWC is primarily the result of acquisitions made towards the end of 2025, leading to a higher level of inventory and trade receivables. If we adjust for the impact of the KIND acquisition, net working capital would have declined slightly compared to the end of 2024. Please refer to Financial statements, Note 1.1, for our definition of NWC.

Five-year NWC

(DKK million)

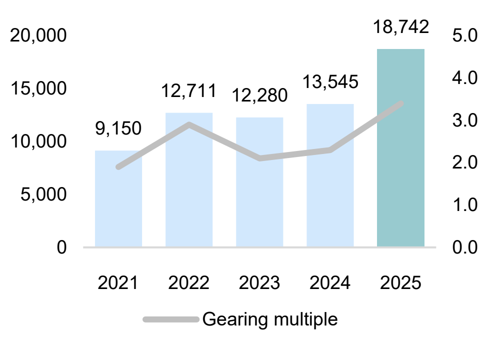


Net interest-bearing debt

Net interest-bearing debt (NIBD) increased by 38% in 2025 and thus amounted to DKK 18,742 million as at 31 December 2025. The full-year increase is primarily due to an extraordinarily high spend on acquisitions during the year, including the acquisition of KIND. As a result of the increase in NIBD, our gearing multiple increased from 2.3 at the end of 2024 to 3.4 at the end of 2025, which is, as expected, above our medium- to long-term gearing target of 2.0-2.5.

Five-year NIBD

(DKK million)

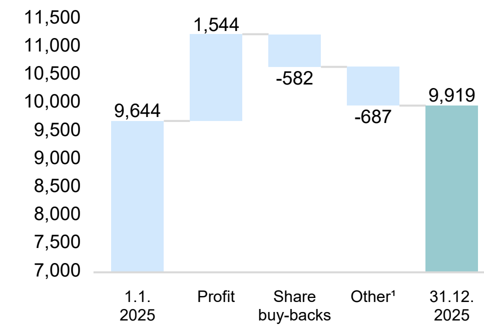


Equity

Total equity for the full year increased by 3% to DKK 9,919 million of which DKK 78 million is attributable to non-controlling interests and DKK 9,841 million to the shareholders of Demant A/S. The development was positively impacted by profit but was somewhat offset by share buy-backs and currency translation. In H2, total equity increased by 5% compared to 30 June, mainly because of profit generated by the Group.

Equity

(DKK million)



Employees

As at 31 December 2025, the Group had 26,704 employees compared to 22,639 at the end of 2024, an increase of 18%. The increase is mainly due to an increase in the number of employees from acquisitions, with the acquisition of KIND alone adding more than 3,000 employees to the Group.

Hedging activities

The material forward exchange contracts in place as at 31 December 2025 to hedge against the Group's exposure to movements in exchange rates are shown in the table below.

Hedging activities

Currency	Hedging period	Average hedging rate
USD	18 months	658
JPY	10 months	4.47
AUD	10 months	413
GBP	11 months	813
CAD	11 months	466
PLN	11 months	171

Events after the balance sheet date

On 30 January 2026, the transaction to sell EPOS closed, cf. the investor news published that day.

Apart from the above, no events have occurred after the reporting date of importance to the consolidated financial statements.

[1]Other contains exchange rate adjustments in subsidiaries, hedging, defined benefit plans, share-based compensation etc.

Hearing Aids

EXTERNAL REVENUE
9,841
DKK MILLION

EXTERNAL GROWTH
0%
IN LOCAL CURRENCIES

Oticon Zeal™

Market developments

Based on available market statistics, covering around two-thirds of the market, and on our own assumptions, we estimate that the global hearing aid market saw unit growth of 3% in 2025. This is below both our expectations at the beginning of the year and the structural growth rate of 4-6% due to general macroeconomic uncertainties.

Growth in 2025 was primarily driven by Europe, with France – as expected – delivering high single-digit unit growth. The Rest of world region was also a driver of market growth during the year, while North America was a drag on growth in 2025. Driven by the factors mentioned here, we estimate that geography and channel mix changes resulted in an ASP development of around -1%, leading to estimated growth in value of around 2%.

Q4 market update

We estimate that unit growth in the global market was 4% in Q4. Growth was thus at the lower end of the normal 4-6% growth range, though an improvement relative to Q3, primarily driven by the NHS in the UK. As a result of geography and channel mix developments, we estimate that the global hearing aid market saw negative ASP development in Q4.

In terms of geography and compared to the same period last year, we estimate that unit growth in Europe was 8% in Q4. Growth was driven by the NHS in the UK and by France, which continued to contribute to growth due to the four-year anniversary of the hearing healthcare reform implemented in 2021. Excluding the NHS and France, growth in Europe would have been 3%. In Germany, growth was negative, which is partly due to strong comparative figures in Q4 2024. In addition to the previously mentioned markets, we estimate that several of the smaller European markets saw good growth in the period.

Growth in North America was 0% in Q4, as we saw a continuously weak market and tough comparative figures. The US commercial market delivered flat growth, as negative growth in managed care was offset by slight growth in the private-pay market. Growth in Veterans Affairs (VA) ended on a soft note with -1% growth.

Looking beyond North America and Europe, we estimate that unit growth in our Rest of world region was 3% in Q4. Growth in China improved sequentially, leading to growth in Q4, despite continuously challenging market dynamics. Growth in Australia was positive and in Japan, the market saw slight growth. Outside of those markets, we estimate that several emerging markets saw good growth in Q4.

Business update

In 2025, total revenue in Hearing Aids amounted to DKK 12,473 million, corresponding to an organic growth rate of 2% (Q4: 5%). Acquisitive growth of 1% (Q4: 0%) relates to the acquisition in Q2 2024 of a value-added distributor. We saw an impact of -2% (Q4: -3%) of changes in foreign exchange rates, which primarily relate to the US dollar.

Internal revenue from sales to our Hearing Care business accounted for 21% of total revenue. Unless otherwise specified, our commentary below focuses on total revenue, including revenue from sales through our own retail clinics, and thus covers our total wholesale activities. However, internal revenue is eliminated from reported revenue for the Group.

In 2025, Hearing Aids delivered growth below our original expectations. This was mainly due to weak market developments, particularly in the US, and to a loss of market share in the US, primarily due to lower sales to a large retailer. Despite this, we saw improving growth throughout the year, which was also supported by our position in managed care.

Unit growth was 4%, but we saw a drag from ASP developments of -2% due to unfavourable geography and channel mix changes, including a flat US market. In H2, growth in units improved significantly, reflecting year-over-year market share gains across a number of important countries. This growth should be seen against the backdrop of a lower ASP due to continued weakness in the US commercial market and the development in our channel mix.

Growth in units and ASP

(LCY)	H1 2025	H2 2025	FY 2025
Units	3%	6%	4%
ASP	-2%	-2%	-2%
Total	**1%**	**4%**	**2%**

Estimated market unit growth in 2025 by region

(vs. 2024)	Q1	Q2	Q3	Q4	FY
Europe	4%	3%	4%	8%	5%
North America	-3%	2%	2%	0%	1%
US (commercial)	-5%	4%	2%	0%	0%
US (VA)	-1%	1%	4%	-1%	1%
Rest of world	4%	5%	4%	3%	4%
Global	**2%**	**3%**	**3%**	**4%**	**3%**

Hearing Aids, total revenue

(DKK million)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Revenue	3,148	3,073	3,012	3,240	12,473
Growth					
Organic	-1%	0%	3%	5%	2%
Acquisitions	2%	1%	0%	0%	1%
Local currencies	**1%**	**1%**	**3%**	**5%**	**2%**
FX	1%	-2%	-3%	-3%	-2%
Total	**1%**	**-2%**	**0%**	**2%**	**0%**

Revenue and growth

(DKK million)	Q4 2025	Q4 2024	Growth Org.	Acq.	LCY	FX	Rep.
Hearing Aids, total revenue	3,240	3,179	5%	0%	5%	-3%	2%
Hearing Aids, internal revenue[1]	-663	-583	11%	5%	16%	-2%	14%
Hearing Aids, external revenue	2,577	2,596	4%	-1%	2%	-3%	-1%

(DKK million)	FY 2025	FY 2024	Growth Org.	Acq.	LCY	FX	Rep.
Hearing Aids, total revenue	12,473	12,413	2%	1%	2%	-2%	0%
Hearing Aids, internal revenue[1]	-2,632	-2,391	7%	4%	11%	-1%	10%
Hearing Aids, external revenue	9,841	10,022	0%	0%	0%	-2%	-2%

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

Q4 business update

When we look at Q4, growth to external customers was 2% in local currencies of which organic growth accounted for 4 percentage points and acquisitive growth for -1 percentage point. Growth improved sequentially despite continued market weakness and lower sales in the US. We also launched Oticon Zeal™ in a number of European countries, where the product has created excitement amongst hearing care professionals. However, the impact on Q4 was small due to the phased launch.

In Europe, external revenue growth was strong, driven by both market share gains and good market growth across the region. In France, we continued to see a positive effect of the four-year anniversary of the hearing healthcare reform implemented in 2021, resulting in high unit growth. In the UK, growth was very strong, driven by the NHS, and we also saw good growth in many of our medium-sized markets.

In North America, we continue to see the weaker-than-normal hearing aid market having a significant negative impact on our business. In addition, we also saw loss of market share in the US compared to last year, primarily due to lower sales to a large retailer. In the important VA channel, our market share in units was 18.9% in Q4, which is a slight decrease compared to last year due to competitive launches, but roughly in line with Q3 2025. In Canada, growth was strong, partly driven by easier comparative figures.

Sales growth in Asia was positive in Q4, driven by broad-based growth outside of China, where we continue to see challenging market dynamics. Due to Australia, growth in the Pacific region was negative. In our Rest of world region, mostly comprising emerging markets, we saw good growth, particularly in South America.

Product update

At the German hearing aid congress EUHA in October 2025, we announced and launched Oticon Zeal™, a new, groundbreaking hearing aid. Oticon Zeal™ unites a discreet design, cutting-edge connectivity, rechargeability and exceptional sound quality. All this is combined with AI sound processing and flexible fitting options, which has created excitement among hearing care professionals, with feedback so far being very positive. The product was initially launched in Denmark, the UK and Switzerland and to a minor degree in Germany in Q4 2025. The launch continues with a global roll-out in H1 2026, including in the US where it became available for sale in January.

In Q1 2026, we will further expand our portfolio of solutions with additional form factors to reach even more people with our latest generation of hearing aid technology. This is exemplified by the release of Oticon Verit™, a hearing aid for users who prefer disposable batteries. In H1, our portfolio of hearing aids with disposable batteries will also be expanded to our other hearing aid brands, Bernafon and Philips. In addition to these releases, Oticon will expand its latest Sirius platform to a new family of paediatric products, Oticon Play SI. All releases in Q1 will be featuring our industry-leading connectivity with Auracast™ and Google Fast Pair™.

Oticon Zeal

Hearing Care

REVENUE
10,724
DKK MILLION

GROWTH
10%
IN LOCAL CURRENCIES

KIND
Fitting in a clinic

Market developments

Please refer to the Hearing Aids section above for details on developments in the hearing aid market in 2025, but note that our Hearing Care business is not present in many emerging markets or in government channels. Overall, we estimate that the growth rate in the part of the market where Hearing Care is active was roughly in line with the global market growth rate in units of around 3% in 2025.

Business update

Hearing Care delivered a solid performance in a weaker-than-normal hearing aid market in 2025. Revenue in Hearing Care amounted to DKK 10,724 million. We delivered organic growth of 3% (Q4: 5%), driven by strong growth in Poland, France and several of our medium-sized markets.

Acquisitions added 7% (Q4: 12%), with Germany as the most significant contributor. In December 2025, we completed the acquisition of KIND, one of the world's leading retailers of hearing aids with around 650 hearing care clinics. This acquisition also had an impact on growth in Q4. Demant's largest-ever acquisition, KIND has expanded our global Hearing Care business to now comprise more than 4,500 clinics worldwide. Acquisitions help elevate our business to a stronger commercial position and further increase profitability in the respective countries.

Growth in Europe was good, driven by strong development in our existing network and by greenfield openings. Following an expected slow start to the year, we delivered strong unit growth in France due to the four-year anniversary of the French hearing healthcare reform. The strong unit growth was, however, somewhat offset by product mix changes, leading to negative ASP development. As a result, organic growth in France was in the mid-single digits. In addition, several of our medium-sized markets continue to contribute to good growth in Europe.

In North America, organic growth was slightly positive, driven by the US despite a weak US commercial market, which saw flat growth in 2025.

For our total Hearing Care business, growth was mainly driven by unit sales, but we also saw a positive ASP development, driven by favourable product mix changes and despite negative geography mix changes.

Q4 business update

In Q4, organic growth was 5%, reflecting continuously solid business momentum in many medium-sized as well as large markets. In North America, we saw improving sequential growth in Q4 compared to Q3, despite a somewhat weaker underlying market development.

In absolute terms, Europe was the largest growth driver in Q4, with particularly strong performance in Poland. In France, the four-year anniversary of the French hearing healthcare reform continues to drive strong unit growth, and although the ASP development was negative due to product mix changes, we delivered good growth in the country. Several other medium-sized markets also performed well.

In North America, the US delivered good organic growth in Q4, but this was partially offset by negative organic growth in Canada.

Australia saw good growth in Q4, continuing the improved momentum from Q3 compared to H1. In China, we delivered good organic growth driven by ASP tailwind due to positive product mix changes.

Hearing Care

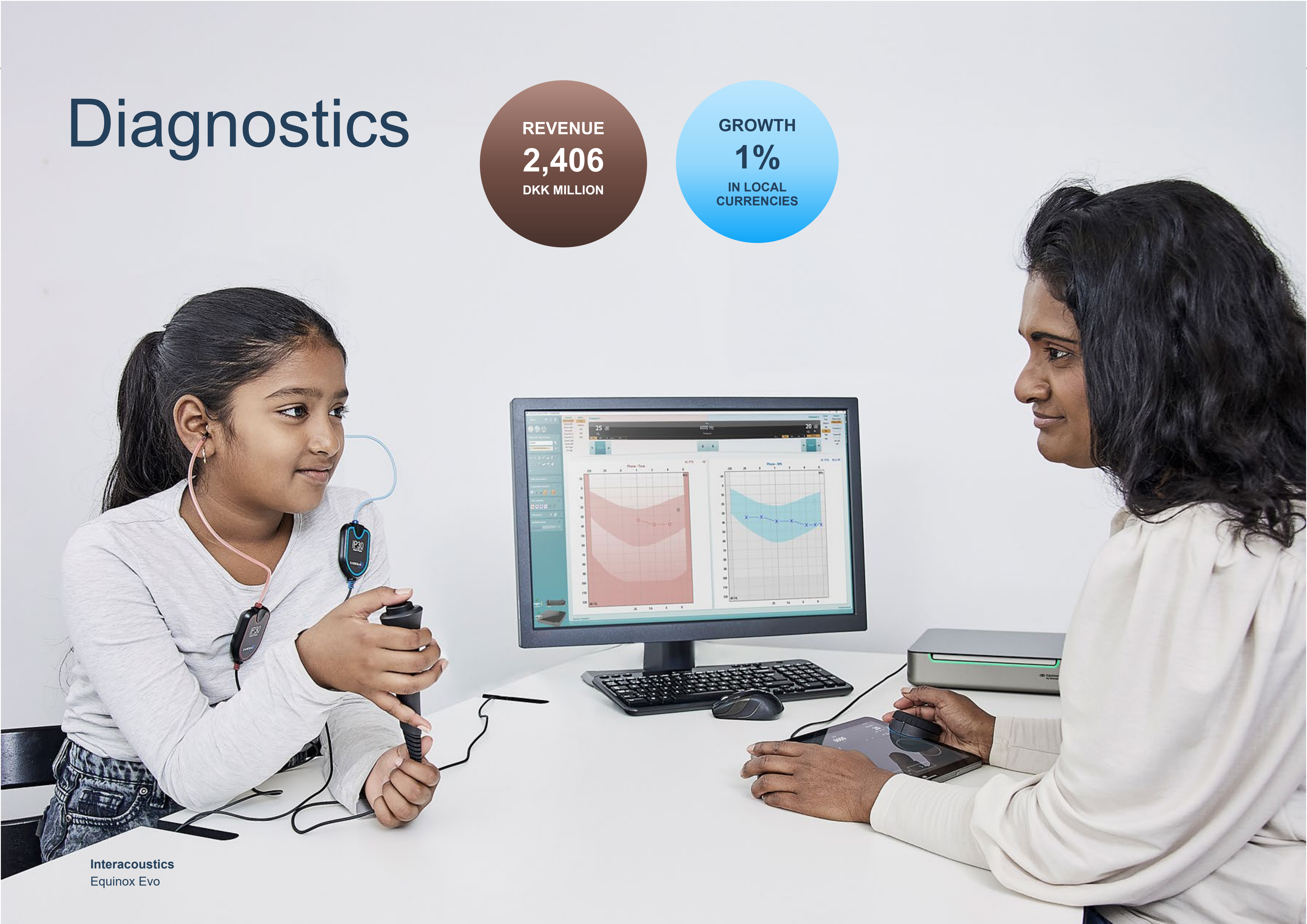
(DKK million)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Revenue	2,547	2,602	2,537	3,038	10,724
Growth					
Organic	4%	1%	4%	5%	3%
Acquisitions	5%	5%	5%	12%	7%
Local currencies	**9%**	**6%**	**9%**	**17%**	**10%**
FX	1%	-2%	-3%	-4%	-2%
Total	**10%**	**3%**	**6%**	**13%**	**8%**

Counselling in a clinic

Diagnostics

REVENUE
2,406
DKK MILLION

GROWTH
1%
IN LOCAL CURRENCIES



Interacoustics
Equinox Evo

Market developments

We estimate that the market for diagnostic instruments and services saw flat growth in 2025, but growth dynamics improved somewhat towards the end of the year. This is due to macroeconomic uncertainties, particularly in the US, resulting in reduced investments in clinical and hospital equipment. Despite improvements throughout the year, headwinds in the Chinese market also continued to be a drag on growth.

The service and consumables market saw growth but not sufficiently to offset negative growth in the instrument market, resulting in a growth rate in the total market for diagnostic equipment well below the structural market growth rate of 4-6% per year.

Business update

Diagnostics generated revenue of DKK 2,406 million in 2025 with organic growth of 1% (Q4: 8%), which is lower than our original expectations for the year.

The market for diagnostic instruments saw a soft start to the year, and in light of these soft market developments, we estimate that our organic growth rate was roughly in line with the market growth rate in 2025. During the year, our strong position in the service and consumables business helped us maintain our market position.

Overall, organic growth in 2025 was impacted by challenging market dynamics in North America, mainly in the US due to increased macroeconomic uncertainties. In China, we made good progress in achieving several regulatory approvals, giving us access to public markets, and we expect to continue this work in the coming year. Despite these efforts, adverse market developments in China had a negative impact on growth. Organic growth in Europe was, however, positive and thus offset some of the drag from Asia and North America.

Q4 business update

Organic growth was 8% in Q4, a strong acceleration compared to Q3, fuelled by our service and consumables business, but our diagnostic instruments business also performed well. The development in Q4 was driven by strong growth in Europe and North America, the latter being our largest region.

In North America, both the US and Canada saw strong growth, driven by our service and consumables business.

In Q4, we realised strong growth in Europe, particularly in the UK and Germany and across some of our medium-sized markets. However, this growth was partially offset by negative growth in a number of other European markets.

Australia delivered very strong growth in Q4, primarily driven by instrument sales. The lack of momentum in China continued to be a drag on growth in Asia, which was also negatively impacted by general market weakness and our limited access to public markets. Thus, growth remained negative.

Diagnostics

(DKK million)	Q1 2025	Q2 2025	Q3 2025	Q4 2025	FY 2025
Revenue	603	587	567	649	2,406
Growth					
Organic	0%	-4%	-1%	8%	1%
Acquisitions	0%	0%	0%	0%	0%
Local currencies	**0%**	**-4%**	**-1%**	**8%**	**1%**
FX	1%	-4%	-4%	-6%	-3%
Total	**1%**	**-7%**	**-5%**	**2%**	**-2%**

Interacoustics Equinox Evo

Financial outlook

Outlook for 2026

Our outlook for 2026 is summarised in the table below:

Organic growth	3-6%
EBIT before special items	DKK 4,100-4,500 million
Share buy-backs	None

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

- Due to general macroeconomic uncertainty, we expect the value growth rate in the global hearing aid market to be 2-4% in 2026, which is a conservative assumption temporarily below our medium- to long-term assumption.
- We expect a limited impact of tariffs on the Group, but we include an impact of around DKK -25 million of tariffs in 2026 on our Diagnostics business area based on currently implemented tariffs in the US.
- We have launched a company-wide initiative for Demant to improve profitability, which is expected to lead to cost reductions, positively impacting EBIT before special items of around DKK 250 million in 2026. The majority of the impact is expected to materialise in H2, leading to an EBIT before special items being skewed towards H2.
- Due to exchange rate movements during 2025, we expect an impact of exchange rates on EBIT before special items of around DKK -200 million compared to 2025 with the split expected to be evenly distributed between H1 and H2.
- We expect KIND to contribute approximately DKK 300 million to the Group's EBIT before special items in 2026.
- We expect to incur costs recognised as special items totalling DKK 325 million. These costs relate to previously communicated transaction and integration costs following the acquisition of KIND amounting to approximately DKK 125 million. In addition, the announced organisational and structural changes to the Group will entail one-off costs of an additional DKK 200 million primarily related to severance payments and cost related to the announced measures.

For modelling purposes, we provide further assumptions for 2026 below:

Acquisitive growth	8% based on revenue from acquisitions completed as at 2 February 2026
FX growth	-2% based on exchange rates as at 2 February 2026, including the impact of hedging
Special items	DKK -325 million
Effective tax rate	Around 23%

Forward-looking statements

This report contains forward-looking statements that reflect Demant's current expectations regarding future events and financial performance.

Forward-looking statements are statements other than historical facts and include, without limitation, statements that may predict, forecast, indicate or imply future events, results, performance or achievements and may include words such as "believe", "expect", "anticipate", "intend", "plan", "estimate", "project", "will", "may", "could" or similar expressions. These statements are based on assumptions, estimates and predictions that may prove incorrect and are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied.

Factors that may affect future results include, but are not limited to, risks associated with the hearing healthcare industry and Demant's operations as described in this Annual Report and other publicly available materials. Accordingly, undue reliance should not be placed on these forward-looking statements.

Except as required by applicable law or regulation, Demant undertakes no obligation to update any forward-looking statements to reflect changes in actual results, expectations or events.

Philips

Corporate governance

Risks and risk management

Organisation and governance

Risk management activities in the Demant Group include a variety of risk areas, many of which may impact the performance and reputation of the Group. The overall responsibility for risk management lies with the Executive Leadership Team, but risk management activities are carried out throughout the organisation on a day-to-day basis.

Risk management is an integral part of the management of the Demant Group. Risks to which business areas, markets and operations are exposed are identified, monitored and mitigated at all management levels. Through frequent and transparent reporting, these measures ensure that key risks are escalated to the business area leadership, to functional boards, to the Executive Leadership Team and, if relevant, to the audit committee and ultimately the Board of Directors.

We have established a number of functional boards to ensure focus on governance, development and risk management in key areas globally, i.e. IT, Finance, HR, Sustainability & Communication and Legal & Compliance. The functional boards are responsible for risk management in their respective areas and for ensuring that policies, guidelines and processes are established to monitor risks and new legislation.

The audit committee oversees the risk management processes related to financial risks, including sufficient and efficient internal controls. The audit committee has assessed the Group's existing control environment and concluded that it is adequate.

Business ethics is an integral part of conducting business in a global world with many stakeholders. We continuously expand and improve the Group's business ethics programme to reflect our all-important commitment to a high level of business ethics, including our Code of Conduct, a global whistleblower scheme as well as global policies and guidelines on business ethics. For more information, please refer to the Sustainability statement on page 99.

- Risk management is an integral part of the management of the Demant Group.
- Risks are identified, monitored and mitigated at all management levels.
- Functional boards exist to ensure focus on governance, development and risk management.
- The audit committee oversees financial risks and internal controls.
- We are committed to a high level of business ethics.

Innovation and operations

Innovation risks

We operate in highly product-driven markets where significant R&D initiatives help underpin our market position. It is vital for us to maintain our innovative edge.

We leverage the latest technologies in our products and services, such as AI and Deep Neural Networks. This drives the continuous development of new innovative solutions, enhancing the user experience of our offerings.

We protect and maintain patents for our own groundbreaking technology, while ensuring that we do not infringe the rights of others.

We must continue to attract the most competent employees in key areas. A key way to achieve this is to maintain our strong company culture and high employee engagement. Our investments in people development, leadership training and information-sharing platforms are key to achieving this objective.

Product requirement risks

As a major player in the hearing healthcare market, Demant is exposed to certain regulatory risks in terms of changes to product requirements. We adhere to regulatory requirements applying to our products and services to ensure that our products are safe and effective to use and meet the requirements and needs of our users.

We continuously engage with customers, healthcare practitioners and other stakeholders to ensure that we meet their needs when developing innovative products. We incorporate the requirements of international standards and regulations into the design and development of our products to ensure compliance with regulations and product safety.

All processes in our quality management systems (QMS) contribute to ensuring that our products are effective and safe for our users. Notified bodies and various national health authorities inspect our QMS on a yearly basis. Demant works continuously to improve these systems. As a general principle, our products are designed and marketed in compliance with risk management guidelines under ISO 14971 to ensure the safety of our users. In case of an unexpected incident, we act fast and decisively, following our processes and maintaining a transparent dialogue with relevant stakeholders. For more information on how we manage product quality and safety, please refer to page 94.

Supply chain risks

Stability in sourcing and delivering high-quality manufactured goods on time are crucial for us to fulfil the commitments we have made to our customers.

Innovation and operations – continued

Supply disruptions may result in delayed deliveries or inefficient production set-ups. Lockdowns and other restrictions may also affect the global supply chain and thus increase the risk of sudden changes.

We have business and contingency plans in place to ensure service to our customers in the best possible way in any given situation.

We closely monitor our supply situation and aim to maintain adequate safety stocks to counter potential interruptions in our production. Our main production facilities in Poland and Mexico are in close proximity to our largest markets, which is important for us to be able to quickly and efficiently serve our customers in case of dynamic changes in the supply chain.

We continuously evaluate our production footprint and dependency on key suppliers to strike a sound balance between flexibility, exposure and costs. We collaborate closely with our highly specialised suppliers and ensuring sufficient inventory levels.

In our supply chain and throughout our organisation, we actively work to ensure a safe and engaging working environment.

For more information on how we manage potentially negative impacts on our employees and people in our supply chain as well as potential risks linked to these, please refer to pages 81-90.

Sustainability risks

For information about sustainability-related risks, please refer to the Sustainability statement on pages 56-60.

- We operate in highly product-driven markets.
- We protect and maintain our technology through patents.
- We leverage the latest technologies in our products and services.
- We continuously engage with customers, healthcare practitioners and other stakeholders to ensure that we meet their needs when developing innovative products.
- We have business and contingency plans in place to ensure service to our customers in the best possible way in any given situation.
- We continuously evaluate our production footprint and dependency on key suppliers to strike a sound balance between flexibility, exposure and costs. We collaborate closely with our highly specialised suppliers.

Market and customer risks

The hearing healthcare market consists of highly specialised players that operate in an extremely competitive market. While navigating current market conditions, we monitor potential shifts in the competitive landscape to ensure that we respond swiftly and effectively to changes in the market.

Macroeconomic impacts on markets

Historically, the hearing healthcare market has seen stable growth driven by demographic changes.

The current macroeconomic uncertainties may have an adverse effect on the demand for hearing healthcare solutions in some regions. Furthermore, higher inflation rates are impacting economies in some markets. In case of macroeconomic or geopolitical headwinds, we seek to adapt our organisation, activities and costs accordingly to mitigate financial impacts in the affected markets.

Although the demand for hearing aids continues to grow due to an increasing elderly population, it may decline if consumer contact is limited, as a significant part of our sales is based on in-person counselling of individuals with hearing difficulties. Such limitations may result from weather conditions, travel restrictions, pandemics etc., but are usually local in nature.

Regulatory risks in the markets

The Group is exposed to a high number of regulatory risks related to reimbursement schemes and public tenders in the markets where we operate. In most markets, the current regulatory landscape is considered stable, so for the time being, we do not expect significant changes in the regulatory environment. Regulatory and commercial risks may overlap, if the level of reimbursement changes, or if the method of distribution in a market changes.

While regulatory changes are an intrinsic part of the hearing healthcare market, we feel well positioned to respond to such changes in the commercial environment. We continue to monitor changes to the regulatory landscape and engage in dialogues with regulators as part of our business planning.

Regulation and Sanction-related risks

The Group is subject to regulations governing the export of products from our production sites and their import into markets where they are sold. Changes in import regulations or tariffs may lead to additional costs. To mitigate such risks, we continuously monitor regulatory developments and evaluate alternative production locations and supply chain configurations where feasible.

In addition, the Group operates in markets that may be subject to EU or US sanctions, including financial sanctions, trade/export controls, and restrictions on entities and individuals. To ensure compliance, distributors and business partners in these regions undergo sanction checks, and firm actions are taken when necessary. Geopolitical developments may increase the scope of sanctions, potentially resulting in a complete halt of trade in certain markets, as experienced with Russia and Belarus.

The Group continues to closely monitor evolving legislation and strengthen systems and processes to maintain robust controls and documentation for compliance.

Market and customer risks – continued

Go-to-market risks

Market developments in recent years have confirmed our belief in the importance of providing a combination of personal counselling, individual fitting, life-long service and highly advanced technology.

In the US market, a large part of hearing aid purchases continues to be covered by insurance companies. The prevalence of large managed care organisations poses a risk to average selling prices in the hearing aid market, as volumes are increasingly consolidated among fewer players. This may also impact customer loyalty and the general level of fitting fees in hearing aid clinics. Aside from the dynamics of managed care, new channels have emerged in recent years, including over-the-counter hearing aids, which have been publicly available since 2022. While these devices increase general access to treating hearing loss, their impact on the prescription hearing aid market in the US remains limited. Recently, new form factors have also entered the over-the-counter hearing aid market, and while this may increase awareness of hearing loss and expand the penetration of hearing healthcare solutions to new users, it could pose a risk to the prescription hearing aid market, if successful.

- We monitor potential changes to the competitive landscape to ensure that we respond swiftly.
- We seek to adapt our organisation, activities and costs to mitigate the financial impacts of macroeconomic uncertainties.
- We adapt our operating model when we see changes to reimbursement schemes in markets where we operate.
- We continue to monitor changes in the regulatory landscape and engage in dialogues with regulators.
- We are committed to complying with legislation regarding financial sanctions, export controls and other types of sanctions.

Data and IT security

As our Group becomes increasingly digitalised, more devices and control systems are connected online, resulting in a broader interface across our IT infrastructure that could potentially be compromised.

As a large, global organisation, we are dependent on numerous IT systems and the general IT infrastructure to operate efficiently across our value chain. This carries an inherent risk of system errors, human errors, data breaches or other interruptions that may impact the Group financially. In addition, we may be exposed to attempts to access or steal information, computer viruses, denial of service and other digital security breaches.

Since 2020, Demant has performed annual maturity assessments based on the Cyber Security Framework (CSF) of the National Institute of Standards and Technology (NIST). Starting in 2025, the audit committee is responsible for reviewing these assessments to ensure our continuous focus on relevant parameters. The assessment for 2025 was conducted internally.

Confirming our commitment to protect client data and continuously improve cybersecurity, we have obtained ISO 27001 certification.

We train and educate our employees in IT-related topics on an ongoing basis to limit any IT-related incidents caused by human errors. We regularly revise policies to ensure that they are up-to-date and reflect the current environment.

Demant is entrusted with personal data on employees, customers, users and business partners, which are collected and processed in accordance with applicable laws and regulations. As our business continues to grow, the complexity of managing customers' data increases. We remain committed to protecting personal data, and failure to do so could have serious consequences for the people whose data we possess as well as for the Group. We have a global Data Ethics Policy, and it is mandatory for all employees to comply with the Policy. The Policy covers all processing of data, including personal and non-personal, and goes beyond compliance, as we already work diligently to ensure that personal data is processed in accordance with regulatory frameworks. For more information on how we manage personal data to protect our users' right to privacy, please refer to page 96 and our Data Ethics Policy.

- We continuously assess our IT maturity and remain focused on ensuring proper IT security.
- We train and educate our employees in IT-related topics.
- We ensure an adequate response and timely reporting in case of an IT security incident.
- We remain committed to protecting personal data.

Financial risks

Financial risk management focuses on identifying risks related to changes in the financial markets and to customers' propensity to pay for products and services.

The Executive Leadership Team monitors the management of financial risks and risks relating to counterparties of the company to ensure that these remain well-balanced. Financial risks are managed centrally by Group Treasury, which is responsible for securing attractive funding under the prevailing market conditions and for monitoring and mitigating risks related to liquidity, interest rates and exchange rates. Risks related to counterparties are managed in the individual markets.

Capital structure, funding and liquidity

The Group remains highly cash-generating from operating activities with a strong balance sheet. The Group continuously adapts its capital structure to the prevailing market conditions to secure attractive financing. Demant secures funding based on a strong commitment by our core banks to provide longer-term bank facilities. To mitigate potential liquidity and refinancing risks, the Group has secured considerable undrawn committed credit facilities from its core banking relations.

In relation to R&D, Demant obtains financing from the Nordic Investment Bank and the European Investment Bank, which include covenants with which Demant fully complies.

To minimise financing risks, Demant aims for more than 50% of its credit facilities to be committed with long-term maturity. Group Treasury monitors market conditions on an ongoing basis and plans and executes refinancing when deemed appropriate to mitigate maturity risks. Driven by the KIND acquisition, Demant's financial gearing multiple is currently above the communicated target range of 2.0-2.5. The Group will prioritise deleveraging and expects to return to its medium- to long-term gearing target within 18-24 months after closing of the KIND transaction.

Interest rate risks

Despite an increasing debt level, the financial expenses decreased in 2025, largely driven by decreasing interest rates during the year as well as reduced credit margins.

Currently, around 50% of the Group's next-twelve-months interest expenses on its debt is funded through fixed-rate facilities or hedged through financial instruments that limit interest rate risk.

The Group seeks to maintain a balanced mix between fixed- and floating-rate debt.

Exchange rate risks

The Group is exposed to exchange rate risks, as it trades with counterparties in a number of countries, and as it has cash flows in different currencies. It is therefore important to adequately balance foreign exchange rate risks to avoid unexpected adverse impacts on the Group's financial performance.

The majority of Group companies transact mainly in local currencies and are therefore exposed to limited exchange rate risks.

The Group does not hedge translation risks resulting from the consolidation of Group accounts into Danish kroner. Most Group companies are invoiced by the Danish production entities. Around two-thirds of the invoices out of Denmark are issued in currencies other than Danish kroner or euros. To reduce our exchange rate exposure, we continuously seek to balance incoming and outgoing cash flows in our main trading currencies as much as possible. To ensure predictability in terms of net profit, we hedge expected future net cash flows, mainly through forward exchange contracts with a horizon of up to 18 months.

In addition, the Group seeks to balance our on-balance net exposure in our main trading currencies and to hedge this exposure, where relevant. It is the Group's policy to hedge only financial risks arising from our commercial activities and not to undertake any financial transactions of a speculative nature.

Credit risks

From a commercial point of view, the Group is exposed to credit risks if our customers fail to pay for products and services provided. Such risks mainly relate to trade receivables and loans to customers or business partners, and failure to adequately manage credit risks may adversely impact the Group.

To minimise the risk of suffering losses on customers, the Group monitors its credit risks on an ongoing basis. The Group generally has a diversified customer base, and in 2025, the accumulated revenue from our ten largest customers accounted for approximately 11% of total consolidated revenue. We regularly adjust our financial accounts to reflect the current credit risks.

When granting loans to business partners, we require our counterparties to provide security in their business. We estimate that, in general, the risk relative to our total credit exposure is well-balanced at Group level, and historically, we have only incurred limited credit-related losses.

The credit risk on cash is managed in accordance with the Group's policy by selecting core banking partners, all with strong credit ratings. Due to its global presence and operations, the Group holds some cash balances. However, these are distributed across multiple banks and locations, thus minimising the associated credit risk.

Please refer to Financial statements, Note 4.1.

- To mitigate potential liquidity and refinancing risks, the Group has secured access to considerable undrawn committed credit facilities.
- We limit interest rate risks by hedging part of our exposure.
- We continuously seek to balance and, if relevant, to hedge our foreign exchange rate exposure.
- We monitor the credit risks related to business partners on an ongoing basis.

Governance framework

Maintaining appropriate corporate governance is an ongoing focus area for the Board of Directors and Executive Board in Demant.

Once a year, the Board of Directors and Executive Board review the company's corporate governance principles, including principles that derive from legislation, recommendations and good practices. We are committed to developing and maintaining a transparent corporate governance structure that promotes responsible business behaviour and long-term value creation.

Recommendations issued by the Danish Committee on Corporate Governance and adopted by Nasdaq Copenhagen are best-practice guidelines for the governance of companies admitted to trading on a regulated market in Denmark.

When reporting on corporate governance, we follow the 'comply or explain' principle. Demant complies with 38 of the 40 recommendations. In the two cases where we have chosen to deviate from a recommendation, we provide well-founded explanations and explain what we do instead. To further increase transparency, we provide supplementary and relevant information, even when we comply with the recommendations.

Corporate Governance Report 2025 provides a complete presentation of the recommendations and how we comply with them. The report as well as the financial reporting process and internal control described in Risk management activities in this Annual Report 2025 constitute Demant's statement on corporate governance, cf. section 107b of the Danish Financial Statements Act.

Governance structure[1]

In accordance with Danish legislation, Demant has a two-tier management system, comprising the Board of Directors and the Executive Board. No individual is a member of both. The division of responsibilities between the Board of Directors and the Executive Board is clearly outlined and described in the Rules of Procedure for the Board of Directors and in the Instructions for the Executive Board.

The Board of Directors is responsible for the overall strategic management and the financial and managerial supervision of the company, the ultimate goal being to ensure long-term value creation. The Board of Directors supervises the work of the Executive Board. The Executive Board is responsible for the daily operations and development of the business in accordance with the strategic direction. The members of the Executive Board are the CEO, CFO and the President of Hearing Care, who are registered with the Danish Business Authority.

The Executive Board has formed a wider Executive Leadership Team, consisting of the Presidents of the three business areas (Hearing Aids, Hearing Care and Diagnostics) and the President of Group Services. The CEO is also President of Hearing Aids, and the CFO is President of Group Services.

Composition of the Board of Directors

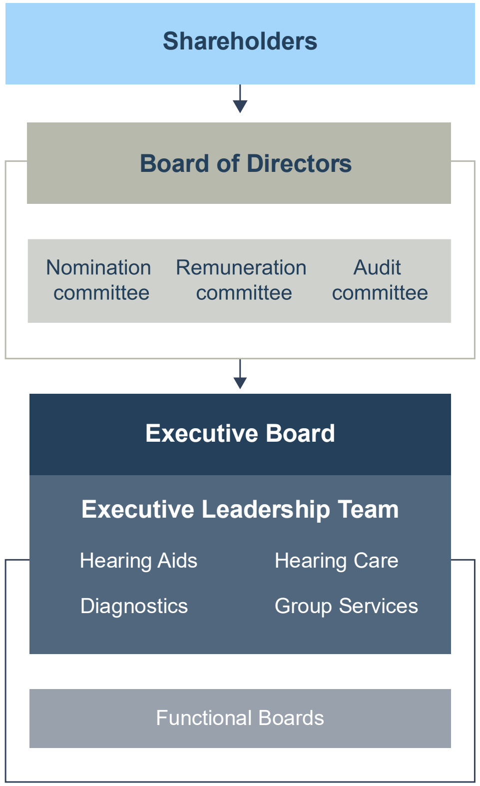
Since the annual general meeting in March 2025, the Board of Directors has consisted of eight members: five members elected by the shareholders at the annual general meeting and three members elected by staff in Denmark. Shareholders elect Board members for a term of one year, and staff elect Board members for a term of four years. Staff-elected members are elected in accordance with the provisions of the Danish Companies Act. Niels B. Christiansen, Chair of the Board of Directors of Demant since 2017, has informed Demant's Board of Directors that he has decided not to stand for re-election to the Board of Directors of Demant at the annual general meeting on 5 March 2026.

Although the Board members elected by the shareholders at the annual general meeting are up for election every year, the individual Board members are traditionally re-elected and sit on the Board for an extended number of years. This ensures consistency and maximum insight into the conditions prevailing in the company and the industry. Such consistency and insight are considered important in order for the Board members to bring value to the company.

Three of the five Board members presently elected by the shareholders at the annual general meeting are considered independent. Four Board members stand for re-election at the annual general meeting in March 2026.

The Board is composed to ensure the right combination of competencies and experience, with extensive international managerial experience, board experience from major listed companies and diversity traits carrying particular weight.

On our website, www.demant.com/about/management-and-governance, we describe the competencies and qualifications that the Board of Directors deems necessary to have at its overall disposal in order to perform its tasks for the company.



[1] ESRS 2 GOV-1. All sections below this header are part of limited assurance.

Diversity

In Demant, we work to foster respect for diversity, and we strive to treat all employees fairly. The Global Policy on Human Resources has two distinct drivers related to equal treatment: belonging and personal awareness.

The overview of Demant's compliance with sustainability and ESG reporting requirements, including diversity metrics for the Group and for the legal entity Demant A/S, can be found in the Sustainability Statement.

Furthermore, the sections below outline the composition, diversity and qualifications of the Board of Directors and the Executive Leadership Team.

Evaluation of the performance of the Board of Directors

Once a year, the Board of Directors performs an evaluation of the Board's work. The evaluation is performed either through personal, individual interviews with the Chair and each of the Board members or by means of a questionnaire to be filled out by the individual Board members. In both instances, the findings of the evaluation are presented and discussed at the subsequent Board meeting. At least every third year, the evaluation is performed with external assistance.

In 2025, the evaluation was performed by means of a questionnaire. Overall, the evaluation confirmed that the Board is satisfied with its governance structures and furthermore confirmed that the interaction between the Board members works well. The Board of Directors is keen to keep focus on and allocate time to the long-term strategic development of the company to continuously ensure that the company's potential is fully exploited. The Board is content with its structure and committee work. Particularly, separating the audit committee meetings from the ordinary Board meetings and integrating the work of the IT security committee into the audit committee has worked well, as it makes it possible to focus on more in-depth discussions on the relevant topics.

The collaboration between the Board of Directors and the Executive Board works well, and there is an open and trustful working atmosphere. The work performed by the Board of Directors takes its starting point in the annual wheel, which is regularly refined and updated and ensures the Board's commitment and immersion into relevant areas.

Board meeting at Headquarters

Board committees

In 2025, the company had three Board committees: an audit, a nomination and a remuneration committee.

The **audit committee** has been engaged in the acquisition of KIND announced in June, including financing of the acquisition. Other topics for the committee have been the divestments of Oticon Medical and EPOS and efforts to continue to balance the level of reporting pursuant to the Corporate Sustainability Reporting Directive. In 2025, the committee assumed oversight of the company's IT security from the IT security committee that was dissolved. Furthermore, the committee receives reports from the Group Data Privacy Officer on a regular basis.

The **nomination committee** has been engaged in activities in relation to its normal tasks pursuant to the committee charter. At the beginning of 2025, the committee proposed Katrin Pucknat as new member of the Board. She was subsequently elected to the Board. The Chair has decided not to stand for re-election at the upcoming general meeting. The committee has therefore been engaged in making proposals for the future composition of the Board.

The **remuneration committee** has been engaged in supervising the remuneration structure, including an annual review of the Remuneration Policy. The remuneration committee has prepared a proposal for a revised Remuneration Policy, which by legal provision is subject to shareholder approval at the annual general meeting every four years, cf. below. The Remuneration Policy will be proposed for adoption at the annual general meeting on 5 March 2026.

Board of Directors' and Executive Board's remuneration

Demant has a Remuneration Policy and publishes a Remuneration Report.

The committee is satisfied with the current Policy, which aims to align the Executive Board's focus and value creation on important parameters. However, as the Policy is subject to shareholder approval at the upcoming general meeting, an editorial review has been made.

The Remuneration Policy remains materially unchanged. However, it has undergone targeted clarifications and editorial adjustments to improve readability, making its core principles and provisions more transparent and easier to navigate.

Please refer to Remuneration Report 2025 on our website for further details.

The Report will be submitted for advisory vote at the annual general meeting in March 2026.

Independence and meeting attendance overview

			Meeting attendance			
Name	**Role**	**Independence**	**Board of Directors**	**Audit committee**	**Nomination committee**	**Remuneration committee**
Niels B. Christiansen	Chair, chair of remuneration and nomination committees	Not independent	8/8		6/6	4/4
Niels Jacobsen	Vice Chair	Not independent	8/8	3/3	6/6	4/4
Thomas Duer	Staff-elected member	N/A	8/8			
Heidir Hørby	Staff-elected member	N/A	8/8			
Katrin Pucknat[1]	Member	Independent	6/6			
Sisse Fjelsted Rasmussen	Member, chair of audit committee	Independent	8/8	3/3		
Anders Højsgaard Thomsen	Staff-elected member	N/A	8/8			
Kristian Villumsen	Member	Independent	7/8	3/3		
Lars Nørby Johansen	Chair of Board of Directors of William Demant Foundation	N/A			6/6	
Søren Nielsen	President & CEO	N/A			6/6	

[1]In 2025, Katrin Pucknat was elected to the Board of Directors at the annual general meeting.

Shareholder information

Share information

(DKK 1,000)	2025	2024	2023	2022	2021
Share capital at 1 January	44,218	44,788	46,076	48,025	48,138
Capital reduction	-1,459	-570	-1,288	-1,950	-113
Share capital at 31 December	**42,759**	**44,218**	**44,788**	**46,076**	**48,025**
Nominal value per share, DKK	0.2	0.2	0.2	0.2	0.2
Total number of shares, thousand	213,795	221,090	223,939	230,378	240,127
Highest share price, DKK	293.4	371.0	312.3	339.3	394.7
Lowest share price, DKK	209.6	249.4	190.0	173.1	219.6
Share price, year-end, DKK	215.2	264.2	296.0	192.6	335.1
Market capitalisation at 31 December, DKK million[1]	45,385	56,278	65,284	42,977	77,117
Average daily trading turnover, DKK million[1] [2]	65.8	93.6	85.6	76.2	111.0
Average number of shares, million[1]	211.3	217.2	223.1	226.0	234.8
Number of shares at 31 December, million[1]	210.9	213.0	220.5	223.2	230.1
Number of treasury shares at 31 December, million	2.9	8.1	3.4	7.2	10.0

[1]Excluding treasury shares
[2]Average daily trading turnover on Nasdaq

Share price development

The price of Demant shares decreased by 18.5% in 2025, and on 31 December 2025, the share price was DKK 215.2. This corresponds to a market capitalisation of DKK 45.4 billion (excluding treasury shares). The average daily trading turnover in 2025 was DKK 66 million. The company is a constituent of the OMX Copenhagen 25 Index (C25), which covers the 25 largest and most frequently traded shares on Nasdaq Copenhagen. The C25 Index increased by 2.7% during the year.

Ownership

William Demant Foundation is the majority shareholder in Demant through its investment company William Demant Invest and has previously communicated its intention to maintain an ownership interest of 55-60% of Demant's share capital. As at 31 December 2025, William Demant Foundation held – either directly or indirectly – approximately 59% of the share capital, excluding treasury shares.

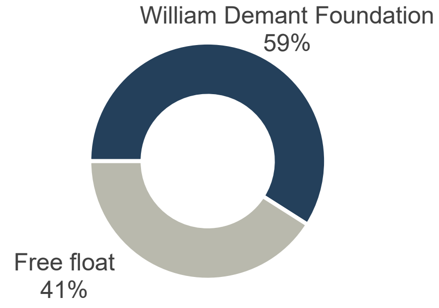
No other shareholders had flagged an ownership interest of 5% or more as at 31 December 2025.

Demant had approximately 34,000 individual investors as at 31 December 2025. Excluding shares held by William Demant Foundation, we estimate approximately 40% of the share capital is registered in Denmark and 25% is registered in North America. The remaining 35% of the share capital is estimated to be split between the remaining geographies, but is predominantly registered in Europe.

As at 31 December 2025, the company held 2,896,054 treasury shares, corresponding to 1.4% of the share capital.

Shareholder structure as at 31 December 2025

(excluding treasury shares)



Share capital

As at 31 December 2025, Demant's nominal share capital was DKK 42,758,932.60 divided into 213,794,663 shares of DKK 0.20 each.

All shares are the same class and carry one vote each. The change compared to the year before is due to the cancellation of treasury shares amounting to DKK 1,459,025.80, which was approved at the annual general meeting on 6 March 2025.

The Board of Directors is authorised to increase the company's share capital by a total nominal value of up to DKK 4,800,000. This increase may consist of no more than DKK 4,800,000 of the share capital with pre-emptive rights for existing shareholders and of no more than DKK 4,800,000 of the share capital without pre-emptive rights for existing shareholders. The company's share capital can also be increased through a combination of share capital with and without pre-emptive rights, but it cannot exceed a total nominal value of DKK 4,800,000. Furthermore, the Board of Directors is authorised to increase the share capital by an additional nominal value of up to DKK 2,500,000 from shares offered to employees. All authorisations have been decided by the annual general meeting and are valid until 1 March 2026.

Capital allocation

The company follows the principles of its capital allocation policy and uses its cash flow from operating activities for value-adding investments and acquisitions. Subject to Demant's targeted gearing multiple of 2.0-2.5 measured as net interest-bearing debt relative to EBITDA before special items, any excess liquidity is distributed back to shareholders through share buy-backs.

Until the next annual general meeting in March 2026, the Board of Directors has been authorised to let the company buy back shares at a nominal value of up to 10% of the share capital. The purchase price may not deviate by more than 10% from the price quoted on Nasdaq Copenhagen.

Investor Relations (IR)

Demant strives to ensure a steady and consistent flow of information to IR stakeholders in order to promote the basis for a fair pricing of the company's shares – pricing that will at any time reflect the company's strategies, financial capabilities and outlook for the future. The flow of information contributes to a reduction of the company-specific risk associated with investing in Demant shares, leading to a reduction of the company's cost of capital.

We aim to reach this goal by continuously providing relevant, correct, adequate and timely information in our company announcements. In the course of the year, we publish an annual report, an interim report as well as interim management statements pertaining to Q1 and Q3, all of which contain updates on the Group and its financial position and results in relation to the full-year outlook, including updates on important events and transactions in the period under review.

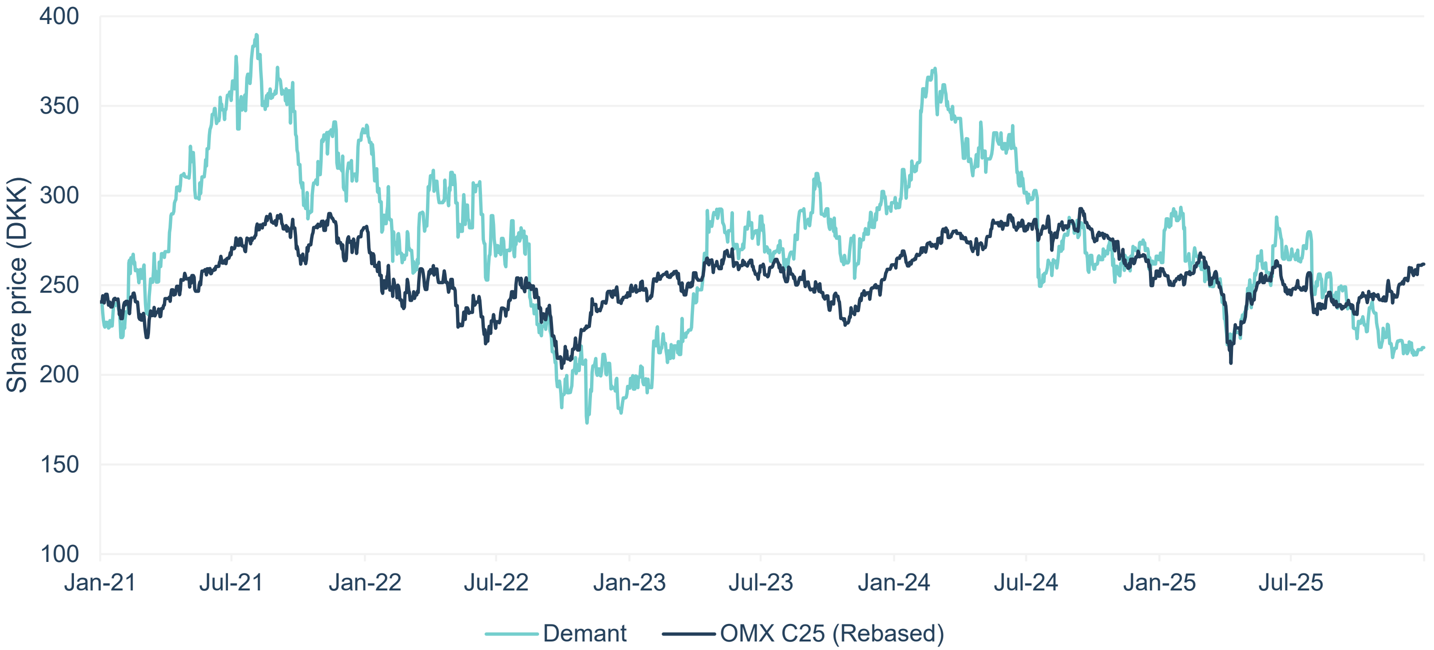
We strive to maintain an active and open dialogue with analysts and with current and potential investors, which helps the company stay updated on the views, interests and opinions of the company's various stakeholders. At our annual general meeting and through presentations, individual meetings, participation in investor conferences, webcasts, capital markets days etc., we aim to maintain an ongoing dialogue with a broad spectrum of stakeholders. In 2025, we held around 400 investor meetings and presentations.

We also use our website, www.demant.com, as a means of communication with our stakeholders.

At the end of 2025, 23 equity analysts were covering Demant. We refer to our website for a full list of analyst coverage.

Demant has a three-week quiet period prior to publication of annual reports, interim reports and interim management statements during which time communication with IR stakeholders on the current market development is restricted.

Five-year development in share price



Annual general meeting 2026

The annual general meeting will be held on Thursday, 5 March 2026, at 3:00 p.m. Shareholders can attend the meeting physically at the company's headquarters. The meeting will also be webcast live on our shareholder portal, and the webcast will be accessible on our website afterwards.

Contact information for investors and analysts

Phone: +45 3917 7300
E-mail: info@demant.com

Peter Pudselykke
Head of Investor Relations

Gustav Høegh
Investor Relations Officer

Company announcements and investor news in 2025

10 Jan	Transactions with Demant shares by managers and closely related parties
5 Feb	Annual Report 2024
5 Feb	Notice of Annual General Meeting
6 Mar	Decisions of Annual General Meeting
2 Apr	Transactions with Demant shares by managers and closely related parties
4 Apr	Completion of capital reduction
6 May	Revised financial outlook for 2025 and Interim Management Statement for Q1 2025
11 Jun	Demant to acquire KIND and significantly expand the Group's hearing care footprint
12 Aug	Revised financial outlook for 2025 and Interim Report 2025
12 Aug	Interim Report 2025
9 Oct	Niels B. Christiansen, Chair of the Board of Demant, will not stand for re-election
22 Oct	Demant to sell Oticon Medical to Impilo
22 Oct	Demant-owned Oticon announces the launch of Oticon Zeal™
4 Nov	Interim Management Statement for Q3 2025
19 Nov	Demant obtains regulatory approval for the acquisition of KIND
1 Dec	Demant closes the acquisition of KIND
3 Dec	Financial calendar 2026
20 Dec	Demant sells EPOS to ACCO Brands

Financial calendar 2026

21 Jan	Deadline for submission of items for the agenda of annual general meeting
3 Feb	Annual Report 2025
5 Mar	Annual general meeting
5 May	Interim Management Statement for Q1 2026
11 Aug	Interim Report 2026
3 Nov	Interim Management Statement for Q3 2026

Board of Directors

Niels B. Christiansen
(male)
Chair
Born 1966
Nationality: Danish
8,060 shares
(unchanged)

Joined the Board in 2008
Chair since 2017

Chair of the nomination and remuneration committees

Considered independent: No

Positions: LEGO A/S (CEO & President), LEGO Holding (CEO), Coloplast A/S (M), K2 Fonden af 2023 (M), William Demant Foundation (VC), William Demant Invest A/S (M), Tetra Laval S.A. (M) and Committee on Business Policy under the Confederation of Danish Industry (M)

Education: Holds an MSc in Engineering from the Technical University of Denmark and an MBA from INSEAD

Competences: International leadership experience from major, global, industrial, consumer goods and high-tech companies, business management and board experience as well as strong insights into industrial policy and sustainability/ESG[1]

Niels Jacobsen
(male)
Vice Chair
Born 1957
Nationality: Danish
801,340 shares
(unchanged)

Joined the Board in 2017
Vice Chair since 2017

Member of the audit, nomination and remuneration committees

Considered independent: No

Positions: William Demant Invest A/S (CEO), Thomas B. Thrige Foundation (C), Central Board of the Confederation of Danish Industry (M) and Federation of Industrial Employers in Denmark (C). Related to William Demant Invest: Embla Medical hf. (C), Jeudan A/S (C) and Vision RT Ltd. (C)

Education: Holds an MSc in Economics from Aarhus University

Competences: International leadership experience from major, global companies in the global healthcare and MedTech industry, business management and board experience as well as in-depth insights into financial matters, accounting, tax, risk management and M&A[1]

Katrin Pucknat
(female)
Born 1976
Nationality: German
No shares

Joined the Board in 2025

Considered independent: Yes

Positions: ResMed Inc. (Chief Marketing Officer) and Consumer Sleep Solutions LLC (M)

Education: Holds a BSc in Business Marketing from University of Phoenix, USA

Competences: International marketing and general leadership experience from the MedTech industry as well as extensive management experience in sales, product innovation and digital business transformation[1]

Sisse Fjelsted Rasmussen
(female)
Born 1967
Nationality: Danish
1,475 shares
(unchanged)

Joined the Board in 2021
Chair of the audit committee

Considered independent: Yes

Positions: Conscia A/S (M), Dades A/S (M), Hempel Foundation (M), (chair of Audit Commitee), Kirk Kapital A/S (M) and Schouw & Co (M), (chair of Audit Commitee)

Education: Holds an MSc in Business Administration and Auditing from Copenhagen Business School (CBS) and is a state-authorised public accountant

Competences: International leadership experience from the areas of finance and accounting, including board and CFO experience from listed companies as well as in-depth insights into value creation, change management, M&A and sustainability/ESG[1]

1 ESRS 2 GOV-1. Competences are part of limited assurance.

Abbreviations
C = Chair, VC = Vice Chair, M = Member

Kristian Villumsen
(male)
Born 1970
Nationality: Danish
4,130 shares
(unchanged)

Joined the Board in 2021

Member of the audit committee

Considered independent: Yes

Positions: Evido ApS (C) and UV Medico A/S (VC)

Education: Holds an MSc in Political Science from Aarhus University and a Master in Public Policy from Harvard University, USA

Competences: International leadership experience from the global MedTech industry, management experience from such areas as innovation, sales, strategy deployment and commercial excellence[1]

Thomas Duer
(male)
Born 1973
Nationality: Danish
1,335 shares
(unchanged)

Staff-elected Board member in 2015
Rejoined the Board of Directors as an alternate in 2023

Considered independent: N/A

Positions: Demant, Director, Audiological Solutions, R&D

Has been with the Demant Group since 2002

Education: Holds an MSc in Electrical Engineering from the Technical University of Denmark

Heidir Hørby
(female)
Born 1974
Nationality: Danish
662 shares
(+71)

Staff-elected Board member since 2023

Considered independent: N/A

Positions: Demant facility in Ballerup, Denmark, Quality Systems Engineer

Has been with the Demant Group since 1994

Education: N/A

Anders Højsgaard Thomsen
(male)
Born 1977
Nationality: Danish
2,346 shares
(+637)

Staff-elected Board member since 2024
Joined the Board of Directors as an alternate in 2024

Considered independent: N/A

Positions: Demant, Director, Audiological Solutions, R&D

Has been with the Demant Group since 2002

Education: Holds an MSc in Engineering from the Technical University of Denmark

1 ESRS 2 GOV-1. Competences are part of limited assurance.

Abbreviations
C = Chair, VC = Vice Chair, M = Member

Executive Leadership Team

Søren Nielsen[1]
(male)
President & CEO
Born 1970
Nationality: Danish
44,114 shares
(+2,746)

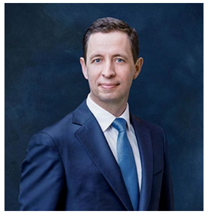
Joined the company in 1995

Education: Holds an MSc in Engineering from the Technical University of Denmark

Competences: Broad business and leadership experience from various management positions in the Group, including the commercial area, product innovation, quality and strategic development. International board experience, strong insights into the MedTech industry as well as a wide network in the global hearing healthcare community

Other positions: HIMPP A/S (VC), HIMSA II A/S (C), EHIMA (M), Vision RT Ltd. (M), DOVISTA A/S (VC), Committee on Business Policy under the Confederation of Danish Industry (M), Central Board of the Confederation of Danish Industry (M) and Life Science Board under the Confederation of Danish Industry (C)

Area of responsibility: President of the Hearing Aids business area



René Schneider[1]
(male)
CFO
Born 1973
Nationality: Danish
23,835 shares
(+1,337)

Joined the company in 2015

Education: Holds an MSc in Economics from Aarhus University

Competences: Broad business and financial leadership experience from various management positions with major listed companies, including international experience in such areas as streamlining and re-establishing companies, completing M&A and driving value creation

Areas of responsibility: President of Group Services, i.e. Finance, HR, IT and Corporate Functions

Niels Wagner[1]
(male)
President
Born 1971
Nationality: Danish
33,224 shares
(+3,284)

Joined the company in 2007
(also employed with the company 1996-2003)

Education: Holds an MSc in Economics from Aarhus University

Competences: Broad business and leadership experience from various management positions in the Group, including M&A, and head of the Group's many hearing aid clinics operating under various brands

Area of responsibility: President of the Hearing Care business area

Anne-Karen Hunt
(female)
President
Born 1977
Nationality: German
No Shares

Joined the company in 2024

Education: Holds a BSc in Marketing and Economics from the University of Bayreuth and an MSc in Business Administration (MBA) from the University of Düsseldorf, Germany

Competences: In-depth business and leadership experience from major, global healthcare companies, including strong international experience in such areas as marketing and sales with focus on driving value creation

Area of responsibility: President of the Diagnostics business area

[1] Registered with the Danish Business Authority as member of the Executive Board

Abbreviations
C = Chair, VC = Vice Chair, M = Member

Sustainability statement

Reporting scope and disclosure requirements

ESRS 2 BP-1

Framework and scope

The Sustainability statement has been prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD), including the European Sustainability Reporting Standards (ESRS).

The Sustainability statement has been prepared on a consolidated basis and includes all entities under Demant's control as defined by the scope of consolidation used in our financial reporting, including acquired entities, in the reporting period. Any exclusions are clearly indicated and justified in the specific disclosure requirement sections.

The Sustainability statement covers Demant's own operations as well as upstream and downstream value chains, where applicable, depending on the impacts, risks and opportunities identified in the double materiality assessment.

Independent auditors are engaged to provide limited assurance on our sustainability information. The scope and conclusions of the limited assurance process are disclosed in the Independent auditor's limited assurance report on the Sustainability statement on page 199.

Time horizons

Time horizons used in this Sustainability statement are as defined in the ESRS: Short term represents one year, medium term spans from more than one year up to five years, and long term is more than five years.

Acquisitions

In December 2025, Demant acquired KIND. KIND is currently excluded from this year's environmental metrics (energy consumption, GHG emissions and resource use), as it was deemed immaterial to account for the one month ownership. This allows for proper data integration in 2026. We anticipate that KIND will significantly impact our Scope 1 and 2 emissions. For point-in-time metrics, such as employee characteristics, KIND is included as of 31 December. KIND is not covered by Demant's policies and the described actions and mitigation activities in 2025. We will fully incorporate KIND into Demant's policies in 2026.

Discontinued business

The Communications business area (EPOS) is in the process of being sold and was considered a discontinued operation for the entire 2025. EPOS is excluded from all metrics in the Sustainability statement due to the immaterial nature of its contribution, except for scope 3 GHG emissions. Therefore, scope 3 GHG emissions related to EPOS are separately disclosed in the accounting policy on page 73.

Application of estimates and judgements

The reporting of certain data points requires assessment, which includes estimates and/or judgements. The general assumptions are based on Demant's assumption that the Demant Group's averages can be applied across the different areas as a leverage to estimate other metrics and extrapolate existing information to ensure completeness of the data.

These assumptions relate to:

- Scope 1 emissions under E1-5
- Scope 3 emissions under E1-6
- Resource inflow under E5-4
- Characteristics of the undertaking's employees under S1-6
- Age distribution of employees under S1-9
- Health and safety under S1-14

We regularly review and update these estimates and judgements based on our experience, advancements in ESG reporting and various other factors. Any changes in estimates are recognised in the period during which they are revised. Additionally, we apply judgements, when implementing accounting policies.

For more details on the key estimates, judgements and assumptions used, please refer to the pages containing quantitative ESG data tables.

Incorporation by reference

Certain disclosure requirements are disclosed in other publicly available documents. When incorporation by reference is used, it is clearly indicated. Disclosures referenced outside the Sustainability statement clearly refer to the applicable disclosure requirements of the ESRS regulations.

The tables on pages 108-110 summarise the disclosures required by the ESRS, which are referenced outside the Sustainability statement.

Restatement of comparative figures

As part of the natural ESG data maturing process, we have restated and will continue to restate the baseline and comparative figures, as we obtain more accurate and reliable data. For energy data, including GHG emissions, our threshold for restating is a non-organic development of +/- 5% in the current year. In 2025, we have restated comparative figures for scope 3 (E1-6) and resource inflow (E5-4). Comparative figures for Employee turnover, S1-6 have also been restated due to methodology improvements. Furthermore, a few minor restatements and rounding of numbers was made for 2024.For further information and justification, please refer to the accounting policies applying to the specific metrics.

Comparative figures for prior years

Comparative figures for historical years, other than 2024, which are not covered by limited assurance, are clearly marked with footnotes in the Sustainability statement.

Sustainability in Demant

Sustainability strategy and governance

Sustainability intrinsic to strategy

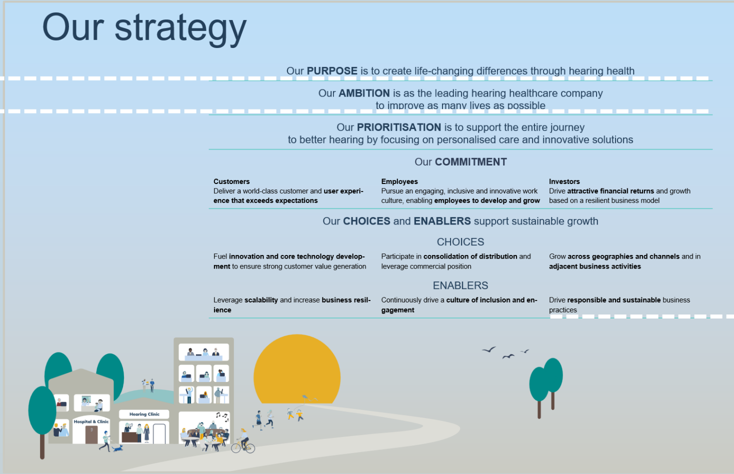
Our **PURPOSE** is to create life-changing differences through hearing health

Core impact: Improving lives

Our core sustainability contribution is to improve lives, thereby contributing to building a more sustainable world.

Being a leader in hearing health means that we have an obligation to inspire the industry to continue innovating and applying new ways of thinking.

We want to stay ahead of the game and be at the forefront in our core impact ambition – creating life-changing differences through hearing health.



Our **AMBITION** is, as the leading hearing healthcare company, to improve as many lives as possible

Social ambition

Our core commitment to society is to help people overcome hearing loss and to improve their quality of life through innovative solutions and personalised hearing care.

Drive **responsible and sustainable** business practices

ESG ambitions

E: Respect for the planet

Caring for people goes hand in hand with caring for the environment, and, although our impact is relatively low compared to the impact of other industries, we take a proactive approach to lowering our footprint and negative impact on the environment.

S: Caring for people

To be a leader in terms of creating a positive social impact on society requires us to be a leading employer capable of attracting the brightest minds for the benefit of people with hearing loss. Our more than 26,000 employees are the most valuable part of our business.

G: Performing with integrity

We take a proactive approach to business ethics to ensure our actions are in line with our values as well as global standards and local legislation.

Read more about Demant's strategy on pages 17 to 19.

Sustainability strategy

Sustainability ambition

Core impact: Improving lives through life-changing hearing health

Our roots are in hearing health, and our purpose is to create life-changing differences through hearing health, thereby contributing to building a more sustainable world where people have the opportunity to enjoy life. Caring for people's health and well-being goes hand in hand with caring for our employees, society and the planet

ESG ambition

We will drive responsible and sustainable business practices

Environment

- Decouple GHG emissions from growth
- Strive for ambitious GHG emissions reductions
- Work with environmental optimisation

Social

- Help people overcome hearing loss through awareness
- Improve their quality of life through innovative solutions and personal care
- Have a positive impact on health
- Ensure our employees' well-being, safety, engagement and development
- Drive an inclusive culture and ensure equal opportunities

Governance

- Strive for high ethical standards
- Conduct business with integrity and honesty

ESG priorities

Environment	Social	Governance
Respect for the planet	Caring for people	Performing with integrity

Material topics

Respect for the planet
- Climate change mitigation
- Resource use

Caring for people
- Providing life-changing hearing health
- Product quality and safety
- Right to privacy
- Working conditions for own workforce
- Equal treatment
- Working conditions for value chain workers

Performing with integrity
- Corruption and bribery
- Advocacy for hearing health

Targets

E

2025: 50% renewable electricity

2030: 100% renewable electricity

2030: 46% reduction in scope 1 and 2 GHG emissions

2030: 46% reduction in scope 3 GHG emissions

2050: Net-zero GHG emissions

Impact targets

2030: More than 16 million lives improved

2030: Increase awareness by hearing-testing more than 2 million people

S

2030: Increase gender balance in top-level management to 35/65% (female/male)*

2030: Take employees' experience of inclusion to the top-third level of Gallup index

2030: Take employee engagement to the top-third level of Gallup index

G

2030: Increase excellence in business conduct through Code of Conduct training to reach 100% highly exposed employees

*Actions to achieve gender representation targets will be implemented in accordance with applicable local laws and regulations.

Sustainability policy

E1-2, E5-1, S1-1, S2-1, S4-1

Our Sustainability Policy provides guidance on sustainability and ESG ambitions and priorities across Demant and ensures transparency in sustainability governance in Demant.

In addition, the Policy outlines our commitments and priorities in terms of climate, environment and human rights.

Demant's Vice President of Corporate Communication & Sustainability is responsible for implementing the Policy. All business areas and functions in Demant are expected to adhere to the Policy and integrate sustainability into their business operations with guidance from their leadership and the Group's Sustainability team. The Policy is publicly available on www.demant.com.

Commitments

We are committed to the objectives of the Paris Agreement, aiming to limit global temperature rise to 1.5°C above pre-industrial levels. Therefore, we have set targets to reduce our climate impact, which have been approved by the Science Based Targets initiative. Further, we recognise the critical importance of transitioning towards a circular economy, and our Policy defines specific actions to minimise the environmental impact, resource consumption and waste generation and to maximise resource efficiency.

Read more about how we manage environmental impacts on pages 64-77.

We are committed to respecting all universally recognised human rights as laid out in the Universal Declaration of Human Rights. These include core labour rights, such as freedom of association and the right to collective bargaining, standards on working conditions and the right not to be subject to forced labour, child labour or discrimination in respect of employment and occupation.

Demant adheres to the United Nations Guiding Principles (UNGP) on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, ensuring that our policies, operations as well as activities in our upstream and downstream value chain are in accordance with these principles. Our human rights commitment refers to the human rights of any person who may be adversely impacted by Demant's activities and business relationships, including customers, employees, people who work in our value chains, community members and any other potentially affected rightsholders.

Read more about how we manage impacts on people across the value chain on pages 80 to 96.

Sustainability governance

ESRS 2 GOV-1, GOV-2 and MDR-T

Our governance model for sustainability ensures centralised oversight and accountability as well as deployment of our ESG priorities across our business areas.

The Board of Directors evaluates progress on our sustainability ambition and ESG priorities twice a year and has final oversight. The audit committee oversees sustainability reporting.

Demant's Sustainability Board comprises Demant's Executive Leadership Team and sets the overall strategic direction for sustainability. All Group targets are approved by Demant's Executive Leadership Team and endorsed by the Board of Directors.

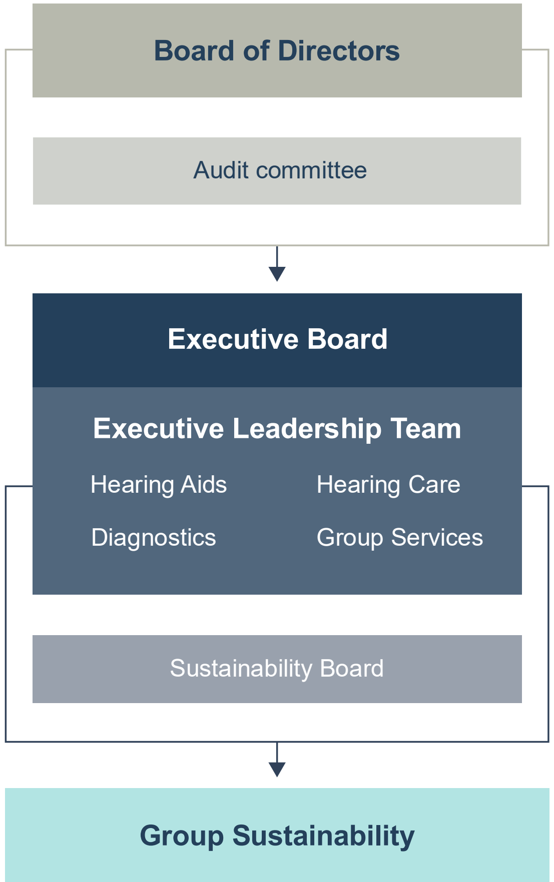
Demant's Executive Leadership Team represents all business areas and functions on the Sustainability Board to ensure that decisions made by the Sustainability Board are communicated and implemented across their respective business areas and the Group Services Leadership teams. The Sustainability Board meets five times a year.

Group Sustainability has global functional responsibility for sustainability and for setting the Group's strategic direction and executing major initiatives.

Demant ensures that relevant employees across the Group have the skills required to meaningfully contribute to our sustainability objectives and implement actions to meet our commitments.

Read more about the composition, diversity and expertise of our Board of Directors and Executive Leadership Team on pages 46-48 and in the S1-9 section on page 87.

Employee engagement is part of the performance criteria in the remuneration scheme for the Executive Board. Read more about sustainability-related performance in incentive schemes in the Remuneration Report.



Material impacts, risks and opportunities

ESRS 2 SBM-3 and SBM-1

Our annual assessment of materiality of sustainability topics informs strategic decisions and guides our external reporting. When we assess sustainability topics, we consider both the impacts of our business on society and the environment (impact materiality) and how sustainability topics affect Demant's financial performance in the form of business risks and opportunities (financial materiality).

We have identified material impacts, risks and opportunities (IROs) across six topical standards as illustrated in the overview on this page. They consist of one positive impact, 11 negative impacts, six risks and three opportunities and are described on the following pages.

Managing impacts is part of our day-to-day operations. It is embedded in policies, guidelines and instructions that guide our actions. All identified IROs are integral to our business model, and based on our assessment, they do not require any major changes to our strategy or operations beyond ongoing adjustments and continuous improvements.

In the model on page 53, we illustrate the interaction between the material topics and our strategy. The methodology and process used to identify the material IROs are described on page 61.

European Sustainability Reporting Standard topics

- E1 Climate change
- E5 Resource use and circular economy
- S1 Own workforce
- S2 Workers in the value chain
- S4 Customers and end-users
- G1 Business conduct

Financially material

Financially material S1 Talent attraction and retention S4 Product quality and safety G1 Corruption and bribery G1 Advocacy for hearing health	**Double material** E1 GHG emissions (scope 1, 2 and 3) E5 Resource consumption E5 Non-circular economy practices S4 Providing life-changing hearing health S4 Right to privacy for end-users
Not material We have not identified any IROs within the topical standards E2 pollution, E3 biodiversity, E4 water and S3 affected communities.	**Impact material** E5 Use of packaging S1 Healthy and safe working environment S1 Working time S1 Discrimination and harassment S1 Equal opportunities S1 Equal pay for work of equal value S2 Working conditions for value chain workers

Impact material

IROs in our value chain

Return, service and repair

Diagnostic equipment and hearing aids reach own hearing care clinics, external customers (public and private clinics, distributors and resellers) and users through:

Raw materials
Purchase of raw materials by suppliers

Component manufacturing
Conversion of raw materials into components

Logistics
Transportation of components to Demant's production sites

Research & development
Design of products and innovation of new solutions by R&D teams

Production and service
Production and service of products

Marketing and sales
Development of brand and marketing strategy, tactics and material

Retail
Counselling, fitting and dispensing of hearing aids to users by own hearing care professionals

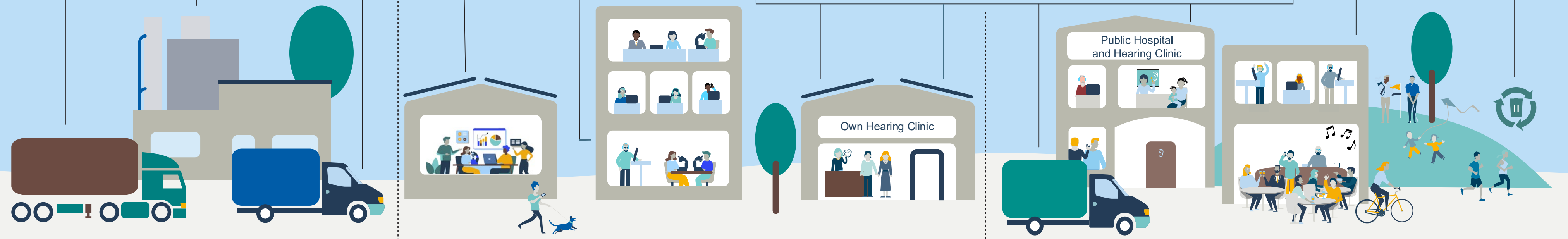
Product use
Use of diagnostic equipment by our own hearing care professionals

Logistics
Transportation of hearing aids and diagnostic equipment to external customers

External customers
Use of diagnostic equipment and dispensing hearing aids

Product use
Use of hearing aids

End of life
Disposal of products according to local waste legislation



Value chain

Upstream | Own operations | Downstream

IROs

- GHG emissions (scope 1, 2 and 3)
- Resource consumption
- Use of packaging
- Non-circular economy practices
- Healthy and safe working environment
- Working time
- Talent attraction and retention
- Discrimination and harasment
- Equal opportunities
- Equal pay for work of equal value
- Working conditions for value chain workers
- Providing life-changing hearing health
- Product quality and safety
- Right to privacy for end-users
- Corruption and bribery
- Advocacy for hearing health

Our IROs

On the following pages, we outline the IROs that were identified and assessed as material during the double materiality assessment.

Climate change (E1)	IRO	Value chain	Time horizon
Climate change mitigation			
GHG emissions (scope 1, 2 and 3) Demant's direct and indirect greenhouse gas emissions have a negative impact on climate change. Most greenhouse gas emissions are scope 3 emissions stemming from suppliers' operations and from materials and components that are difficult to replace.	N	UP OO DO	Short Medium Long
There is a risk that Demant will face commercial disadvantages, if we do not address our climate change impact, e.g. through established and publicly disclosed targets and action plans to reduce our greenhouse gas (GHG) emissions.	R	OO	Long

Resource use and circular economy (E5)	IRO	Value chain	Time horizon
Resource inflows, including resource use			
Resource consumption The quantities and sourcing of the different materials that we require for our operations have negative impacts on the environment related to resource extraction, such as pollution and ecosystem impacts, and on the potential depletion of non-renewable resources.	N	UP	Short
The risk is related to the scarcity and availability of the resources Demant needs. If Demant cannot access key materials, it will disrupt our ability to produce and deliver products. There is an increased financial risk when demand for these resources increases, while supply remains constrained, leading to price increases and higher production costs for Demant and, consequently, lower profits.	R	OO	Medium
Use of packaging We require packaging for transportation, protection and delivery of our products to users, which adds pressure on the market for the use and extraction of resources, such as paper, cardboard and plastics. The environmental impact of packaging is defined by the packaging design, the amount and type of material used and sourcing of such materials.	N	UP	Short
Resource outflows related to products and services			
Non-circular economy practices Demant's current product design and process follow a linear economy model, meaning that once a product is no longer used, its materials are not reused or recycled. The lack of component recovery and recycling increases the use of new materials and thus has a negative impact on the environment.	N	UP OO DO	Medium Long
If Demant introduces circular actions to reincorporate materials and components into production, this can reduce material dependency on new components and the need for virgin materials and potentially reduce costs for purchasing materials and components.	O	OO	Medium Long

Impact, risk or opportunity
N: Negative impact
P: Positive impact
R: Risk
O: Opportunity

Value chain
UP = Upstream
OO = Own operations
DO = Downstream

Time horizon
Short (1 year)
Medium (2-5 years)
Long (More than 5 years)

Own workforce (S1)

Own workforce (S1)	IRO	Value chain	Time horizon
Working conditions			
Healthy and safe working environment Physical health and safety incidents occur across Demant's sites. These, along with cases of stress leave, can negatively impact our employees' health and well-being.	N	OO	Short Medium
Working time Excessive overtime can sometimes be a problem across the Demant Group and have a negative impact on employees' well-being and affect their work-life balance, if they do not get the rest they need.	N	OO	Short
Talent attraction and retention There is a risk related to the availability of skilled personnel, to our ability to attract the right talent and to high turnover rates in some employment areas, which could mean high expenses for the recruitment, onboarding and training of new staff.	R	OO	Short
Equal treatment and opportunities for all			
Discrimination and harassment Cases of discrimination and harassment that can, among others, be based on gender, nationality or ethnicity sometimes occur in the global multicultural workforce. This can lead to negative impact on own employees. There is a higher likelihood of negative impacts in some regions and in relation to minorities in more homogenous populations.	N	OO	Short Medium
Equal opportunities Some employee groups may encounter barriers to professional advancement due to their personal demographics. This can have negative impacts on those employees' professional development and thus their wellbeing and engagement in the workplace.	N	OO	Short Medium
Equal pay for work of equal value Demant may have a negative impact on employees' right to equal pay for equal work. A documented systemic pay gap still exists between genders in many societies. This can affect employees' standard of living as well as their wellbeing and engagement in the workplace.	N	OO	Short Medium

Workers in the value chain (S2)

Workers in the value chain (S2)	IRO	Value chain	Time horizon
Working conditions			
Working conditions for value chain workers Demant operates a long and complex value chain, engaging with suppliers that operate in countries and industries, where workers' rights to a fair and safe working environment may not be observed. Known severe impacts include forced and child labour in the electronics manufacturing sector and related supply chain, which is part of Demant's supply chain.	N	UP	Short

Consumers and end-users (S4)

Consumers and end-users (S4)	IROs	Value chain	Time horizon
Social inclusion of consumers and end-users			
Providing life-changing hearing health Through our products, Demant positively impacts people living with hearing loss, our users, by enhancing their engagement in life and creating a positive ripple effect on their surroundings, including their families, colleagues and friends.	P	DO	Short Medium Long
The enhancement of people's quality of life through hearing health solutions is the core of our business and a key driving force behind revenue growth and market expansion.	O	OO	Short Medium
Safety of consumers			
Product quality and safety In case of lack of quality or non-compliance with medical device regulations, the company's licence to operate and its ability to bring products to market are at risk. Any product recalls would also have negative financial effects on Demant.	R	OO	Short
Information-related impacts for consumers and/or end-users			
Right to privacy for end-users Due to the nature of our business, we have access to patients' and users' sensitive personal data, which means that if such data is compromised, the impact will potentially be negative.	N	DO	Short
Under GDPR, Demant may face penalties if we fail to adequately protect user privacy.	R	OO	Short

Business conduct (G1)

	IRO	Value chain	Time horizon
Corruption and bribery			
Corruption and bribery Demant operates in countries with risks of corruption and bribery, exposing our commercial departments to these risks. Corruption incidents may lead to fines and reputational damage and thereby affect Demant's ability to win public tenders. We also work with distributors who operate in countries where these risks are higher than in the countries where Demant operates directly.	R	OO	Short Medium
Political influence and lobbying activities			
Advocacy for hearing health Engaging with governments and local authorities to raise awareness about the importance of hearing health by testing more people and ultimately treating their hearing loss represents an opportunity for Demant, since the level of reimbursement in individual countries affects the penetration rate and thus impacts markets.	O	OO	Medium Long

There are few changes in IROs compared to our 2024 reporting. Enabled by a more granular and objective assessment, we have:

- Assessed climate change adaptation not to be material
- Disaggregated 'product circularity' into three distinct IROs: resource consumption, non-circular economy practices and packaging
- Disaggregated 'working conditions' into two distinct IROs: safe and healthy working conditions and working time
- Disaggregated 'diversity, equity and inclusion' into three distinct IROs: discrimination and harassment, equal opportunities and equal pay for work of equal value
- Integrated 'hearing health awareness' into the IRO 'life-changing hearing health'

More information on each IRO, including how we manage them through polices, actions and targets, is provided in the topical Environment, Social and Governance sections.

Double materiality assessment

Building on a strong foundation, we matured our due diligence mapping and our financial assessment processes in 2025.

ESRS 2 IRO-1, GOV-4, SBM-2, IRO-1 E1 and E5

Impact assessment

To enable a more granular and objective identification of impacts, we initiated a corporate-wide sustainability due diligence mapping process in 2025, which is aligned to best practices in the OECD Guidelines and the UNGPs. The process builds on the human rights assessment and environmental analysis conducted in 2024.

The objective of the due diligence mapping process was to assess the adverse impacts that Demant has or may have on defined human rights and in environmental and governance areas. The assessments focused on the more likely impacts, not all imaginable impacts, as well as on areas where Demant may cause or contribute to adverse impacts. To assess impacts that Demant is linked to, we defined value chain scope as 'known severe impacts' based on desktop research.

The starting point for this process was a thorough value chain mapping, defining own operations as entities with operational control. This enabled consideration of geographies with elevated risk of potential impact as well as alignment on our core activities. Please refer to This is Demant on page 11 and the value chain model on page 57. The supply chain mapping focused on the main tier-one suppliers' activities as well as their most important component and material value chains.

The identification and assessment of impacts were initially informed by desktop research, using sources, such as established risk indices for country and sector risks and expert articles from NGOs and academia. Engagement with internal stakeholders further qualified the identification and scoring of impacts, also leveraging external stakeholders' perspectives based on internal knowledge from existing stakeholder engagement processes. Read more about how Demant engages with stakeholders on page 62.

The due diligence process incorporated assessment of materiality through a scoring methodology that included the following parameters: scale, scope and irremediability to assess impact severity, and likelihood. For scoring of potential negative human rights impacts, severity took precedence over likelihood.

Disclosures in this section (page 56-61) and in the topical sections (page 64-101) map how we apply the main aspects and steps of due diligence in relation to embedding due diligence in governance and strategy, engaging stakeholders, preventing and mitigating negative impacts and tracking effectiveness.

To assess the materiality of climate change, we started by examining our own greenhouse gas emissions (GHG) accounting. We assessed our emissions performance against our climate targets and our general emissions trend to determine materiality.

In relation to circular economy, the identification and assessment of impacts were based on our own business understanding and current business model practices.

No material IROs were identified for pollution, water and biodiversity. We conducted a two-step environmental assessment of our main locations evaluating the geographic context with the WWF Risk Tool and site-specific activities through environmental questionnaires completed by on-site employees.

Financial assessment

The starting point for the financial assessment of sustainability matters was the identified impacts. We further assessed what dependencies Demant has in relation to the business model and whether these lead to any risks or opportunities.

We assessed financial materiality through a scoring methodology that included the following parameters: size of financial effect, likelihood, and impact on reputation.

In 2025, we matured our approach to financial assessment through increased use of quantitative measures to support our conclusions on materiality. We engaged internal risk management and commercial operations specialists from our key business areas to qualify the assessment approach for each risk and opportunity that the core project team had initially identified. We also consulted our Investor Relations team and our Finance department to ensure that the perspectives of investors and lenders, whom we define as the primary users of our annual reports, were considered.

To assess climate-related transition risks, i.e. risks that arise from technological, market and legal shifts toward a low-carbon economy, Demant identified relevant transition events under scenarios limiting global warming by the end of the century to 1.5°C with minimal overshoot. In the assessment, we considered different types of transition events, influencing our own operations and those of the supply chain within a 2050 horizon.

Climate-related physical risks across key locations, such as headquarters, manufacturing sites and the sites of our main suppliers, were assessed, using IPCC scenarios (RCP2.6, RCP4.5, RCP8.5) with a 2065 horizon. Based on the most granular secondary data available, the analysis covered climate-related hazards, such as wildfires and droughts. Based on the results, we determined that climate-related physical risks were not financially material to Demant.

To identify material risks and opportunities related to circular economy, we conducted a qualitative assessment of the key materials used in production and how these are sourced. Based on secondary information from the electronics industry, the assessment considered criteria, such as the percentage of materials not recycled at the end of a product's life.

Qualification and validation

Subject matter owners were engaged through the whole process to qualify and validate final scoring, yielding a final list of material IROs ranked over the internally aligned quantitative materiality threshold on either impact, financial effect or both. Alignment on the threshold ensured consistency across all topics, while allowing subject matter experts and owners to provide sound qualitative arguments to inform the final materiality assessment in those cases where the quantitative assessment was very close to the threshold.

The material IROs were then discussed and validated in the forum of the Sustainability Board, which is ultimately accountable for the assessment and management of material IROs. The audit committee also provided their validation of material IROs, ensuring that sustainability-related impacts and risks are considered appropriately alongside other types of risks and are integrated into the continuous risk management processes of the Group's business areas and functions.

Stakeholder views and interests

Stakeholder engagement is crucial to Demant's ability to increase its positive impact on hearing health and create value for our stakeholders.

ESRS 2 SBM-2

We engage with our stakeholders on a continuous basis to understand their expectations. Ongoing stakeholder engagement is anchored in relevant functions across the organisation where input directly informs how we conduct our business. This includes relevant sustainability-related impacts.

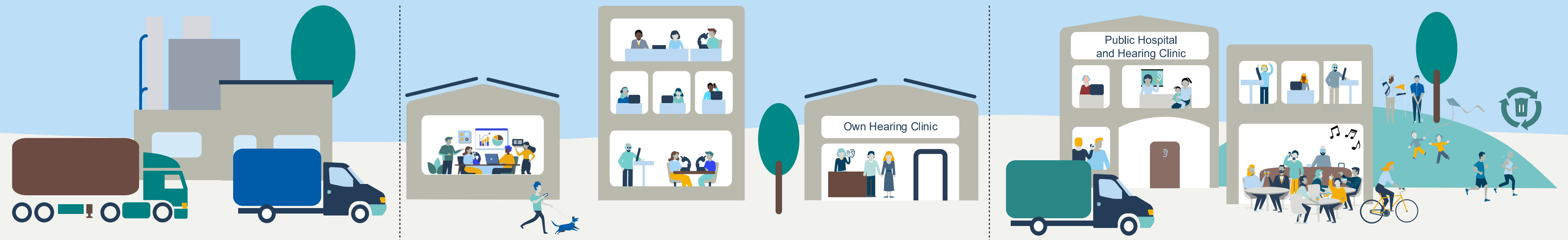
The interests and views of key stakeholders are shared with and discussed by our functional boards and business area leadership teams. Read more about our sustainability governance model on page 55 and corporate governance framework on page 40.

Key stakeholders	Engagement	Outcome of engagement
Employees	Ongoing employee engagement is ensured through employee surveys, performance and development management processes as well as health and safety processes. Read more on pages 80-88.	A healthy and safe working environment that is informed by employee perspectives Engaged and motivated employees
Hearing aid users	We engage daily with hearing aid users in our clinics. User quality surveys and customer service platforms further ensure ongoing user engagement. Read more on pages 92 and 94.	Understanding users' needs Building trust among users Product innovation that meets user needs for better hearing
Business customers	We engage with our customers, such as national health organisations, hospitals and hearing care clinics, through the daily operations of our commercial teams. We continuously collect insights through customer surveys.	Providing optimal hearing health technology, service and treatment Monitoring and understanding market developments and customer needs Building trust with customers
Suppliers	We continuously engage with suppliers on an operational basis and through supplier due diligence processes. Read more on page 90.	Ensuring compliance with Demant's Third Party Compliance Code Close and stable relations with critical suppliers
Shareholders	We engage with existing shareholders and potential new investors through meetings, investor calls and/or capital markets events. Read more on pages 43-45.	Communicating on our performance and understanding investors' views and expectations for the company and its ESG development
Regulators and authorities	We closely follow updates from regulators and other public authorities, continuously aligning practices. We engage in advocacy through industry organisations and interest groups or in collaboration with peers. Read more on page 101.	Ensuring compliance with all relevant legislation in the markets where we operate Mitigating business and impact risks Advancing positive impacts for people living with hearing loss
Industry organisations and interest groups	We are an active player in selected industry organisations and collaborate with relevant patient associations and interest groups on a continuous basis.	Advancing the hearing healthcare industry and positive impacts for people living with hearing loss Including the views of interest groups into our business processes
Academia	We keep up with the high pace of primary scientific and technology research and base our solutions on significant research enabled through close collaboration with academic experts.	Accessing relevant research to develop innovative solutions Significantly enhancing user benefits in future hearing care through continuous audiological discoveries

Environment

E1 Climate change

Caring for people's health and well-being goes hand in hand with caring for the environment and, though we are not in a greenhouse-gas-intensive industry, we take a proactive approach to lowering our climate impact.



Value chain

Upstream — Own operations — Downstream

IROs

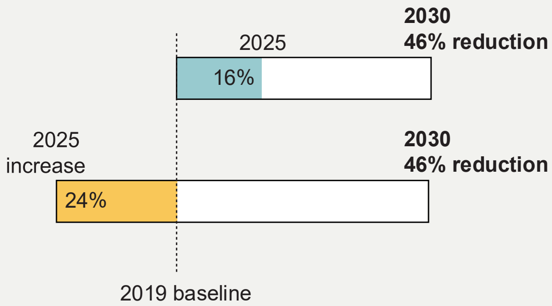
N — GHG emissions (scope 1, 2 and 3) — Upstream, own operations and downstream

R — GHG emissions (scope 1, 2 and 3) — Own operations

Progress against targets

Scope 1 and 2 GHG emissions

Scope 3 GHG emissions



Climate change mitigation

We act to mitigate our material climate-related impact and risk across our value chain.

ESRS 2 SBM-3 E1

We have identified one actual impact and a risk related to climate change:

- Demant's direct and indirect greenhouse gas emissions have a negative impact on climate change. Most greenhouse gas emissions are scope 3 emissions.
- There is a risk of experiencing commercial disadvantages if we do not adequately address climate change mitigation.

Resilience analysis

Demant's resilience analysis assesses our strategy and business model and their ability to cope with the identified material climate risk. The assessment concludes that Demant is resilient to this risk and has implemented measures to minimise their materialisation.

The resilience analysis builds on the double materiality assessment, where physical and transition risks were considered. However, the resilience analysis only considers the material risks. The resilience analysis uses a 2050 timeframe for the scenario analysis, aligning with Demant's net-zero targets (2050). The transition risks were identified under a 1.5°C global temperature increase limit at the end of the century scenario. This is a threshold recognised by climate science and the international community, through the United Nations' Paris Agreement, as a critical requirement in the fight against climate change. The identification of physical risks considered scenarios with temperature increases beyond the 1.5°C, as the risk of physical climate-related hazards increase under these conditions. Please refer to page 66 for additional details.

Uncertainties in the resilience analysis relate mainly to the use of secondary data in the double materiality assessment, which is not specific to Demant or our industry, but is rather based on global trends and the energy sector. As Demant continues to strengthen its double materiality assessment process, these uncertainties are expected to decrease over time.

Policies that guide our behaviour

E1-2

Our Sustainability Policy, as further described on page 54, sets the direction for climate change mitigation for all Demant entities and describes roles, responsibilities and focus areas to tackle GHG emissions. In this Policy, all GHG scopes for climate change mitigation are addressed, and the Policy covers topics, such as energy efficiency, deployment of renewable electricity, fleet electrification and value chain emissions.

Transition plan

E1-1

Demant's transition plan is a dynamic framework that consolidates the climate initiatives set by the Group to reduce the GHG emissions and reach our climate targets. The plan currently focuses on Demant's near-term climate targets for 2030.

Demant's climate targets are validated by the Science Based Targets initiative (SBTi) as science-based and aligned with limiting global warming to 1.5°C above pre-industrial levels by the end of the century. Please see E1-4 for target information.

The transition plan, which was approved by the Sustainability Board in 2024, consists of the six decarbonisation levers, all global in scope, shown to the right and are further described on the following pages.

In 2025, we continued improving our scope 3 understanding, which led us to strengthen our scope 3 accounting and will allow us to improve current decarbonisation levers and set additional ones for the future.

While no locked-in emissions are expected to compromise the achievement of our 2030 targets, addressing these emissions will be essential to meet our 2050 climate targets. Further analyses will be required to quantify and address these emissions.

Demant is not excluded from the 'Paris-aligned benchmarks' established by the European Commission. The benchmarks provide a roadmap to ensure that company activities are consistent with the Paris Agreement's objectives, particularly the goal of limiting the global temperature rise to 1.5°C above pre-industrial levels

Upstream | Own operations

Value chain

Scope 3

Supplier engagement programme

Mitigation actions:

- Set supplier specific targets for improving the environmental performance of purchased goods and services

Time horizon

From short to medium term.

Decarbonisation of our transportation

Mitigation actions:

- Shift from air freight transportation to less climate-intensive transportation modes
- Improve transportation logistics across upstream and downstream supply chain activities. These activities are reported as upstream transportation and distribution under the GHG Protocol.

Time horizon

From short to long term.

Scope 1 and 2

Energy consumption reduction and efficiency in own operations

Mitigation actions:

- Decrease energy consumption
- Increase energy efficiency

Time horizon

From short to long term.

Renewable electricity for own operations

Mitigation actions:

- Use on-site renewable electricity
- Use off-site renewable electricity

Time horizon

From short to medium term.

Vehicle fleet electrification

Mitigation actions:

- Transition to electric vehicles for already existing fleet in six prioritised European countries
- Transition to electric vehicles for fleets in remaining countries

Time horizon

From short to long term.

Scope 3

Decarbonisation through product design

Mitigation actions:

- Reduce the climate intensity of new equipment

Time horizon

From medium to long term.

Actions and results through our decarbonisation levers

E1-3

Energy consumption reduction and efficiency in own operations

Energy consumption reduction and efficiency efforts are recurrent and locally managed, allowing each site to tailor initiatives to its specific context, as this lever focuses particularly on manufacturing sites and high-consumption entities. Therefore, no specific global mitigation potential is defined for this lever.

Example of actions implemented this year are improvements to the heating and ventilation systems (both physical and technological changes) and technological improvements to reduce manufacturing-related energy consumption.

Renewable electricity in own operations

Demant aims for 100% renewable electricity in our own operations by 2030 to reduce all GHG emissions associated with our own global electricity consumption. In 2025, we achieved our interim target of using 50% renewable electricity, exceeding the target by 3 percentage points.

We continue using different sources of renewable electricity, such as on-site generated solar power, green tariffs (supplier agreements) and Energy Attribute Certificates, while exploring the incorporation of new alternatives, such as power purchase agreements (PPAs).

In 2025, GHG emissions from electricity represented 76% of scope 2 GHG emissions and 31% of scope 1 and 2 GHG emissions combined. Demant consumed 1,226 MWh of on-site renewable electricity, which reduced our market-based GHG emissions by 580 tonnes CO_2e in Mexico, Denmark, Poland, South Africa, Australia, France and Italy.

Demant consumed 28,363 MWh off-site renewable electricity, with a further reduction of 15,479 tonnes market-based CO_2e emissions.

Vehicle fleet electrification

The use of electrical vehicles over internal combustion engine vehicles across our global fleet will allow us to reduce our GHG scope 1 emissions associated with the use of fossil fuels, e.g. diesel and petrol.

In 2025, we began implementing phase one of our fleet electrification plan from 2024. In phase one, our local entities across six specific European countries must reach a defined electric vehicle share in their fleet by 2030. In 2025, the entities defined their individual fleet electrification roadmaps and started implementing them accordingly. Considering fleet size and behaviour, phase one is expected to avoid the consumption of petrol and diesel equivalent to a reduction of 3,556 tonnes CO_2e in our 2030 fleet.

Demant encourages all its entities, no matter which phase of the fleet electrification plan they are in, to switch to electrical vehicles, when feasible.

Supplier engagement programme

In 2024, our Hearing Aids business area launched Sustain, a supplier engagement programme designed to better understand and improve the environmental performance of our suppliers, which will impact our scope 3 GHG emissions performance. For the selected suppliers, the programme is structured in two phases:

Phase one (2024-2025) focuses on collecting primary environmental data from selected goods suppliers to be used for our emissions quantification and understanding. Phase two (expected to begin in 2026) aims to establish decarbonisation commitments with those goods suppliers, driving GHG emissions reductions across our scope 3 purchased goods and services.

Once decarbonisation commitments are agreed, the mitigation potential of this lever will be quantified. The environmental impact of the Sustain programme, as well as its duration, will grow over time as additional suppliers are onboarded.

Decarbonisation of our transportation

Reducing emissions from transportation requires continuous assessment of our global approach to transportation, while considering our business needs, routes and locations compatible with the decarbonisation.

Our Diagnostics business area is reducing the number of internal shipments and handling in Europe through its newly introduced Direct Delivery concept. As a result of the actions under this lever, Diagnostics' transportation emissions intensity per DKK spent in 2025 remained fairly stable, increasing from 0.11 to 0.13 kg CO_2e/DKK compared to 2024. The medium- and long-term mitigation potential associated with this lever is yet to be determined.

Decarbonisation through product design

Defined in 2025 and specific to our Diagnostics business area, this lever will be implemented in 2026, when all newly designed equipment will undergo a design assessment to evaluate their associated GHG emissions. This assessment, known as a life cycle assessment (LCA), will identify the primary sources of emissions across the materials, components and life stages of the equipment. The insights gained will enable our R&D teams in Denmark and Poland to explore alternative design choices aimed at reducing the overall GHG impact of the equipment.

To support this lever development, we have initiated collaborations with our suppliers to gather relevant data and, ultimately, to work together to decarbonise our equipment. The reduction potential associated with this lever is yet to be defined.

As a first step towards this, our Hearing Aids business area is performing a life cycle assessment to identify the GHG emissions hotspots associated with one of our 2024 hearing aid models.

Looking ahead

Demant's transition plan currently addresses the main emissions sources and categories and is further developed on a continuous basis. Over time, we expect to continue gaining deeper understanding of the decarbonisation potential of our current levers and identify new ones. As more data and insights become available, we will enhance the alignment of our transition plan with our climate targets, particularly those related to scope 3 emissions.

The financial resources required for the implementation of the decarbonisation levers and their relation to the financial statements are yet to be determined, as this depends on further defining the decarbonisation levers and their reduction potential.

Targets and metrics

E1-4

Demant's climate targets were validated by the SBTi in 2023 and are aligned with the Paris Agreement's goal of limiting the global temperature increase to 1.5°C by the end of the century.

Near-term targets

Demant commits to reducing absolute scope 1 and 2 GHG emissions by 46% by 2030 from a 2019 baseline year. Demant also commits to reducing absolute scope 3 GHG emissions by 46% within the same timeframe.

Long-term targets

Demant commits to reducing absolute scope 1 and 2 GHG emissions by 90% by 2050 from a 2019 baseline year. Demant also commits to reducing absolute scope 3 GHG emissions by 90% within the same timeframe.

Overall net-zero targets

As a further step in our efforts towards climate change mitigation, Demant commits to reaching net-zero GHG emissions across the value chain by 2050 from a 2019 baseline year. This means that we will neutralise the remaining 10% of our GHG emissions, which cannot be reduced, through carbon removal.

Target setting methodology

The targets, which cover 100% of our GHG emissions, follow the operational control approach for setting Demant's organisational boundary. As it is allowed in the target-setting methodology under the SBTi Corporate Net-Zero standard V1.0, our target-setting process followed the absolute contraction approach, and we used a cross-sector pathway and market-based accounting approach when setting the target.

Demant submitted its climate targets for validation to the SBTi in 2023, using 2019 as the baseline year, since it provided the latest available data before Covid-19 disrupted business operations. Demant does not consider GHG emissions removals, carbon credits and avoided GHG emissions as means of achieving our near- or long-term targets. Aligned with the Greenhouse Gas Protocol, the GHGs considered in the targets are:

- Carbon dioxide – CO_2
- Methane – CH_4
- Nitrous oxide – N_2O
- Hydrofluorocarbons – HFCs
- Perfluorocarbons – PFCs
- Sulphur hexafluoride – SF_6
- Nitrogen trifluoride – NF_3

Link between our climate targets and our climate efforts

For our near-term scope 1 and 2 targets, the required emissions reductions will be achieved through the levers 'Energy consumption reduction and efficiency in own operations' and 'Renewable electricity for own operations'. We will use the former to decrease our energy needs and the latter to reduce the GHG emissions associated with our electricity consumption.

Though we expect to achieve the desired reduction level through our renewable electricity lever, the 'Vehicle fleet electrification' lever has a complimentary role to ensure that the emissions associated with our fleet are reduced as early as possible and do not jeopardise the achievement of our scope 1 and 2 near-term target.

The near-term scope 3 target is currently addressed through the levers 'Supplier engagement programme', 'Decarbonisation of our transportation' and 'Decarbonisation through product design'. While the extent to which these levers will achieve the required emissions reductions is still being defined, they collectively cover all major sources of our scope 3 emissions stated in the transition plan.

Solar cells on new Diagnostics building in Rosówek Poland

E1-5

Energy

Compared to 2024, Demant's total energy consumption increased by 10%, from 121,209 MWh in 2024 to 133,595 MWh in 2025. Most of the increase is attributable to electricity and heating, due to the constant growth of our Hearing Care business area, and higher usage of fuel by our vehicle fleet.

In 2025, Demant's total use of energy from fossil sources was 103,902 MWh of which 26,363 MWh relates to the consumption of non-renewable electricity. Compared to consumption of 102,721 MWh in 2024, Demant's consumption of energy from fossil sources increased by 1% in 2025.

Despite the overall increase in energy consumption, many of our energy-intensive entities successfully reduced their use of non-renewable energy and increased their use of renewable sources, resulting in an increase of 7 percentage points in the Group's renewable energy share from 2024 to 2025.

Currently, electricity is our only source of renewable energy.

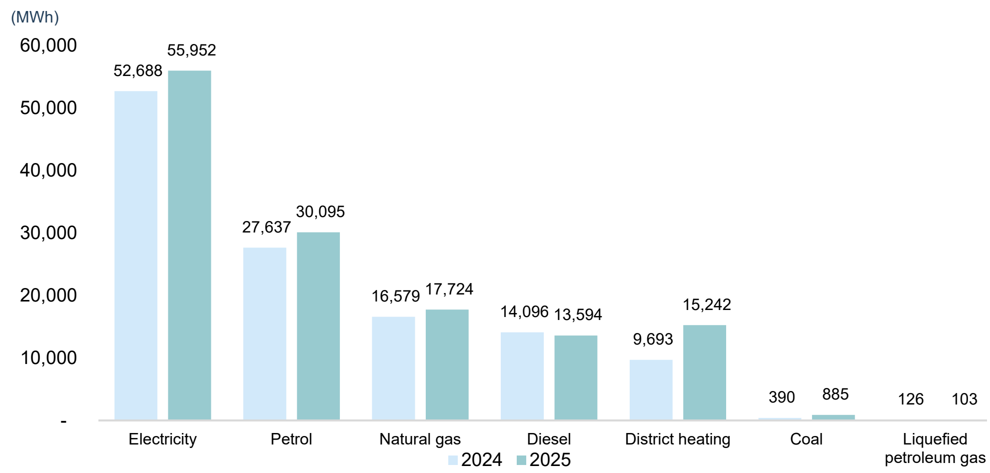
Our energy intensity increased in 2025 compared to 2024 as a result of a higher increase in our energy consumption than in our revenue. It went from 5.41 MWh to 5.82 MWh per DKK million revenue.

Renewable electricity

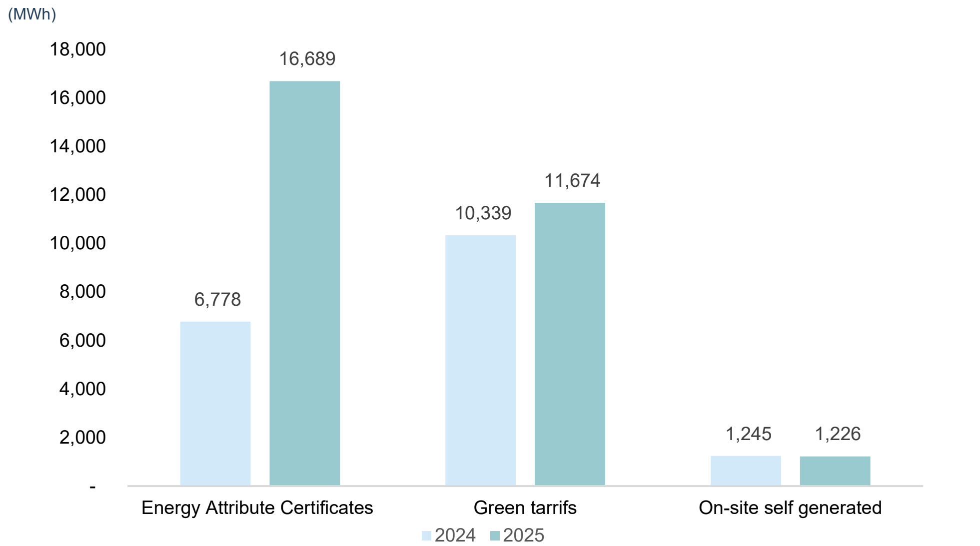
In 2025, 53% of the Group's electricity consumption was sourced from renewable energy, mainly through Energy Attribute Certificates and green tariffs (supplier agreements).

From our renewable electricity, 4% is generated on-site, entirely from solar installations across specific locations in Poland, Mexico, Denmark, South Africa, Italy, Australia and France. The remaining 96% is generated off-site and acquired through different market mechanisms. Of this, 59% relates to Energy Attribute Certificates assigned to the consumption in specific EU countries and China. The remaining 41% off-site electricity relates to the use of green tariffs in France, Italy, Poland and the US.

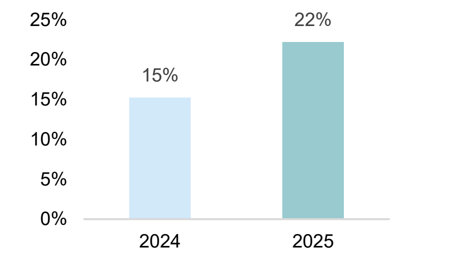
Energy consumption mix



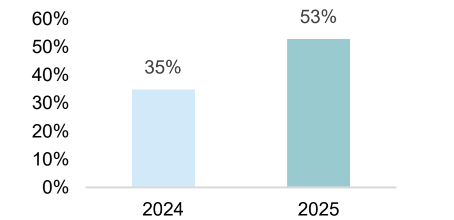
Renewable electricity by source



Renewable energy of total energy consumption



Renewable electricity of total electricity consumption



E1-6

Scope 1 and 2

Demant reduced its scope 1 and 2 market-based GHG emissions by 9% in 2025 compared to 2024, mostly driven by our transition to renewable electricity. When compared to our 2019 baseline, we have reduced our emissions by 16%, continuing our steady progress towards our 2030 target.

Both electricity and fuel used for our fleet remain key sources of our scope 1 and 2 emissions, which is why our mitigation efforts focus on these sources. Together, these emissions represented 69% of our scope 1 and 2 emissions in 2025.

Scope 3

In 2025, our scope 3 GHG emissions decreased by 7% compared to 2024 and increased by 24% compared to our 2019 baseline. From the decrease in the emissions, 85% of it relates to purchased goods and services, followed by a smaller reduction of 10% linked to the transportation categories.

The emissions associated to our purchased goods and services are highly dependent on our business activities, influenced by our inventory levels and buying decisions. For example, when understanding the reason behind the emissions decrease in 2025 compared to 2024, despite a relatively stable spending associated to our purchased goods and services in both years, the decrease is attributed to a different purchasing behaviour. The goods acquired in 2025, had lower associated GHG emissions than those purchased in 2024.

The emissions of capital goods are highly dependent on specific operational decisions. The high increase in this type of emissions in 2025 compared to 2024 relates to the purchase of machinery for production purposes.

93% of our scope 3 emissions are concentrated on four categories: purchased goods and services (69%), upstream transportation (12%), capital goods (8%) and fuel- and energy-related services (4%). Thus, our decarbonisation efforts focus on these categories. Through our supplier engagement programme decarbonisation through product design and decarbonisation of our transportation we address the GHG emissions associated with purchased goods and services as well as upstream transportation and distribution. Through our scope 1 and 2 levers, we indirectly address the emissions associated with our fuel- and energy-related services category.

Although recent improvements indicate progress in the right direction, we have yet to succeed in reducing scope 3 emissions compared to our baseline. To align our progress with our targets, we continue to improve the accuracy and completeness of our scope 3 data and our understanding of the decarbonisation levers. We also continue to assess additional levers to reduce emissions over time.

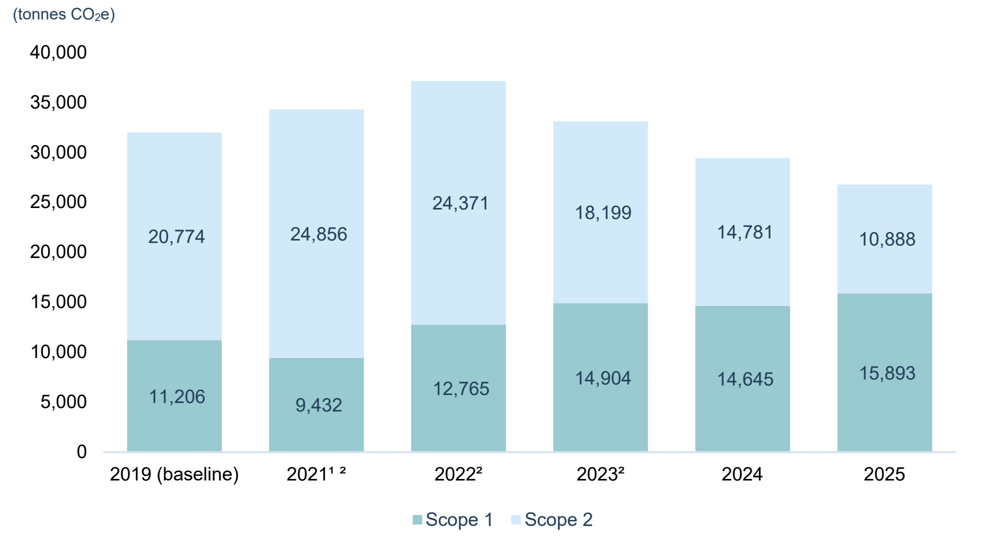
Included scope 3 categories

Scope 3 categories included in our GHG emissions inventory are the following eleven:
Category 1: Purchased goods and services
Category 2: Capital goods
Category 3: Fuel and energy-related activities not included in scope 1 or 2
Category 4: Upstream transportation and distribution
Category 5: Waste in operations
Category 6: Business travel
Category 7: Employee commuting
Category 9: Downstream transportation and distribution
Category 11: Use of sold products
Category 12: End-of-life treatment
Category 15: Investments

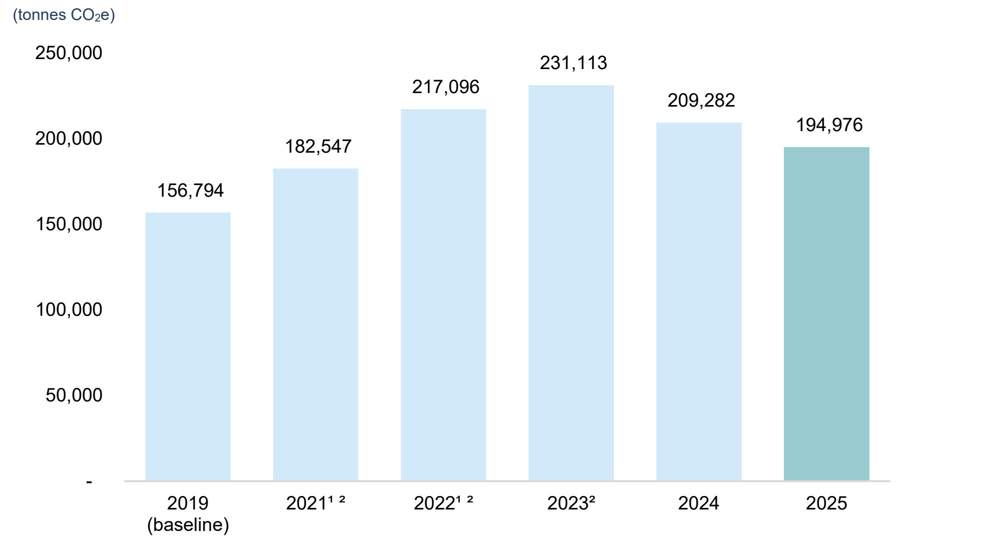
Excluded scope 3 categories

Category		Justification
8	Upstream leased assets	Demant's leased assets are under its operational control and therefore included in scope 1 and 2 accounting.
10	Processing of sold products	Demant focuses on providing final products, accessories and consumables.
13	Downstream leased assets	Demant does not own or lease assets to external parties.
14	Franchises	Demant does not own or operate franchises.

Scope 1 and 2 market-based GHG emissions



Scope 3 GHG emissions



[1]2021 was impacted by lower activity due to Covid-19.
[2]Not covered by the Independent Auditor's limited assurance report

Total GHG emissions

(tonnes CO_2e)	Year: Baseline 2019	2025	2024	% vs. LY	% vs. Baseline	Target: 2030	Annual % target/ Baseline[1]
Scope 1 GHG emissions							
Gross scope 1 GHG emissions	11,206	15,893	14,645	9%	42%	6,029	4%
Scope 2 GHG emissions							
Gross scope 2 location-based GHG emissions[2]	17,996	19,508	19,041	2%	8%		
Gross scope 2 market-based GHG emissions[2]	20,774	10,888	14,781	-26%	-48%	11,176	4%
Total scope 1 emissions and scope 2 market-based emissions	31,980	26,781	29,426	-11%	-16%	17,205	4%
Scope 3 GHG emissions							
Total Gross indirect (scope 3) GHG emissions	156,794	194,976	209,282	-7%	24%	84,355	4%
1: Purchased goods and services[3, 4]	112,551	133,712	155,952	-14%			
2: Capital goods[3]	8,219	16,126	5,181	211%			
3: Fuel and energy related activities	7,253	7,876	7,253	9%			
4: Upstream transportation and distribution[3]	17,999	22,916	25,248	-9%			
5: Waste in operations	1,151	895	2,026	-56%			
6: Business travel	2,741	2,794	2,741	2%			
7: Employee commuting[4]	1,973	2,710	2,621	3%			
9: Downstream transportation and distribution[3]	871	884	1,243	-29%			
11:Use of sold products	2,125	3,889	3,991	-3%			
12:End of life treatment[4]	1,733	2,475	2,397	3%			
15:Investments	178	699	629	11%			
Total Scope 1, 2 and 3 GHG emissions							
Total location-based GHG emissions	185,996	230,377	242,968	-5%	24%		
Total market-based GHG emissions	188,774	221,757	238,708	-7%	17%		
GHG Intensity based on net revenue							
Total GHG emissions (location-based) per net revenue	12	10	11		-19%		
Total GHG emissions (market-based) per net revenue	13	10	11		-24%		

[1]Annual reduction in percentages from the baseline year 2019 required to reach the 2030 target.

[2]GHG accounting for electricity applies two methodologies based on the type of emissions factors to use: location- and market-based emissions. Location-based emissions consider the average emission intensity of the power grid where the consumption takes place but disregard the use of off-site renewable electricity. Market-based emissions consider the specific type of electricity consumed and the associated specific emission intensity in the emissions calculations. Please refer to the Greenhouse Gas Protocol scope 2 guidance for additional information.
[3]Compared to 2024, these categories are reported separately.
[4]Comparative figures for these categories are restated to methodology improvements, please see accounting policies for more details.

Accounting policy

Energy consumption

Energy consumption includes both primary data and estimated usage of electricity, district heating, natural gas, diesel, petrol, coal and liquefied petroleum gas. Energy consumption is recorded, using different units (e.g. litres, kWh, kg), and is later consolidated in megawatt hours (MWh).

The share of renewable energy represents the amount of renewable energy used by Demant in our operations. It is calculated by dividing the energy consumed from renewable sources by the total energy consumed by the Group.

Refrigerants are not included in the energy consumption, as they account for less than 0.1% of the total energy consumption.

Energy intensity

Energy intensity is reported as the total energy consumption divided by the total revenue. According to ESRS definitions, all of Demant's business is classified as belonging to a high-climate impact sector. The revenue used as the denominator is the total revenue generated by the Group. Please refer to the Financial statements, Note 2.1, on page 128.

Greenhouse gas accounting

Demant's carbon accounting adheres to the Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard defined by the World Resources Institute and World Business Council for Sustainable Development in line with the recommendation of the ESRS. Our consolidated GHG emissions data encompasses all entities under Demant's operational control, including leased facilities, with GHG emissions quantified in carbon dioxide equivalent (CO_2e).

Demant's Inventory Management Plan (IMP) sets the framework for defining, compiling and reporting Group GHG emissions across all scopes of GHG emissions based on the Greenhouse Gas Protocol. The IMP specifies that baseline recalculations may occur under the conditions defined in the publicly available Baseline Recalculation Policy.

Scope 1 and 2 GHG emissions

Scope 1 emissions consist of direct GHG emissions that arise from the actual and estimated consumption of natural gas, liquefied petroleum gas, coal, petrol, diesel and refrigerants (fugitive emissions).

Scope 2 emissions consist of indirect GHG emissions that arise from the actual and estimated consumption of electricity and district heating.

The calculation of scope 1 and scope 2 GHG emissions is fully automated within our energy management system, utilising GHG emissions factors provided by the UK Department for Environment, Food & Rural Affairs (DEFRA), the US Environmental Protection Agency and the International Energy Agency.

Location- and market-based GHG emissions

For scope 2, we calculate location- and market-based GHG emissions and use the latter to benchmark Demant's performance against our climate targets in accordance with our SBTi accounting approach.

Scope 3 GHG emissions

Demant's business areas have different needs for data for the accounting of scope 3 GHG emissions. Therefore, we have decided to use different methodologies according to the data availability and needs of each business area.

Demant employs two different methodologies for scope 3 accounting of categories 1, 2, 4, 5, 8 and 12: one tailored for the Diagnostics business area and another for the Hearing Aids and Hearing Care business areas. Both methodologies align with the scope 3 GHG Protocol standard and follow a combined approach, using hybrid- and spend-based methods for the calculation of GHG emissions.

The remaining categories (3, 6, 7 and 15) are quantified, using the same methodology across the business areas.

Category 1: Purchased goods and services is calculated, using three different alternatives, all of which are multiplied by the appropriate emissions factors to quantify the GHG emissions: 1) spend-based approach for a variety of goods and services 2) mass-balance approach for goods based on the type of materials and quantities purchased and 3) primary data provided directly by goods suppliers.

Category 2: Capital goods includes goods purchased during the year, which have an expected lifetime that exceeds the reporting period. They are calculated, using spend data or the amount of capital goods purchased, and are later multiplied by relevant emissions factors.

Category 3: Fuel- and energy-related services are calculated, using actual fuel and energy consumption data captured through scope 1 and 2 reporting, and are multiplied by the relevant emissions factors.

Category 4: Upstream transportation and distribution and category 9: Downstream transportation and distribution are calculated, using a combination of primary data obtained directly from our carriers, spend-based calculations or own calculations, considering our own distances and transported freight. Currently under category 9, we account exclusively for service and return shipments.

Category 5: Waste in operations is calculated, using actual waste data multiplied by relevant GHG emissions factors.

Category 6: Business travel is calculated, using available primary air travel data multiplied by relevant spend-based GHG emissions factors.

Category 7: Employee commuting is calculated, using secondary information from EU passenger mobility statistics and our number of employees, and is multiplied by the relevant emissions factors.

Category 11: Use of sold products is calculated by multiplying the relevant GHG emissions factors, the number of sold products and the internal data collected by in-house experts on product design, functionality and typical usage patterns. This enables us to determine the energy consumption associated with each product.

Category 12: End-of-life treatment is calculated, using sales numbers, categorised by product type, material composition and the geographical location of the sold products. The numbers are then multiplied by relevant GHG emissions factors.

Category 15: Investments are estimated, using an average GHG emissions intensity based on Demant's emissions and revenue multiplied by Demant's revenue share of the investments.

The GHG emissions factors used for the calculations are from renowned sources, such as US EPA, DEFRA, the Danish Environmental Protection Agency database and the Ecoinvent database. Where needed, consumption and GHG emissions have been extrapolated to account for the whole Group.

GHG intensity based on revenue

GHG intensity is reported as the total GHG emissions of the Group divided by the Group's total revenue for the period. The revenue used as the denominator is the total revenue generated by the Group. Please refer to the Financial statements, Note 2.1, on page 128.

Biogenic emissions

Aligned with the GHG Protocol, biogenic emissions are not considered in our GHG scope 1, 2 and 3 accounting.

Demant has not identified biogenic emissions from our scope 1 energy sources. For scope 2, the emissions factors used neither disaggregate nor exclude biomass content in the local energy mix. This limitation is acknowledged to ensure transparency and alignment with the GHG Protocol guidance.

Demant is aware that biogenic emissions may occur within our supply chain (scope 3 emission). These types of emissions may be relevant for our transportation; yet we have not agreed with our carriers to use of biofuels, and we do not request this type of information from them. Moreover, we are aware that our use of biomass related to packaging, e.g. cardboard and paper, generates biogenic emissions. Considering the latter biogenic scope 3 emissions sources, our biogenic emission is not considered material, as it represents less than 2% of our scope 3 GHG emissions and is therefore not disclosed.

Change in accounting policy and restatement

In 2025, we changed our scope 3 accounting policy by applying a new, more accurate method as we were able to collect data with better quality. In 2025 we introduced primary data into our scope 3 accounting for category 1, purchased goods and services, and where possible expanded the use of primary data. External primary data was obtained in close collaboration with suppliers. Moreover we reviewed the categorization of the purchased goods and services which also led to improving the data quality in 2025.

In 2025 we performed life cycle assessment (LCA's) and incorporated those emission factors into our calculations as well.

As part of the LCA process we have identified significant changes between spend based emission factor and the emission calculated in the LCA process, demonstrating the relevance to move away from spend based emissions.

We are aware that we have a high share of emissions with spend-based approach and work to continuously improve our GHG accounting.

In 2025, we changed emission factor database for Hearing Aids and Hearing Care from the Danish Environmental Protection Agency to US EPA. The change gives us more granularity to map each spend category to a more specific emission factor compared to the applied method in 2024.

The comparative and baseline figures have been adjusted accordingly. For 2024, the total effect of the change in accounting policy is estimated to be approximately 250,000 tonnes (55%) lower CO_2e compared to the previous method. The baseline is also recalculated, resulting in a reduction of approximately 198,000 tonnes (56%) compared to Annual Report 2024. For 2025 11% of the emissions in our scope 3 category 1 is primary data coming directly from our suppliers as part of the supplier engagement program. We have adjusted for the use of PCF data and the emission factor changes in the historical figures to ensure consistency of the methodology and comparability of our annual performances and not claiming reductions due to methodology changes.

A systematic error was identified for category 7 employee commuting, which is why we, in 2025, restated our performance for the 2019 and 2024 values in this category as well as in the total scope 3 value in the Scope 3 GHG emissions figure. The restatement of the 2019 baseline increases the emission with 1,900 tonnes CO_2e and for the 2024 comparison figures the restatement increases 2,500 tonnes CO_2e compared to the annual report for 2024.

For category 12, we improved our data quality in 2025, which has resulted in an impact of 1,097 tonnes CO_2e in the comparison figures to ensure comparability.

Use of estimates and judgements

Scope 3 calculation involves judgement and estimates to provide the necessary information that Demant does not have access to. This includes the use of generic emissions factors. The majority of our scope 3 emissions are calculated, using the spend-based method. We map our suppliers according to the type of goods or services we primarily purchase from them.

Where data is not available, figures were extrapolated using financial data to account for entities not included in our invoice management system. Extrapolation was based on each entity's revenue share relative to the Group's reported revenue for 2025.

Exclusion of Communications

The Communications business area has been discontinued, as Demant announced the sale of EPOS, 20 December 2025. Therefore, the energy consumption and GHG emissions presented above exclude EPOS, as this business is no longer reflected in our continued activities.

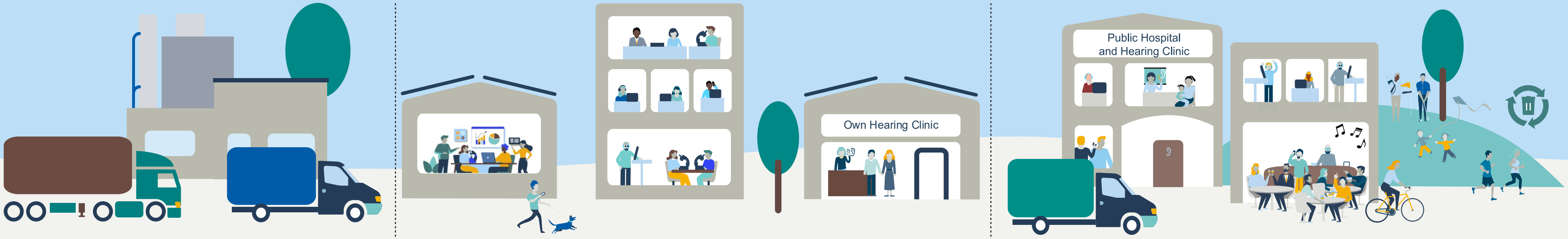
Even though we are in the process of the divestment, we still own it as of December 2025. If we were to account for the scope 3 emissions associated with EPOS, we estimate that these accounted for 12% of the Group's total scope 3 greenhouse gas emissions in 2025 based on our 2019 baseline and using the previous accounting principles.

Based on a high-level recalculation, using revenue from EPOS, please refer to Note 7.2 in the Financial statements, the Group's total scope 3 GHG emissions would be:

2025: 218,373 tonnes CO_2e
2024: 234,396 tonnes CO_2e
2023: 258,847 tonnes CO_2e
2019 (baseline): 175,609 tonnes CO_2e
Total GHG intensity based on net revenue for 2025, including Communications, is estimated to be 10.

E5 Resource use and circular economy

We recognise the critical importance of the transition towards a circular economy to minimise resource consumption, foster future resource availability and maximise resource value conservation.



Value chain

Upstream — Own operations — Downstream

IROs

N — Resource consumption (Upstream)
R — Resource consumption (Own operations)
N — Use of packaging (Upstream)
N — Non-circular economy practice (Upstream, Own operations, Downstream)
O — Non-circular economy practice (Own operations)

Resource use

We are committed to continuous optimisation of our use of resources, always aligning with the applicable regulations that may impose limitations on our product design and other circular practices.

ESRS 2 SBM-3 E5

We have identified two actual impacts, one potential impact, one risk and one opportunity related to resource use and circular economy:

- Our business operations consume natural resources for products and packaging, leading to higher resource depletion.
- Reliance on linear economy practices limits the optimisation of resource consumption, resulting in additional pressure on the environment.
- The risk is a scenario in which our access to raw materials is limited by their availability and price increases.
- There is an opportunity to reduce costs related to the purchase of materials and components by introducing more circular economy practices.

Policies that guide our behaviour

E5-1

Demant's Code of Conduct encourages all employees to use natural resources efficiently. Building on this foundation, our Sustainability Policy addresses our commitment to resource use and circular economy. It requires all business areas to integrate circular economy principles, reduce resource use and minimise the environmental impact of our products, packaging and general operations. Our Third Party Compliance Code urges business partners to work systematically to prevent, minimise and remedy the adverse environmental impact of their activities, products and services.

Actions and results

E5-2

Resource consumption

We implemented the following actions to address the impacts associated with resource consumption in our products and packaging.

Optimised resource use in hearing aid packaging

Packaging is an area we continuously work to improve. In continuation of efforts initiated in 2022, we avoided the use of 93 tonnes of virgin fossil-sourced plastic due to the use of at least 50% recycled plastic in our hearing aid blisters, in our hearing aid dome blisters and in the hearing aid carrying cases in 2025.

Optimised battery for longer-term performance

With the launch of the Oticon Intent rechargeable hearing aids in 2024 and together with our global hearing aid battery partners, we have introduced enhancements to Intent's battery to prolong its durability and capacity stability. We have also improved the power efficiency in our Intent model to reduce its overall energy consumption. Together, these enhancements mean that the rechargeable battery will last for the full product lifetime without needing to be replaced.

Use of secondary raw materials in Diagnostics' equipment

Since 2014, our largest Diagnostics' supplier of plastic has integrated up to 10% plastic waste from its own operations into our equipment manufacturing process. In 2025, this action avoided the use of 2.9 tonnes of virgin fossil-sourced plastic.

Use of secondary raw materials in packaging for diagnostic equipment

Continuing our efforts initiated in 2022, we are reducing our pressure on the extraction of virgin materials by incorporating recycled materials into our packaging. By using at least 50% recycled polyethylene in our plastic bags, we avoided the use of 529 kg of virgin plastic. In our cardboard boxes, 98% of the cardboard was recycled material, avoiding the use of 50.7 tonnes of virgin material.

Circular economy practices

The remaining actions address the principle of circularity. By implementing these actions, we decreased our reliance on linear economy practices, thereby reducing our resource use, and fostered the reuse and repairability of our hearing aids and diagnostic equipment.

Expanded portfolio of hearing aids designed for reuse during the users' trial period

We expanded the concept of the Demoflex to include additional models, which means that we now have a total of 33 Demoflex alternatives. While meeting medical device regulations and hygiene standards, the Demoflex is a hearing aid designed for demonstration purpose for multi-users, which was first introduced in 2024. The Demoflex models mirror existing models in our portfolio and are now available in 35 countries worldwide. Each device can be used by up to 50 different individuals during their trial period.

Maintenance and repair of hearing aids and diagnostic equipment

We design our products to be as reliable as possible. Yet, sometimes they require maintenance or repair to ensure continued proper function. To prolong the use of our hearing aids and diagnostic equipment, we offer maintenance and repair services to ensure their continued functionality. Maintenance services provided to our customers ensure that normal wear and tear neither affects the usability nor the quality of our devices, while repairs aim at restoring the functionality of our instruments.

In the Hearing Aids business area, our services are available globally for all hearing aid models and brands for up to five years after a model has been discontinued. Depending on the complexity of the repair, services are provided either by our hearing clinics or at dedicated service facilities. In 2025, we performed over 1,545,000 repairs at our service facilities.

For the Diagnostics business area, maintenance services performed either at the customer's location or in local in-house workshops. Repairs are handled by our sales companies or by central repair facilities located in Poland and the US. To ensure long-term support, we guarantee the availability of spare parts for up to seven years from the date of purchase as well as support for minimum seven years. In 2025, we performed maintenance or repair of 182,868 instruments in addition to the repairs performed under warranty.

Looking ahead

The manufacture of hearing aids and diagnostic equipment requires the use of material inputs. We recognise that the scope of the identified impacts, risks and opportunities extends beyond the scope of the current actions, which is why we will continue to assess and implement additional actions to address these topics, as deemed feasible.

Tracking effectiveness and metrics

ESRS 2 MDR-T and E5-3

Circular initiatives are driven by individual business areas and focus on specific topics that may not apply to the whole Group. For this reason, we have not yet established Group targets. We continue building our understanding of what circular economy means for Demant and assessing the relevance of setting Group targets in the future.

E5-4

The table below outlines the materials used for manufacturing hearing aids and diagnostic equipment in Demant's own operations and upstream value chain.

In 2025, the resource inflow decreased by 7% tonnes compared to 2024, mainly due to a reduction in the acquisition of electronic components and plastic.

Total weight of products and materials inflow

(tonnes)	2025	2024[1]
Plastic	753	1,051
Metals	1,705	1,197
Cardboard/paper	825	949
Electronic components	2,713	3,315
Wood	58	22
Other	846	919
Total resource inflow	**6,901**	**7,455**

[1]Total weight of products and materials inflow for 2024 has been restated due to methodology improvements. See accounting policy for more details.

Biological materials, reused or recycled materials used for product manufacturing

	2025	2024
Sustainable sourced biological materials used in manufacturing (tonnes)	0	0
Sustainable sourced biological materials used in manufacturing (%)[1]	0%	0%
Reused or recycled materials used in manufacturing and packaging (tonnes)	147	50
Reused or recycled materials used in manufacturing and packaging (%)	2%	1%

[1]Sustainable sourced biological materials used in manufacturing (%) was restated due to methodology improvements. See accounting policy for more details.

E5-5

Durability
The expected durability of our products is specific to our business areas and can be defined in different ways, e.g. based on the design lifetime of the product or the users' average usage time.

For our hearing aids, the durability is five years, which is based on the tests we perform on all items that constitute a hearing aid.

Our Diagnostics business area has a broad product portfolio, covering both hearing and balance assessment solutions. Based on over 20 years of service records regarding equipment that has been retired by our customers, on average our equipment remained in use for 6.5 years on average.

Repairability
Throughout both the design and use phases, our business areas actively work to ensure that both our hearing aids and our hearing and balance assessment solutions are repairable. In alignment with medical device regulations and our quality standards, we design our products to enable disassembly and the replacement of specific components.

Demant guarantees the availability of spare parts for each hearing aid model for as long as the model is sales active, plus an additional five years after the model is discontinued. For the Diagnostics business area, we guarantee that spare parts are available for seven years after the invoice date of the product. Both Hearing Aids and Diagnostics provide the required information for the user to be able to solve the most frequent issues. Diagnostics also provides training to ensure the proper use of our equipment.

Demant offers repair services worldwide and for both Hearing Aids and Diagnostics, the repairability requirements of our instruments and devices can be set in the three levels below:

- User level: Relates to minor reactive tasks for the proper use of our products, e.g. replacement of wax filters and domes, change of batteries and general cleaning of openings in the device.
- Local service level: Relates to issues whose solving requires technical knowledge and is carried out by trained professionals, either at one of our clinics or at the user's location. Examples of these categories are diagnosing and replacing speaker units, recalibrating devices and replacing rechargeable batteries.
- Service centre level: Relates to major repairs whose complexity requires the repair to be carried out at one of our service centres, e.g. issues with amplifiers or changing spare parts.

Recyclable content in our products and packaging
Demant is committed to providing transparent and trustful information on the recyclable content in our products and packaging. We are working to be able to report on this in 2026.

Accounting policy

Resource inflow

Resource inflow includes materials directly related to the manufacturing of our products as well as core components of purchased goods and capital goods, including packaging and extra parts. The reported numbers are based on primary data combined with estimates. Resource inflows are categorised according to the origin of the materials.

Biological materials and reused or recycled materials used in manufacturing

Biological materials cover biodegradable materials, such as wood, paper and cardboard.

Reused or recycled materials cover the amount of confirmed recycled materials used in manufacturing.

Use of estimates and judgements

Resource inflow, E5-4, is based on estimates, using internal and external data combined with assumptions, which is then extrapolated to the total population based on unit sales and inventory movements.

Key assumptions are made for resource inflow where quantities are primary data, but the weight of each component is unknown. We have used what information we have available to make sure the weight is as accurate as possible. To estimate the weight, large language models (LLM) were used. Any use of LLM models is, however, associated with high uncertainty.

In-house subject matter experts are consulted to reduce the risk of over- or understating, furthermore benchmark analysis to companies who resemble Demant was conducted and we believe we are within expected weight ranges. However, as the reported numbers are based on generic assumptions, numbers are subject to change when we gain access to more accurate data.

Change in accounting policy and restatement

In 2025, we have worked on improving our data capture for resource inflow, and as a result, we have obtained more reliable data quantifying the purchased materials compared to last year. We have therefore restated 2024 to make 2025 and 2024 comparable, resulting in an increase in reported weight numbers of approximately 4,000 tonnes from 3,121 tonnes in Annual Report 2024 to 7,455 tonnes in Annual Report 2025. The accounting principle for Sustainable sourced biological materials was updated and 2024 data was restated from 12.1% to 0%.

EU taxonomy regulation disclosure

Eligibility

To determine Demant's eligible activities, we screened our turnover, OPEX (the cost of R&D, short-term leases, maintenance and repair) and CAPEX (net investments in property, plant and equipment, intangible assets and addition of right-of-use assets) against the activities of the Taxonomy Compass.

The three eligible economic activities that are subject to alignment under the EU taxonomy are:

- Manufacture of electrical and electronic equipment, which relates to our manufacture of hearing aids and diagnostic instruments.
- Data processing, hosting and related activities, which relates to our IT servers.
- Acquisition and ownership of buildings, which relate to our offices, manufacturing facilities and retail.

Alignment

For each eligible activity, we are not able to comply with at least one of the technical screening criteria. Therefore, we are not able to claim alignment for any of our eligible activities. For example, under the manufacture of electrical and electronic equipment activity, Demant should provide access to repairability information to external professional repairers. This is, however, information that we currently do not disclose externally, as it is considered sensitive to our business.

Demant continuously works to reduce the environmental impact associated with our business. However, fulfilling all the alignment requirements for our eligible activities is not a strategic priority for us.

For the mandatory reporting templates, see Additional information on pages 111-113.

EU Taxonomy overview table

(DKK million)	Economic activities	Turnover		Capex		Opex	
Total Turnover, CAPEX, OPEX		22,971	100%	2,108	100%	1,484	100%
Taxonomy non-eligible activities		3,570	16%	240	11%	1,433	97%
Climate change mitigation	7.7 Acquisition and ownership of buildings	-	0%	1,685	80%	-	-
	8.1 Data processing and hosting	-	0%	25	1%	51	3%
Circular Economy	1.2 Manufacturing of electrical and electronic equipment	19,401	84%	158	8%	-	-
Eligible not aligned		19,401	84%	1,868	89%	51	3%

Accounting policy

As our eligible taxonomy activities are very limited, the risk of double counting is considered very low. However, to make sure that we do not include the same amounts multiple times, we perform a reconciliation against the supporting financial information to ensure that the total aligns with the financial notes.

Turnover

Turnover is reported and defined as taxonomy-eligible turnover (numerator) divided by the total turnover (denominator).

OPEX

Total OPEX covers direct non-capitalised costs pertaining to R&D, renovation of buildings, short-term leases, maintenance and other direct costs relating to the day-to-day servicing of property, plant and equipment. The KPI is defined as taxonomy-eligible OPEX (numerator) divided by total OPEX (denominator).

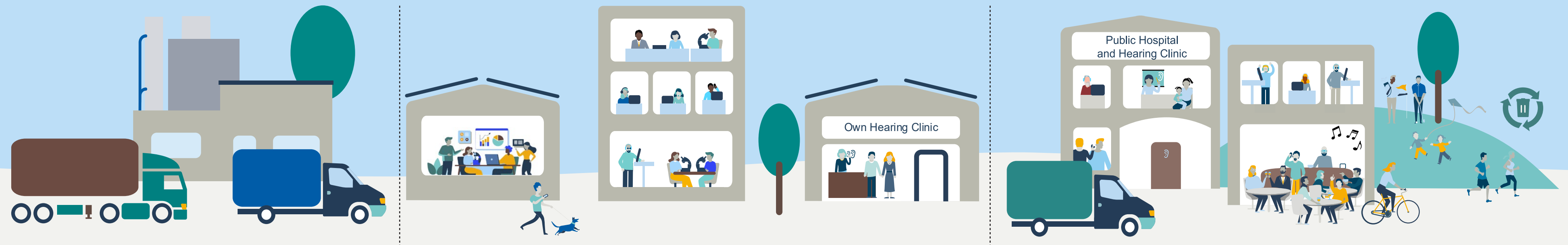
CAPEX

CAPEX consists of additions to property, plant and equipment, intangible assets, excluding goodwill, as well as right-of-use assets. The KPI is defined as taxonomy-eligible CAPEX (numerator) divided by total CAPEX (denominator).

Social

S1 Own workforce

Our people are the most valuable part of our business, and their well-being, safety, engagement and development are fundamental to our success.



Value chain

Upstream — Own operations — Downstream

IROs

- N — Healthy and safe working environment
- N — Working time
- R — Talent attraction and retention
- N — Discrimination and harassment
- N — Equal opportunities
- N — Equal pay for work of equal value

Progress against targets

	2024	2025	2030
Engagement rate	52nd percentile	55th percentile	**67th percentile**
Inclusion score	56th percentile	57th percentile	**67th percentile**
Gender balance in leadership (share of female leaders)[1]	31%	33%	**35%**

[1]Actions to achieve gender representation targets will only be implemented where permitted by applicable local laws and regulations.

General information on own workforce

To be a leader in creating a positive social impact on society, we need to be a leading employer offering a great place to work.

This section covers cross-cutting reporting for all IROs that relate to our own workforce. Where relevant, policies, actions, targets and metrics directly related to the specific IROs are unfolded in the following chapters on working conditions and equal treatment.

Policies guiding our behaviour

S1-1

Our commitment to a good working environment is framed in our Code of Conduct, which outlines the minimum standards and ethical principles applicable to all employees regardless of their location and the nature of their work. Our Code of Conduct explicitly addresses Demant's zero tolerance of any form of slavery or human trafficking, use of compulsory labour, the employment of children as well as discrimination and harassment, including sexual harassment.

Our Global Policy on Human Resources further specifies what we mean by a good working environment. The Policy establishes a clear framework for the governance of employment practices and workplace conditions in alignment with Demant's strategy and values. The Policy is anchored in our Leadership Compass, which, based on employee feedback, highlights five key drivers of employee engagement and wellbeing: A clear sense of purpose and direction, support on performance, opportunities for growth, a strong sense of belonging and leadership characterised by a high level of authenticity and empathy.

The Policy sets out specific expectations to employees and managers and applies to all employees, including full-time, part-time and temporary staff across all departments and locations, and is mainly implemented by the global HR organisation and leaders in Demant.

The Senior Vice President of HR is accountable for all Group policies related to our own workforce, unless otherwise stated, and is responsible for implementing, monitoring and reviewing adherence. Our employees can access all relevant policies through our intranet, which also provides access to all local personnel handbooks.

The day-to-day business of HR is predominantly conducted locally. Cross-Group HR initiatives are prioritised, managed and coordinated via dedicated global forums, including the Global HR Board, which sets the direction of and approves strategies and budgets.

Engaging our employees

S1-2

Demant collaborates with employee representatives in many areas, and we comply with all legal requirements when it comes to employee representation in the geographies where we operate.

Demant manages, measures and works with employee engagement through the global engagement programme, Pulse. It includes an annual engagement survey that covers a range of relevant topics, such as wellbeing, working environment, development and inclusion, as well as a mid-year survey. The surveys cover the entire Group, except those countries where local data privacy legislation prevents it.

Through quarterly info meetings, where Demant's CEO gives a business update to employees, we provide a direct platform for employees to ask questions about business performance and any actual or potential impacts that are likely to affect them. These info meetings are available online to the majority of the Group's employees, except in those few countries or sites, such as newly acquired entities, that do not have access to our intranet. General Managers of local Demant entities also share and cascade information, e.g. at info meetings or through other communication channels.

Demant's whistleblower hotline enables employees to report any concerns about adverse human rights impacts in a confidential and anonymous manner. Read more on page 99.

Remediating negative impacts

S1-3

Where Demant may cause or contribute to negative impacts on employees, we are committed to taking appropriate remedial action. Cases raised are escalated to the Senior Vice President of HR, who will involve relevant HR business partners that can act independently and neutrally in understanding and assessing the incident.

When an incident is sufficiently substantiated, consequences for the wrongdoer can include oral or written warnings, mandatory training and mediation. When incidents occur, relevant top management leaders are informed to ensure organisational learning and prioritisation of structural remedies such as improvement plans and preventive measures. Any remediation process complies with local legislation and adheres to our general whistleblower investigation instructions.

Actions and results

S1-4

Employee voices inform our actions

Leadership teams in each business area are responsible for creating a good working environment where employees thrive and can perform at their best. The engagement survey provides data to help assess whether, and to what extent, current initiatives to create such a workplace are working. Further, it helps to inform the development of specific actions for areas that may need more attention when leaders and employees discuss the outcomes. Many employees participate in the surveys, and in 2025, Demant achieved a participation rate of 85%.

In 2025, we introduced a mid-year survey to focus on accountability and to track progress on the actions and commitments made after the annual engagement survey. We see that leaders who ensure follow-up actions also experience higher levels of engagement in their teams.

Standardising leadership development and support

In 2025, we implemented a dedicated leadership development programme for all leaders, focusing on learning journeys across the five essential pillars of leadership outlined in our Leadership Compass. It is our ambition to make all digital learning available to employees as well, which will be rolled out over the coming years.

Stronger HR systems

We have been working on establishing a global standard for capturing and reporting HR data. We have standardised key HR processes, such as recruitment, promotion and performance, and we have designed and implemented a new HR service delivery platform, which gives employees and managers easier access to HR-related information and support.

In 2025, the new HR platform was rolled out in Denmark, Poland, Australia and New Zealand. We will continue the implementation in 2026 in the remaining largest countries by number of employees, which includes the US, France, Canada, Germany and the United Kingdom. The rest of the world will follow consecutively. Optimised and system-supported processes support our employees and managers and enable us to assess the effectiveness of our processes through reliant and quantifiable data.

Targets and metrics

S1-5

Demant has set a target to take employee engagement to the top-third level by 2030, which corresponds to the 67th percentile or above in the Gallup engagement index.

Entity-specific metrics

Engaged at work

	2025	2024	2023[1]	2022[1]	2021[1]
Engagement score	4.16	4.13	4.11	4.08	4.02
Participation rate	85%	84%	87%	86%	88%
Percentile	55th	52nd	52nd	50th	46th

[1]Not covered by the Independent Auditor's limited assurance report

Engagement improved from the 52nd to the 55th percentile, showing continued progress towards our engagement target.

S1-6

Number of employees by contract type, broken down by gender

	2025			2024		
(Headcount)	Female	Male	Total	Female	Male	Total
Total employees	17,314	9,390	**26,704**	14,594	8,045	**22,639**
Permanent employees	16,165	9,088	**25,253**	13,772	7,839	**21,611**
Temporary employees	1,149	302	**1,451**	822	206	**1,028**
Full-time employees	14,593	8,857	**23,450**	12,338	7,579	**19,917**
Part-time employees	2,721	533	**3,254**	2,256	466	**2,722**

As of 31 December 2025, the Group had 26,704 employees globally. Compared to 2024, the total headcount has increased by 18%, mainly due to the acquisition of KIND, which is based in Germany. Among all employees, the gender ratio between female and male is 65/35%. This is due to the fact that the majority of our employees in hearing care clinics and at our manufacturing sites are female.

Number of employees by country

(Headcount)	2025	2024
Poland	5,241	5,087
Germany	4,484	1,020
USA	3,415	3,404
Denmark	2,201	2,111

Our headquarters in Denmark, manufacturing sites in Poland and hearing care clinics in Germany, the US and Poland are the sites with the largest number of employees.

Accounting policy

Engagement score

Employee engagement is scored, using a scale from 1 to 5 based on the yearly engagement survey conducted by Gallup. The engagement survey does not cover temporary staff, students, externals, employees on leave and specific companies and countries not yet integrated into our global HR management system.

Number of employees

The number of employees is determined by headcount and as the number of persons employed by the Demant Group as at 31 December 2025. The number includes the total number of employees extracted from the global HR management system plus an estimate, covering the entities not using the system.

Characteristics of employees

Data on the characteristics of employees is disclosed by headcount. The characteristics of employees are aggregated and include both an analysis of data extracted from our global HR management system and estimates, covering entities not using the system, as stated below.
In 2025, 77% of our employees were registered in our global HR management system.

Estimation method

For entities not using the global HR management system, the characteristics of employees are estimated based on the characteristics of employees in the region where the entity is located. Using our global HR management system, we calculate the characteristics of employees in one region based on an overview of all entities in that particular region.

Working conditions

Working at Demant should be an enjoyable and rewarding experience, both professionally and personally, and it must also be physically and psychologically safe.

ESRS 2 SBM-3 S1

We have identified two actual impacts and one risk related to working conditions for our own workforce:

- Physical health and safety incidents in Demant, along with cases of stress leave, can negatively impact employees' health and well-being.
- Excessive overtime can sometimes be a problem across the Demant Group and can have negative impacts on employees.
- There is a risk related to the attraction and retention of employees, which could have a financial impact on Demant.

Policies guiding our behaviour

S1-1

We have site-specific health and safety prevention policies and management systems across our operational sites in accordance with country legislation and regulatory requirements. All management systems comply with local requirements and include, among others, risk assessment processes, health and safety instructions, safety walks and talks, training, accident investigation management and continuous review of processes. The local site management is responsible for occupational health and safety.

We have a Stress Policy, covering all sites in Denmark and explaining how to prevent and manage incidents of stress. Since stress management often depends on location, cultural considerations and local legislation, it is handled locally by HR departments across the Group. The overall responsibility lies with the local HR management in close collaboration with local management.

The Global Policy on Human Resources addresses working time by focusing on well-being and work-life balance. We comply with all relevant local legislation when it comes to working time. Demant strives to provide a good work-life balance culture and to be a flexible workplace when tasks and local conditions allow for this. Our position on workplace flexibility provides guidance across the Group on implementing concrete measures that ensure flexibility for both employees and the workplace. Managers must ensure that local guidelines on work-life balance and well-being are followed.

Our Global Policy on Human Resources defines the minimum requirements for our employees regarding their personal and professional development and growth as well as the company's expectations of the employees.

Engaging our employees

S1-2

Health and safety committees

At many Demant locations, health and safety committees are mandatory under national regulations. Such committees ensure employee engagement in guaranteeing that our workplace remains safe and healthy. They provide a platform for discussing issues of relevance and invite employees to help define actions to prevent and mitigate health and safety incidents.

Development and performance touch points

Our annual cycle of performance touch points includes, as a minimum, a mid-year and an annual review of performance. The objective is to openly and continuously discuss goal setting, provide clarity on job responsibilities and align on tasks and time management, skills assessment and learning plans. Most employees are in scope, excluding manufacturing operators and warehouse staff, but it may vary across sites and business areas. Approximately 70% of the global Demant workforce is registered in the performance development system. People leaders are responsible for these processes, supported by HR through clear and transparent guidelines and training.

Actions and results

S1-3 and S1-4

Health and safety assessment and management

In 2025, we conducted an in-depth assessment of how we manage occupational health and safety (OHS) across our main manufacturing sites, warehouse facilities and the office sites with the most employees. The assessment provided a solid mapping of the key OHS risks and how OHS is managed, confirming us that we have adequate measures in place to prevent and mitigate impacts related to health and safety.

In 2025, we further matured our management systems across Demant sites:

- At our Diagnostics manufacturing site in Poland, we replaced a chemical agent, which, according to the updated safety data sheet, was labelled as carcinogenic, with a safer alternative.
- At our manufacturing site in Mexico, we focused on improving ergonomic conditions for our employees, replacing chairs and tools with more suitable variants.
- In Australia and New Zealand, we released digital incident and injury report forms to enable instantaneous feedback to the health and safety partner and to improve data collection on incidents.
- In the US and Canada, we made efforts to implement a hazard identification culture that everyone takes responsibility for.

Incident management

When incidents occur, we ensure access to immediate first aid and, where necessary, enable medical evaluation and support and appropriate return-to-work arrangements, such as paid time off or modified duties. All incidents are reported, reviewed and investigated to identify root causes, implement corrective actions and prevent recurrence.

Working time

It is a management task to ensure work-life balance and limit overtime to a minimum. General tracking of working time enables employee-leader dialogue and helps leaders prevent and mitigate instances of excessive overtime. We work to ensure that we comply with all relevant legislation related to working time, such as the EU Working Time Directive.

Development opportunities

We provide our employees with development opportunities through different global and local learning platforms. At Demant, we use the 70/20/10 learning approach, which means that we aim for a distribution where 70% of learning happens on the job, 20% happens through coaching and peer learning and 10% can be formal internal or external learning. Launched in 2025, the global Leadership Compass also focuses on employee development and how leaders can facilitate conversations about this.

In 2025, we welcomed 10 new graduates to our Global Graduate Programme, which offers opportunities for young professionals to develop their personal and professional skills over a two-year journey across our entire global organisation.

Retaining our talents

Talent retention efforts are focused on the business areas with the highest turnover rates.

In our Hearing Aids business area, we have since 2024 worked on a strategic project with high priority and leadership attention to address high voluntary turnover among manufacturing employees. The project first assessed root causes through, among other methods, candidate experience surveys and exit interviews. Key initiatives were then implemented, revolving around strengthening of front-line leadership, improving recruitment and onboarding processes to strengthen the sense of belonging and addressing basic needs. At our manufacturing sites in Mexico and Poland, these initiatives have led to the lowest turnover ever measured and a continuously downward trend with an annual voluntary turnover that is now below 15%. Further, our efforts have led to better and more focused employee dialogue, which has improved engagement.

In our Hearing Care business area, which is part of the retail industry that traditionally has high employee turnover, we have focused our efforts specifically on improving development plans and career planning for front-end coordinators. Career paths and growth opportunities have been clarified through career frameworks and focus on internal recruitment. In addition, both recruitment and onboarding practices have been improved, and we have strengthened our overall focus on culture and engagement through leadership training.

Tracking effectiveness and metrics

ESRS 2 MDR-T and S1-5

Demant has not set any specific targets for health and safety, working time or employee turnover at this time. We strive to ensure zero harm, promote a healthy work-life balance and maintain a balanced employee turnover. We use relevant metrics to assess progress and improvement, such as those disclosed in this section.

S1-6

Employee turnover

	2025	2024[2]	2023[2]	2022[2]
Employee turnover (%)	18	20	25	26
Employee turnover (headcount)[1]	4,341	4,636	5,708	5,660

[1]2024-2022 restated due to the inclusion of employees outside of HR system to ensure comparability
[2]Not covered by the Independent Auditor's limited assurance report

Employee turnover decreased by 2 percentage points from 2024 to 2025, reflecting our continued efforts to strengthen recruitment and onboarding.

S1-14

Health and safety

	2025
Employees covered by a health and safety management system (%)	100
Fatalities as a result of work-related injuries and work-related ill health (number)	0
Recordable work-related accidents (number)	154
Recordable work-related accidents (rate)	3.2

Most reported incidents were minor injuries, mainly cuts, trips and falls. These insights shape our preventive actions.

Accounting Policy

Employee turnover rate

The employee turnover rate is calculated as total terminations (excluding external employees), divided by the average number of employees multiplied by 100. Turnover includes both voluntary and involuntary terminations. The rate is based on 86% of Demant Group employees covered by our global HR system (excluding KIND), with turnover (headcount) extrapolated for non-covered employees assuming a similar rate.

Health and safety management system

The percentage of employees in Demant's own workforce who are covered by our health and safety management system based on legal requirements and/or recognised standards or guidelines.

Fatalities as a result of work-related injuries

Work-related incidents where an employee from own workforce or a value chain worker working on a Demant site lost their life.

Recordable work-related accidents

The number of work-related injuries classified as recordable, including cases requiring medical treatment, restricted work or days away from work among own employees during the reporting period.

Rate of recordable work-related accidents

The rate is calculated as the number of recordable work-related accidents multiplied by 1,000,000, divided by the total hours worked. The hours are estimated by multiplying full-time equivalents by a 40-hour work week.

Change in accounting policy and restatement

Turnover figures for 2024-2022 have been restated to reflect the full workforce rather than only employees captured in our HR system, ensuring comparability across years. Without restatement, Group turnover (headcount) would have been: 3,733 in 2025 and 4,080 in 2024.

Equal treatment and opportunities for all

We want to foster a culture built on care and respect for others, characterised by diversity and a strong feeling of belonging.

ESRS 2 SBM-3 S1

We have identified one actual and two potential impacts related to equal treatment for own workforce:

- Cases of discrimination and harassment sometimes occur in Demant's global multi-cultural workforce, which can lead to negative impacts on employees.
- Some employee groups in Demant may encounter barriers to professional advancement, which could lead to negative impacts on those employees.
- Demant has a potentially negative impact on employees' right to equal pay for equal work.

Policies guiding our behaviour

S1-1

In Demant, we work to foster respect for diversity, and we strive to treat all employees fairly. The Global Policy on Human Resources has two distinct drivers related to equal treatment: belonging and personal awareness. The Policy outlines minimum requirements of leaders and employees related to psychological safety and inclusive culture. Further, leading with authenticity, empathy and adaptability is a prerequisite for fostering a culture of trust and enables open and honest conversations when addressing issues related to equal treatment.

Our Diversity and Inclusion Policy, which we revised in 2025 and that will apply from Q1 2026, covers our global organisation and guides our commitment to fair and respectful treatment of all employees. The Policy outlines our ambitions and strategic pillars. The Executive Leadership Team is accountable for compliance and progress. The Policy is implemented locally, with actions and initiatives carried out in compliance with applicable laws and regulations.

In Demant, there is zero tolerance of any form of discrimination, harassment or bullying related to our workplace. Our Anti-Harassment and Discrimination Guideline articulates Demant's approach to preventing, mitigating and acting on cases of discrimination, harassment, bullying and unethical behaviour. The Guideline applies to all employees and contractors working for Demant globally and governs behaviour at work, during off-site assignments and at office-sponsored social functions as well as private behaviour that can be related to Demant, such as on social media. It also provides specific information on how to raise grievances regarding harassment and discrimination and the consequential complaints and remedy procedure.

Our Recruitment Policy defines general principles for attracting, selecting and onboarding candidates for vacancies in all Demant entities to ensure consistent and transparent recruitment processes. We commit to conducting interviews in a fair and non-discriminatory manner and to ensuring that hiring decisions are made objectively.

We had planned to implement a Global Policy on Remuneration and Rewards in 2025, but we have prioritised building a new job architecture, which has taken all our focus in 2025. To ensure close alignment of the Policy with our internal processes, we have chosen to implement the new Policy in 2026.

Engaging our employees

S1-2

Employee resource groups

Employee Resource Groups (ERGs) are voluntary, employee-led groups that bring together individuals who share a common trait, background or interest or those who are passionate about supporting the topics. ERGs are open to all and aim to provide a safe space where employees can connect, share experiences and build a sense of community.

Currently, Demant has ERGs in Denmark and the US. ERGs provide an avenue for employees to raise concerns about specific issues related to equal treatment. In Denmark, ERGs are consulted on a regular basis and provide invaluable input for developing strategies to mitigate potential impacts related to fair and equal treatment. Where relevant, ERGs are supported by global HR and local HR, who ensure that input from ERGs helps inform Demant's approach to diversity and inclusion.

Having worked with ERGs since 2022, we acknowledge that it can, at times, be challenging. It is a balancing act for ERGs to be passionate about a cause, despite not having the mandate or responsibility to drive change. At Demant, we are committed to continuing to support our ERGs with the primary objective to amplify employee voices.

Actions and results

S1-4

Learning and awareness

Enabling learning and awareness for leaders and employees on Demant policies, guidelines and expected behaviour is central to mitigating and preventing any negative impacts related to equal treatment. In 2025, we:

- Made the mandatory Anti-Harassment and Discrimination Guideline accessible to all users on our digital learning platform. In-person learning was initiated in December and will continue in Q1 2026,
- Implemented a learning journey on inclusive leadership and belonging as part of our leadership development programme for global leaders, except where prohibited by local laws and regulations,
- Celebrated diversity and inclusion in various countries, for example through our participation in Copenhagen Pride in Denmark.

Direct employee feedback on inclusion and equal opportunities

Through the annual engagement survey, we ask employees in local markets, where permissible, to rate specific statements to assess their perception of inclusion and equal opportunities in Demant. Survey data enables specific tracking of the effectiveness of our actions. Global HR business partners support business area teams in assessing the data and prioritising actions to address problem areas.

Equal opportunities

Our global recruitment platform contains embedded materials designed to prompt inclusive recruitment behaviour. We strive to implement practices to ensure a fair and objective process, such as clear and comprehensive job requirements in the candidate assessment process. Specific themes related to equal treatment and belonging are embedded in the global performance dialogue review, which provides input for assessing the effectiveness of our actions. Our practices are governed by applicable local laws and regulations.

Equal pay
We strive to offer market-aligned and competitive salaries that reflect the principle of equal pay for equal work, while also recognising each employee's individual skills, experience and performance. To ensure this, we review and benchmark salaries internally and against comparable companies in the markets where Demant operates.

In 2025, we focused on building internal structures to meet coming requirements on pay transparency. This included designing a job architecture in line with the EU Pay Transparency Directive and aligning decentralised systems to track compensation data. We are continuing our efforts to improve data and plan to report on the adjusted pay gap from 2026.

Targets and metrics
S1-5

To drive a more gender-balanced composition in leadership, we have set a target to reach a gender balance of 35/65% (female/male) by 2030. Gender representation metrics are calculated on a global basis to ensure consistency and transparency. Actions to achieve gender representation targets will only be implemented where permitted by applicable local laws and regulations.

Demant has set a target to take employees' experience of inclusion to the top-third level by 2030, which corresponds to the 67th percentile or above in the Gallup inclusion index.

S1-9

Gender diversity in leadership

	2025		2024	
	%	Headcount	%	Headcount
Board of Directors - all members (female/male)	38/62	3/5	29/71	2/5
Top-level management (female/male)	33/67	34/68	31/69	30/66
All managers (female/male)	51/49	1018/990	50/50	980/975

In 2025, the share of female top-level managers increased to 33%, reflecting continued progress towards our 2030 target of 35%.

Danish Financial Statement Act, section 107 f

Gender balance in Parent company

	2025	
	%	Headcount
Board of Directors - shareholder-elected members (female/male)	40/60	5
Board of Directors - staff-elected members (female/male)[1]	33/67	3
Executive Board members (female/male)[2]	0/100	3
Other levels of Management (female/male)[3]	50/50	8

[1]Equal to an even (40/60%) distribution, cf. Annex 1 to the Danish Act on Gender balance
[2]Reporting requirement cf. section 107 f of the Danish Financial Statement Act
[3]Executive Board incl. Direct reports employed in the legal entity Demant A/S

The Board of Directors aims to have at least 40% of the underrepresented gender among the Board members elected by the shareholders and for the staff-elected members, as this constitutes an even distribution in terms of gender cf. section 4 of the Danish Act on Gender Balance.

In 2025, the Parent, Demant A/S, maintained an even distribution of gender both in the Board of Directors and at other levels of management, cf. section 4 of the Danish Act on Gender Balance. Hence, Demant A/S is not required to define a specific target and policy for other levels of management.

Entity-specific metrics

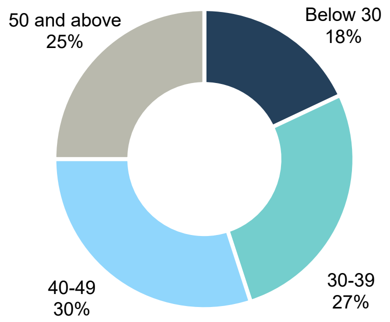
Inclusivity at work

	2025	2024
Inclusivity score	4.30	4.27
Participation rate	85%	84%
Percentile	57th	56th

In 2025, our inclusivity score reached 4.30 (+0.03) in the annual engagement survey, placing us in the 57th percentile. Overall, employees feel respected and valued for their strengths and trust Demant to act with integrity and responsibility.

S1-9

Age distribution of employees



In 2025, the age distribution among Demant's employees was relatively even. This reflects a balanced and diverse workforce, enabling generational exchange of knowledge and perspectives.

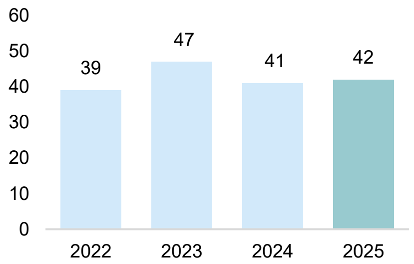
S1-16

Equal pay

In 2025, the unadjusted gender pay gap at Demant was 28%. The figure reflects the distribution of employees across organisational levels and geographies, with more men in senior roles and a high share of women employed in manufacturing facilities in Poland and Mexico and in our hearing care clinics around the world. To comply with the principle of equal pay for equal work, we have conducted a detailed analysis of pay differences across comparable job levels in Hearing Care and manufacturing. The analysis shows that the gender pay gap at these job levels is below 5%, confirming that our pay practices are equitable for similar roles.

The unadjusted gender pay gap was not reported for 2024 due to unavailable underlying data. Following the completion of our HR data management enhancement project in 2025, we are now able to disclose the gender pay gap.

CEO remuneration ratio



In 2025, the CEO remuneration ratio increased by 1 point to 42 compared to 2024. For more details on remuneration, please refer to our Remuneration Report.

S1-17

Incidents, complaints and severe human rights impacts

	2025	2024
Cases of harassment and discrimination reported	38	11
Complaints filed to National Points for OECD Multinational Enterprises	0	0
Fines, penalties and compensation for damages as a result of incidents and complaints	0	0
Confirmed severe human rights incidents connected to own workforce	0	0

In 2025, Demant received 38 reports through its whistleblower hotline concerning discrimination and/or harassment. The increase in cases is mainly driven by the anti-harassment and discrimination training introduced in Q3, which has strengthened employee awareness. 32 out of 38 claims have been handled.

There were no severe human rights incidents in 2025, and therefore no fines, penalties or compensation for damages were paid. Severe human rights incidents are defined as confirmed cases, involving forced labour, human trafficking, child labour or other serious infringements of internationally recognised human rights.

Accounting policy

Age distribution of employees

The chart shows the age distribution of employees in the Group, covering 100% of Demant's employees.

Gender balance in leadership

Board of Directors

The gender distribution relates to the shareholder elected members of the Board of Directors and the employee representatives on the Board.

Top-level management

The gender distribution relates to management levels from Vice President and above.

All managers

The gender distribution relates to all people managers with one or more direct reports. The number is calculated based on data from our global HR management system, covering 77% of Demant's employees.

Inclusivity score

Employees score inclusivity, using a scale from 1 (lowest) to 5 (highest) based on the yearly engagement survey conducted by Gallup. The survey does not cover temporary staff, students, externals, employees on leave, specific companies and countries not yet integrated into our global HR management system and markets where the survey questions are not permissible.

CEO remuneration ratio

The CEO remuneration ratio is calculated as the CEO's total remuneration (numerator) divided by the average remuneration of all Group employees (denominator) instead of the median Group employee. Demant is committed to enhancing data quality on this topic in future reporting periods.

Gender pay gap

The gender pay gap is calculated as the difference between the average annual base salary of all male and female employees divided by the average annual base salary of all male employees. Only employees who are included in our global HR management system are part of the calculation.

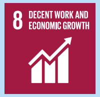
Incidents, complaints and severe human rights

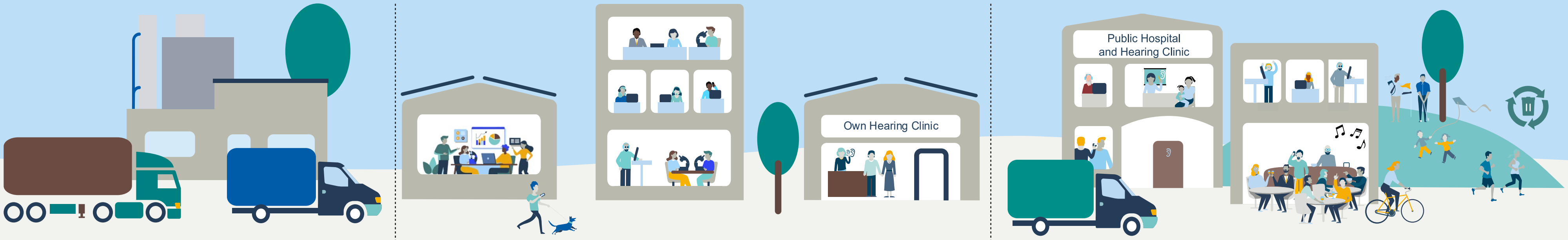
Incidents of discrimination and harassment include any incidents brought forward through Demant's whistleblower hotline. The reported incidents include all recorded cases of bullying, harassment and discrimination.

Fines, penalties and compensation for damages refer to any financial payments made in relation to confirmed cases within the financial year.

S2 Workers in the value chain

Our commitment to caring for people extends not only to own employees, but also to workers that we impact indirectly in our value chain.





Value chain

Upstream — Own operations — Downstream

IROs

N — Working conditions for value chain workers

Working conditions for value chain workers

We work to ensure that we support the protection of rights throughout our value chain.

ESRS 2 SBM-3 S2

We have identified one potential impact related to workers in the value chain:

- Demant engages with suppliers that operate in countries and industries with potentially negative impacts on workers' rights to a fair and safe working environment.

The value chain workers identified to potentially be exposed to the above-mentioned impacts are those working in electronics manufacturing and its related supply chain. They are connected to the Demant upstream value chain through business relationships. We consider the potentially negative impact to be systemic to that particular value chain.

Policies guiding our behaviour

S2-1

Our Third Party Compliance Code outlines what we expect of our suppliers and business partners when it comes to working conditions for workers in the value chain. This includes the core International Labour Organization (ILO) standards on working conditions, workplace health and safety, freedom of association, trafficking, forced/child labour and non-discrimination. We require all new direct suppliers to accept this Code or to comply with their own code of equivalent standard. The Code is included as an appendix to all new contracts with suppliers. The Senior Vice President of Group Legal & Compliance is accountable for the Code, while its implementation lies with Demant's procurement departments.

Updated in 2025, the Demant Group Supply Chain Sustainability Policy summarises our commitment to advancing sustainability across our supply chain. The Policy covers all relevant upstream buying practices across the Demant Group and outlines how we manage supplier relationships from a risk-based approach. The responsibility for the implementation of this Policy into our ways of working is shared between the leader teams of the two main procurement functions in Demant, Hearing Aids and Diagnostics.

Engaging with our stakeholders

S2-2 and S2-3

We continuously take steps to understand the potential impacts of our operations on workers in our value chain. Our whistleblower hotline is accessible to all external stakeholders, including value chain workers. Please refer to page 99. Currently, Demant does not require its suppliers to establish reporting channels for their own employees to raise concerns. This will be considered the next time we update our Third Party Compliance Code.

In our Hearing Aids business area, we have integrated sustainability into our supplier engagement programme, Sustain, which focuses on decarbonisation and addressing human rights impacts in our supply chain. When we audit suppliers in relation to ESG, we interview workers directly.

Actions and results

S2-3 and S2-4

Considering the vast number of suppliers across our business areas, we take a risk-based approach to managing potentially negative impacts on value chain workers. Our supplier sustainability risk assessment process, which was updated in 2024, enables the identification and documentation of potential impacts that workers in our supply chain are exposed to, based on suppliers' country and sector risks. Continuous risk assessment is embedded in how we manage our supply chain, and dedicated sustainability specialists lead this work in our procurement functions.

If a negative impact is reported to or identified by Demant, we engage directly with the supplier to urge them to take preventive and corrective action, while clearly communicating our expectation that remedies are provided to the affected value chain workers. No severe human rights impacts or incidents connected to our upstream or downstream value chain were reported to us in 2025.

Hearing Aids business area

We audit all new direct suppliers in high-risk territories against the expectations of our Third Party Compliance Code, using an external audit provider. When issues are raised, we engage in dialogue and plan for corrective action. Further, the Code is embedded in the digital tender process. Suppliers must accept Demant's terms and conditions, including the requirements of the Code, to register and submit a bid. The Hearing Aids procurement function covers procurement for our Hearing Care business area.

Due to internal prioritisation and unclear legislative expectations in the EU, progress on implementing the updated risk and due diligence processes in 2025 was slower than intended. Implementation is now planned for 2026.

Diagnostics business area

Before engaging with new suppliers in select high-risk locations, we conduct an initial on-site audit for vendor approval through a third party.

In 2025, we focused on implementing the sustainability supplier risk assessment process across the Group. This included onboarding and training of buyers and creating a central process platform. We will complete the roll-out to all manufacturing sites in 2026. We also introduced an ESG questionnaire for selected high-risk suppliers to assess adherence to our Third Party Compliance Code.

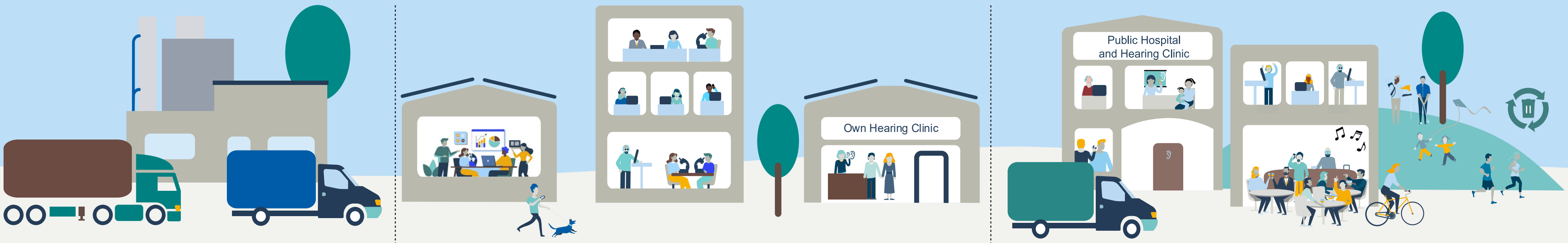
Tracking effectiveness

ESRS 2 MDR-T and S2-5

Continuous evaluation of our actions and practices is embedded in our ways of working. We are currently focusing on aligning due diligence processes to coming legislative requirements. We have not yet set specific targets related to the impact on workers in the value chain but will explore options to do so, as we mature our internal processes.

S4 Consumers and end-users

Our core commitment to society is to help people become aware of and overcome hearing loss and improve their quality of life through innovative solutions and access to personalised hearing care.



Value chain

Upstream	Own operations	Downstream

IROs

	Own operations	Downstream
	O – Providing life-changing hearing health	P – Providing life-changing hearing health
	R – Product quality and safety	
	R – Right to privacy for end-users	N – Right to privacy for end-users

Progress against targets

Lives improved

2024: 10.9 million
2025: 12.1 million
2030: 16 million

People tested

2024: 1.5 million
2025: 1.6 million
2030: 2 million

Providing life-changing hearing health

According to the World Health Organization, one in five people today lives with hearing loss. If untreated, it impacts their ability to interact in life.

ESRS 2 SBM-3 S4 and S4-2

We have identified one actual positive impact and one opportunity related to end-users:

- Through our products, Demant positively impacts users living with hearing loss.
- Delivering hearing health solutions is the core of the Demant business and a key driving force behind revenue growth and market expansion.

Hearing loss has immense societal implications (read more on page 15). Demant's purpose, strategy and business model are built on making a positive impact for people living with hearing loss, ultimately improving our users' quality of life. As this is inherent to our core activities, it is not covered by a specific policy.

Actions and results

S4-2 and S4-4

Continuous feedback from users, hearing care professionals and wholesale customers drives us to focus on research and development of innovative technology and enables us to provide a high level of service and care in our hearing care clinics. See an overview of how we engage with customers on page 94 and read more about user engagement on the next pages.

Our key actions towards maximising our positive impact and pursuing material opportunities are to grow our business. This is reflected in our strategic aspirations and expected growth. Read more on page 17. How we create value is presented on page 19.

As part of our strategy, we are committed to continuing to invest in R&D and further expanding the distribution of our products in both existing and new markets going forward. In 2025, Demant invested DKK 1,402 million in R&D to drive innovation and ensure continuous technological leadership to the benefit of our users.

Raising awareness of hearing loss

Raising awareness of the importance of hearing loss is an important driver towards succeeding in our purpose and growing our business. Our approach is centred around addressing the stigma related to hearing loss. We do so by repositioning hearing loss treatment and the use of hearing aids to something positive and by focusing on the benefits of good hearing. We believe that people experiencing hearing loss should be motivated to address it, but the fact is that they often carry with them internal and external barriers in the form of stigma, bias and lacking awareness of hearing health. So, we focus our efforts on removing the barriers to having hearing loss addressed and treated. This is the main objective of our global campaign 'Love your ears'.

Many of our hearing care clinics actively engage with their local communities to create public awareness and to connect with those who may have a hearing loss but are unaware of it. Through outreach activities, we provide free hearing screening, enabling people living with an untreated hearing loss to embark on their own journey towards treatment.

Building capacity in healthcare

Across our business areas, we provide global access to the most current and relevant clinical knowledge about hearing health. Building capacity among ear-nose-throat doctors, audiologists and healthcare professionals is crucial to ensure early intervention for hearing loss and ultimately, addressing hearing loss. Our training offerings help support building hearing health capacity in countries and regions with no or very little formal audiology education, enabling better access to higher quality hearing healthcare for people living with hearing loss.

Ensuring access

Demant operates globally, providing access to innovative hearing healthcare through its vast network of clinics. The international companies that are part of our Diagnostics business area cover every major customer segment in all key geographic regions, while our Hearing Aids business area is present with sales companies in more than 30 countries.

In markets where Demant is not present, we have long-term partnerships with distributors, who often have a strong background in audiology. We support them in driving digital marketing, increasing consumer awareness and maturing their business to push hearing aid penetration, which in some markets is as low as 0-5% of people who need them. Global distribution provides access to our innovative products and supports healthy competition in markets characterised by low supply of hearing health services for the benefit of users. See our global presence on page 11.

A highly competitive hearing aid market powered by innovation leads to competitive pricing. Through our diversified portfolio of hearing aids, with products and services ranging from basic to premium, we offer a range of lower-priced and more easily accessible products, which benefits users with a lower income. Pricing in the retail market includes a high level of service and full return assurance for the benefit of users. Demant also participates in public tenders globally, thereby supporting affordability.

Targets and metrics

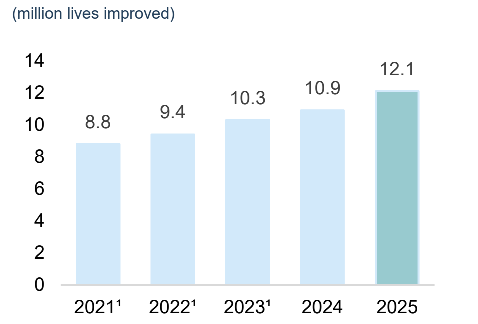
S4-5

Demant has established the following targets for advancing positive impacts for people with hearing loss:

- Improve more than 16 million lives by 2030
- Increase awareness by performing hearing tests on more than 2 million people by 2030

The targets are set based on Demant's overall ambition and purpose and cover all markets where Demant is present.

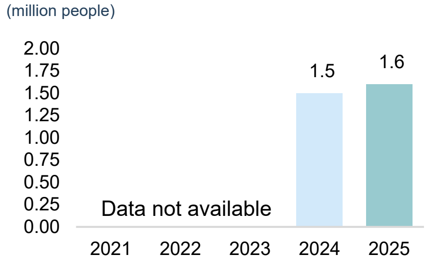
Lives improved



[1]Not covered by the Independent Auditor's limited assurance report

Based on the estimated lifetime of hearing aids, the number of hearing aids sold and the number of fittings made by the Group in 2025, we improved 12.1 million lives in 2025. In H1 2025, the number of lives improved increased from 10.9 to 11.4 million, a rise of 4.6%. Progress continued in H2, and, with an increase of 11% from 2024 to 2025, we are on track to meet our long-term ambition to improve 16 million lives by 2030.

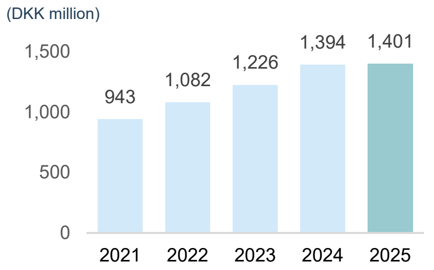
People tested



In 2025, Demant tested 1.6 million people with suspected hearing loss. Continued efforts focus on keeping this momentum.

Entity-specific metrics

R&D costs



Reflecting the company's ongoing commitment to product innovation, R&D investments remained broadly stable in 2025. Following R&D costs of 1.39 billion in 2024, expenditure increased slightly during the year and reached 1.40 billion at year-end, reflecting a stabilisation of the growth pattern observed in previous years.

Accounting policy

Lives improved

The number of lives improved is determined by the number of hearing aids sold and the binaural rate. The calculation also accounts for a mortality rate to reflect that not all users remain active over the full period. The number is accumulated based on a five-year product lifecycle.

Hearing tests performed

Hearing tests performed is the number of tested people in our clinics during the reporting period. For entities without actual data, the number of tests is estimated, using a proxy based on hearing aids sold. This proxy assumes that regional averages for the ratio between hearing aids sold and hearing tests can be applied to countries that do not have actual data.

The accounting policy for R&D costs is described on page 124.

Product quality and safety

Ensuring the highest standards of quality and safety in our products is crucial to our purpose of providing life-changing differences through hearing health.

ESRS 2 SBM-3 S4

We have identified one risk related to the safety of consumers:

- If quality requirements are not met or medical device regulations are not complied with, it represents a risk to Demant's licence to operate and our ability to bring products to market.

Policies guiding our behaviour

S4-1

Working with quality is vital for us to sustain the high standards and reliability of our products and to ensure the safety of our customers and users. We define quality management in policies for the Hearing Aids and Diagnostics business areas. The quality policies are embedded in our decision-making and ways of working and reflect our intentions regarding the quality of our products and services to enable us to deliver the best to our customers and users. The policies provide the foundation for meeting regulatory requirements, such as the EU Medical Device Regulation (MDR) and MDSAP requirements, as well as all local country regulatory requirements. The policies cover activities that support product development, manufacturing, marketing and servicing.

Demant's Executive Leadership Team carries the overall responsibility for product quality and safety, and specific managerial responsibilities are defined and described for relevant activities. Leaders in the quality functions are accountable for ensuring that quality and compliance are delivered by the organisation and for maintaining the quality policies.

Engaging with users and customers

S4-2 and S4-3

We have established customer support service platforms and channels for our three business areas, enabling complaints and feedback from users throughout the user journey. These channels allow our stakeholders to raise concerns and communicate cases of negative impact. All complaints are handled by dedicated customer service teams, ensuring documentation and follow-up with the complainant. This includes any remediation, such as fitting support, repair and replacement, where relevant.

User interaction through user quality surveys and daily engagement with hearing aid users through our global network of hearing clinics enable Demant to continuously assess issues related to product quality and safety in hearing aids. If an incident related to product quality or safety occurs, it will be handled in our CAPA (corrective and preventive action) system through which we conduct methodical risk analyses and root cause analyses, take corrective actions and initiate preventive measures. Following our processes, we report incidents to national health authorities, when required.

Actions and results

S4-4

Quality management

By using quality management systems, our Hearing Aids and Diagnostics business areas have a framework to demonstrate their ongoing commitment to providing safe and effective medical devices that consistently meet customer needs and comply with regulatory requirements. Certification against ISO 13485 cements that we have a process-based approach to ongoing quality management, ensuring that processes are well-defined, controlled and continuously improved. Risk management is integrated into every stage of the product lifecycle. All Demant's development and manufacturing sites are covered by ISO 13485 certification.

We keep up to date with all requirements to ensure compliance where we sell our products. This includes scouting regulatory requirements, which enables us to plan and implement processes to support compliance with future regulatory requirements.

Training

We ensure that all employees are continuously trained in processes relevant to their tasks. Managers establish employee training plans to ensure relevant training ahead of any critical quality or safety activities. All training is documented, and we evaluate training performance and effectiveness. All employees involved in our quality management system are by default trained and their training is recorded.

Extensive testing

In our Hearing Aids business area, products are tested against reliability requirements at component, assembly and product level to ensure that products are safe and effective throughout their lifetime. The reliability requirements are based on standards, regulations and our extensive experience in manufacturing hearing aids. At the end of the development process, final verification tests are conducted by internal specialists and external accredited test providers to ensure safety and effectiveness. Internally, the system is audited by our quality team and maintained to reflect developments and changes in our organisation.

Before we release products in our Diagnostics business area, they are tested extensively by accredited test houses and verified according to established performance standards. We perform a full and final inspection of our products to ensure that all items are checked for defects, functionality and compliance with all specifications.

Biological safety evaluation

We mitigate risks associated with quality and safety through biological safety evaluation. We strive to use the same materials to avoid new biocompatibility testing. When strictly needed, we evaluate materials in skin contact in accordance with ISO 10993. When necessary, we perform animal testing according to ISO 10993-10, while evaluating whether chemical extraction and characterisation are deemed sufficient instead. Animal tests are conducted by accredited external partners, who are required to meet the expectations of our Third Party Compliance Code. Since 2021, only a few such tests have been conducted.

Strong safety processes

We have strong processes to ensure user safety and actively use complaint handling and continuous risk assessments anchored in all processes to assess any need for product recalls. For the past many years, we have had no need to use the recall management system.

Continuous audits

Audits are a central element of ongoing quality management in Demant. We use internal and external audits to continuously assess the effectiveness of our actions. Sales and service activities at key Diagnostics sites are certified and audited against ISO 9001. External audits are also conducted by national authorities and customers. Internally, we audit relevant processes for medical devices, including complaints and recall management, on a continuous basis.

Demant is annually audited against ISO 13485, MDR and MDSAP. The audits are conducted by notified body TÜV SÜD for both our Hearing Aids and Diagnostics business and cover all Demant development and manufacturing sites.

In 2025, we had the following audit results:

- In Hearing Aids, we had no major findings and three minor findings
- In Diagnostics, we had one major finding and 12 minor findings

All findings are handled following our CAPA processes.

Tracking effectiveness and metrics

ESRS 2 MDR-T and S4-5

Demant has not set group targets related to product quality and safety. We assess effectiveness through business area-specific indicators related to product quality and safety. These include, but are not limited to, monthly process quality control (PQC), achievement progress for internal audit plans and a continuous target of zero vigilance cases.

When audited in accordance with certification requirements for ISO 13485, MDR and MDSAP, Demant aims for zero major findings year after year.

Entity-specific metrics

Product recalls

	2025	2024	2023[1]	2022[1]	2021[1]
Hearing Aids	0	0	0	0	0
Diagnostics	0	0	0	0	0

[1]Not covered by the Independent Auditor's limited assurance report

Demant monitors product recalls as an important indicator of product quality, consumer safety and the strength of our internal control environment. In 2025, we recorded zero product recalls, reflecting the effective performance of our quality-management systems throughout the year.

Accounting policy

Product recalls

Product recalls cover both voluntary and mandatory recalls. This metric includes all products in our portfolio that are placed on the market and are subject to applicable regulatory requirements.

Right to privacy

ESRS 2 SBM-3 S4

We have identified one potential negative impact and one risk related to user privacy:

- Demant has access to users' sensitive personal data, potentially resulting in negative impacts if the data is compromised.
- Based on GDPR regulations, Demant may be subject to a penalty, if we fail to adequately protect the privacy of our users.

Collecting personal data is not only necessary for the delivery of our products and services, but it also presents opportunities. The data available to Demant supports internal identification of efficiencies, development of new products, gaining customer insights, optimising operations and tailoring business strategies. However, the collection and use of data also present an inherent risk of misuse or access by threat actors, such as hackers and cybercriminals. Protecting data privacy is therefore dependent on strong security measures. Read more about our cyber security management on page 38.

Policies guiding our behaviour

S4-1

Demant has a data privacy programme to manage potentially negative impacts on the privacy of our employees, customers and users. This includes policies and processes for handling personal data as well as processes for engaging with affected stakeholders.

Our Code of Conduct outlines our clear expectations of employees' conduct in relation to data privacy. Demant has implemented a global Data Ethics Policy, which outlines the Group's commitment to handling data with a high level of integrity. The Policy covers all processing of data globally, including both personal data and non-personal data. It is mandatory for all employees in Demant to comply with the Policy.

Our Data Privacy Policy establishes the overall framework for working with personal and sensitive personal data in Demant and is implemented as a General Operating Procedure (GOP). It applies to all Demant employees, who receive, handle, access, distribute, transmit, protect or store personal or sensitive personal data in any form.

Data privacy and ethics are governed by our Global Legal & Compliance Board. Group Legal & Compliance reports regularly on material issues to this Board, which includes the Executive Leadership Team, and to the audit committee.

Engaging with our stakeholders

S4-2 and S4-3

We handle personal data of our stakeholders with the utmost care and respect, recognising its sensitive nature, especially when it comes to hearing health information. Information about data privacy is provided in privacy notices when required by local legislation. All relevant stakeholders are informed of the use of their personal data and are also guided on how to exercise their legal rights regarding their personal data. The contact details of the Demant Group's Data Protection Officer are communicated to all relevant stakeholders in the respective privacy notices, and the Demant privacy mailbox is accessible on our company website.

We continue to experience an increasing interest in privacy matters, both internally and externally, and we spend significant resources on ensuring that all privacy queries are timely addressed. Most often, privacy violations occur due to human error and are categorised as minor data breaches. Remedial action is taken in accordance with the type of data breach, the risk category and any local requirements.

Actions and results

S4-4

All ongoing collection and processing of personal data are done in accordance with applicable laws and regulations, including the EU General Data Protection Regulation (GDPR) in the EU/EEA and California Consumer Privacy Act (CCPA) and the Health Insurance Portability and Accountability Act (HIPAA) in the US.

The Data Privacy team, which is part of Demant's Group Legal & Compliance, supports legal colleagues and the business in relevant areas of our business. To support local implementation and awareness of data privacy policies and procedures, we have appointed around 100 data privacy champions across our European sites. They receive ongoing training on privacy matters and notify the Data Privacy team if they encounter concerns or complaints related to data privacy.

Tools and training

The Data Privacy team maintains a privacy portal for employees, containing relevant national and international legislation and guidelines that the Demant Group must comply with, training materials and access to relevant policies, templates and processes.

We started updating our data privacy training in 2025. The digital learning is mandatory for relevant employees and is key to preventing data breaches. Implementation will continue into 2026. Ad hoc training is also provided when incidents occur to mitigate future breaches. Based on risk assessment, we initiate awareness campaigns targeted towards relevant employees and functions on a continuous basis.

Data breach response

In addition to established IT security measures, we have a well-functioning data breach response procedure. The Data Privacy team monitors any alerts of a potential data breach every day of the year and ensures that appropriate action is taken. After a data breach has been addressed, the Data Breach Response Team reviews the incident and implements measures to prevent future breaches. These may include reviewing physical and technical access controls and/or security, reviewing policies and procedures, conducting obligatory training or ultimately imposing sanctions on employees.

Tracking effectiveness

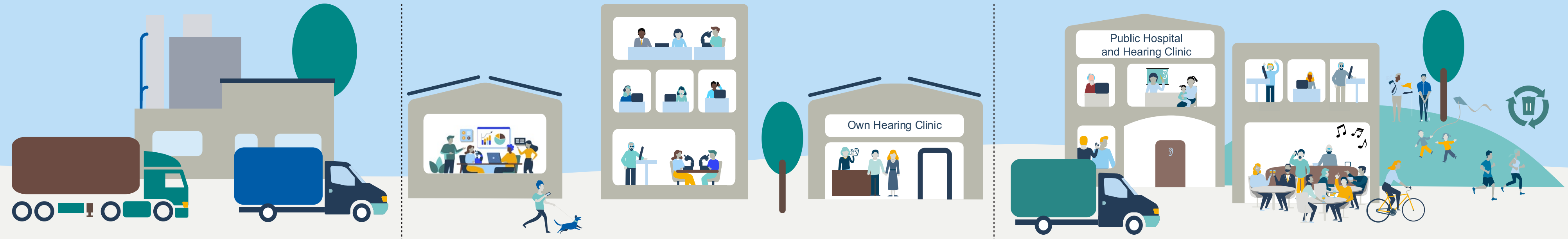
ESRS 2 MDR-T and S4-5

Demant has not set group targets related to data privacy. To assess effectiveness of our actions, we continuously evaluate our processes and practices, which is embedded in our ways of working. We strive to limit data breaches across our operations and aim for year-on-year improvement.

Governance

G1 Business conduct

We take a proactive approach to business ethics to ensure that we behave as a company we can be proud of.



Value chain

Upstream — Own operations — Downstream

IROs

R — Corruption and bribery

O — Advocacy for hearing health

Progress against targets

Code of conduct training for highly exposed employees

2024 76%

2025 99%

2030 100%

Corruption and bribery

We strive for high ethical standards and conduct business with integrity and honesty.

We have identified one risk related to business conduct:

- Demant operates in countries with risks of corruption and bribery, exposing our commercial departments to financial risk. We work with distributors who operate in countries where these risks are higher than in the countries where Demant operates directly.

Policies, actions and results

G1-1 and G1-3

Business ethics programme

Our Code of Conduct reflects our commitment to a high level of business ethics and is the overarching compliance document for our Group. It sets the minimum standards and ethical principles applicable to all employees, regardless of location and the nature of their work, and provides everyone with a common understanding of how we conduct our business.

Our business ethics programme lays a solid foundation for ensuring that Demant can identify, report and investigate any concerns about unlawful behaviour or behaviour that contradicts our Code of Conduct. In addition to the Code of Conduct, the business ethics programme covers the global whistleblower hotline as well as a portfolio of global programmes with relevant policies and guidelines, processes, tools, risk assessments, training and advice.

In 2025, we updated our General Manager Instruction to extend its scope to also cover the broader top management. Going forward, it will be called the Demant Group Management Instructions and will apply from 1 January 2026. The Instructions are legally binding and clearly outline expectations of the employees in scope within the Demant Group with a view to creating transparency on their role and related responsibilities.

Business ethics compliance is governed by the Legal & Compliance Board. The Demant Group's General Counsel is accountable for of all the policies described in this section, while implementation lies with the business. Group Legal & Compliance is supported by a network of about 65 business ethics champions appointed in subsidiaries globally and in Group business functions.

Whistleblower hotline

The Demant whistleblower hotline enables employees, business partners and all other internal and external stakeholders to report any concerns about serious and sensitive matters confidentially and anonymously. We encourage employees and external stakeholders to raise their concerns about serious and sensitive actions that (1) fail to comply with our Code of Conduct, (2) fail to comply with applicable laws and regulations and/or (3) jeopardise the health and safety of our employees. These include concerns relating to corruption and bribery.

When incidents that fall into one or more of the above categories are reported, either directly through the hotline or through other channels, we initiate incident investigation, response and corrective action. Group Legal & Compliance manages the whistleblower hotline, and our Investigation Guideline describes step-by-step how an investigation is conducted. The Guideline ensures that the investigator involved in a specific whistleblower case is independent from the chain of management involved in the matter.

When needed, Group Legal & Compliance can escalate cases to the global Whistleblower Board, consisting of Demant's CEO, CFO and Group General Counsel. Group Legal & Compliance reports regularly on relevant reports received through the whistleblower hotline to the audit committee.

We are committed to ensuring that there will be no discriminatory or retaliatory action against any employee or third party who, in good faith, raises a concern through the whistleblower hotline. Anti-retaliation is covered by our Whistleblower Policy, which we updated in 2025, and our efforts comply with Directive (EU) 2019/1937.

Anti-corruption and bribery

It is a fundamental principle for Demant to compete for business on fair terms and solely on the merits of our services and products. Through an anti-corruption risk assessment, we have identified the functions that are exposed to the highest risk in respect of corruption and bribery. These, among others, include employees that are in direct contact with public officials, for instance by participating in negotiations for public tenders on Demant's behalf.

We have implemented policies and guidelines to mitigate corruption risks throughout our organisation. These include an Anti-Corruption Policy, which was updated in 2025 to align with new internal guidelines, and our Gifts & Hospitality Guideline, which contains country-specific appendices with local monetary limits. In 2025, we prepared a Conflict of Interest Guideline, which will apply from 1 January 2026. The Guideline will be implemented through updated processes and training of all relevant employees.

For distributors, we have a due diligence process where we assess the ethical risks, including anti-corruption risk, associated with dealing with third parties. Based on our findings, we implement appropriate mitigating measures, such as specific anti-corruption wording in contracts with third parties. Our Third Party Compliance Code, which contains a section on anti-corruption, is included as an appendix to contracts with third parties.

Training and awareness

To implement our policies and guidelines on business ethics, we train our employees and create awareness around risks. Our Code of Conduct e-learning broadly introduces the business ethics themes covered by the Code. Importantly, the e-learning informs employees about the whistleblower hotline, what they can report and how to report, and provides information about our anti-retaliation principles. Further, the Code of Conduct e-learning contains a deep dive into anti-corruption. The e-learning is a central pillar of the induction programme for new employees.

It is mandatory for all employees, including the Executive Leadership Team, to complete the e-learning. We closely follow training completion for employees that are considered to be highly exposed to corruption risk. In 2025, we initiated a project to update our Code of Conduct training to ensure a better fit to the different types of employees across Demant. It is our ambition to conduct physical training of production and warehouse staff, and in 2026, we will focus on implementation. We plan to relaunch e-training every three years to ensure ongoing knowledge and awareness of Demant's Code of Conduct and business ethics principles and expectations.

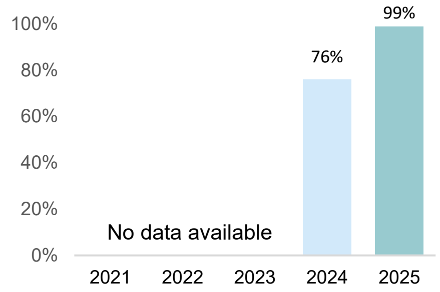
Our business ethics champions have received training on anti-corruption. As they are appointed throughout subsidiaries globally, they help us detect local issues, which could be problematic from an anti-corruption perspective, and ensure that Group Legal & Compliance is involved to the extent necessary. In addition, our business ethics champions help us raise awareness locally about the Code of Conduct, the whistleblower hotline as well as our Anti-Corruption Policy and guidelines that apply to all employees globally.

Targets and metrics

Demant is committed to increasing business conduct excellence, and in 2024, we set a target to ensure that 100% of highly exposed employees complete Code of Conduct training by 2030 (see accounting policy for scope). The target aligns with the objectives outlined in our Code of Conduct.

Entity-specific metrics

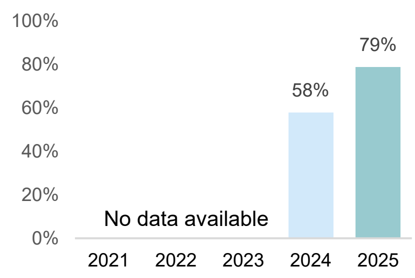
Code of Conduct training – highly exposed employees



In 2025, 99% of the Group's employees that are considered highly exposed completed the Code of Conduct training, representing a 23 percentage point increase compared to 2024.

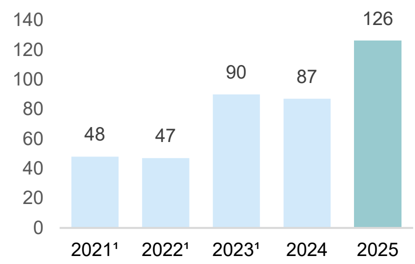
The improvement was primarily driven by targeted follow-ups with employees who had not yet completed the training.

Code of Conduct training – all employees



Data on Code of Conduct training in our e-learning module for the period from 2021-2023 is not available, as e-learning was introduced in 2024. Relevant employees received training through other channels prior to 2024.

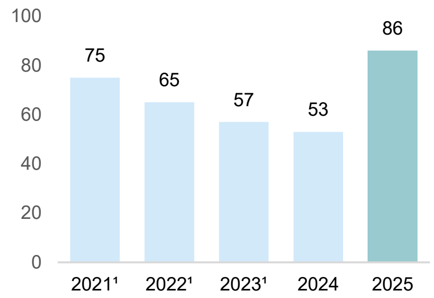
Whistleblower reports



[1]Not covered by the Independent Auditor's limited assurance report

In 2025, Demant received 126 reports through the whistleblower hotline. Please note that not all reports received qualify as whistleblower cases. The increase in reported cases reflects increased employee awareness of the whistleblower hotline which is likely driven by references to the hotline in this year's anti-harassment and anti-discrimination campaign and awareness created through a higher completion rate of the Code of Conduct and Whistleblower Training.

Distributor due diligence



[1]Not covered by the Independent Auditor's limited assurance report

In 2025, Demant conducted 86 due diligence screenings. The increase in the number of distributor due diligence assessments in 2025 reflects strengthened compliance efforts.

G1-4

We had no confirmed incidents of corruption or bribery in Demant in 2025. Therefore, there have been no convictions or fines for violation of anti-corruption and anti-bribery laws in 2025.

Accounting policy

Code of Conduct training

Code of Conduct training refers to the share of employees who completed the Code of Conduct training during the year and is reported separately for all employees and for highly exposed employees. Highly exposed employees are employees in senior leadership and high-risk functions, e.g. Management, commercial functions, Finance, Legal, Export and Procurement. Only employees registered in our learning platform are included in the data. Employees in entities acquired after 30 September 2025 as well as employees hired after that date are not included in the numbers.

Whistleblower reports

Whistleblower reports refer to the number of whistleblower reports received through the whistleblower hotline or through other channels, which were registered by the whistleblower unit in the system during the year.

Distributor due diligence

Distributor due diligence refers to the number of distributor due diligence processes conducted.

Advocacy for hearing health

Our advocacy efforts are closely intertwined with our objective of raising awareness about hearing healthcare and driven by our main purpose.

G1-5

We have identified one opportunity related to political influence and lobbying activities:

- Engaging with governments and local authorities to raise awareness about the importance of hearing health represents an opportunity for Demant.

Policies guiding our behaviour

Our Anti-Corruption Policy establishes how Demant's Management and employees are expected to conduct themselves in relation to corruption. Demant is against any form of direct or indirect corruption and bribery, aiming at securing an improper advantage. The Policy does not allow political contributions, whether direct or indirect, which are defined as contributions to politicians, political campaigns and political parties.

The Demant Vice President of Corporate Communication & Sustainability is responsible for oversight of our advocacy activities and supports Demant's Executive Leadership Team in our global advocacy efforts.

Actions

When carrying out advocacy activities, we carry with us our principles of conducting business with integrity and high ethical standards. We engage in advocacy activities through industry organisations by advocating industry-level initiatives and regulations to support the establishment of a more advanced and better hearing healthcare infrastructure. The objective is to ultimately ensure the best possible treatment for people with hearing loss, which underpins our material positive impact and opportunity related to life-changing hearing health (see page 92).

We take active part in relevant industry organisations, including, but not limited to, the following:

European Hearing Instrument Manufacturers Association (EHIMA)

The main objectives of EHIMA are to build and support public awareness of hearing issues, encourage scientific research related to hearing instruments, monitor common issues within the hearing instruments industry in Europe and represent and protect the common interests of the members in the appropriate official EU bodies, other public institutions and private organisations. Demant is represented in the General Assembly and in the Technical, Regulatory, Public Affairs and Sustainability Committees.

EHIMA is registered in the EU Transparency Register under ID 34590331316-73.

Hearing Industries Association (HIA)

HIA serves as a forum for hearing aid manufacturers, suppliers, distributors and hearing health professionals in the US. HIA supports its members and carries out its mission through advocacy with Congress and the Administration, interaction with government agencies, focusing on the FDA, FTC and FCC, and engagement with professional provider organisations and other consumer groups. Demant is represented in the board of directors and the Technical and Regulatory, Market Insights, Market Analytics and Claims Committees.

Transparency

We are transparent about our stance and advocate topics directly linked to our company purpose and strategy. How we engage politically varies, depending on local conditions, as activities to promote hearing health depend entirely on country-specific legislation and hearing health infrastructure.

In 2026, we plan to implement lobbying and advocacy guidelines to ensure alignment across the Group. Further, we plan to define a stronger governance structure to support our efforts.

Additional information

Sustainability reporting risks and internal controls

Demant is committed to ensuring adequate reporting data quality and mitigating significant risks related to sustainability reporting.

Scoping of material topics

A double materiality assessment is conducted on a yearly basis, please refer to page 62.

ESRS 2 GOV-5

Risk management in relation to sustainability reporting

Demant's sustainability reporting risk management framework is designed to identify, assess and manage risks related to sustainability reporting. Key risk factors include regulatory compliance, data accuracy and stakeholder expectations. We apply a comprehensive risk assessment process, involving regular reviews and updates. Through this process, we ensure that all identified potential risks are adequately addressed based on the scope of material sustainability topics identified in the double materiality assessment.

The identified risks are assessed as either high, medium or low. The sustainability reporting risk categorisation is based on inherent reporting risks, such as completeness and accuracy of the data. High risks have a higher prioritisation than medium and low risks.

The main reporting risks are related to completeness and accuracy of the data submitted.

The Sustainability Board receives updates on a quarterly basis and includes any findings in the internal control framework related to sustainability reporting as well as measures to mitigate risks.

Disclosure requirements and incorporation by reference

ESRS 2 IRO-2

The following tables outline all ESRS disclosure requirements in ESRS 2 and five topical standards, which are relevant to Demant and have guided us in the preparation of this Sustainability statement. We have excluded disclosure requirements in E2, E3, E4 and S3, as they are below our materiality thresholds.

The tables serve as guides for locating information on specific disclosure requirements in the Sustainability statement. They also indicate where information on a specific disclosure requirement not included in the Sustainability statement can be found. This information is 'incorporated by reference' either in the Management statement and Financial statements of this Annual Report 2025 or in the separately published Remuneration Report.

Cross-cutting standards
ESRS 2 General disclosures

Disclosure requirements		Statement	Page
BP-1	General basis for preparation	Sustainability	50
BP-2	Datapoints that derive from other EU legislation	Sustainability	111
GOV-1	The role of the administrative, management and supervisory bodies	Management/ Sustainability	40, 46, 47, 55
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Management/ Sustainability	55
GOV-3	Integration of sustainability-related performance in incentive schemes	Remuneration report	6-9
GOV-4	Statement on sustainability due diligence	Sustainability	61
GOV-5	Risk management and internal controls over sustainability reporting	Sustainability	103
SBM-1	Strategy, business model and value chain (products, markets and customers)	Management/ Sustainability	12, 16, 19, 56
SBM-1	Strategy, business model and value chain (headcount by country)	Sustainability	83, 88
SBM-1	Strategy, business model and value chain (breakdown of revenue)	Financial	128
SBM-2	Interest and views of stakeholders	Sustainability	61-62
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability	56, 65, 75, 84, 86, 90, 92, 94, 96
IRO-1	Description of the process to identify and assess material impacts, risks and opportunities	Sustainability	61
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	Sustainability	104

Environmental standards
ESRS E1 Climate change

Disclosure requirements		Statement	Page
E1-1	Transition plan for climate change mitigation	Sustainability	66
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability	65
ESRS 2, IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Sustainability	61
E1-2	Policies related to climate change mitigation and adaptation	Sustainability	65
E1-3	Actions and resources in relation to climate change policies	Sustainability	67
E1-4	Targets related to climate change mitigation and adaptation	Sustainability	68
E1-5	Energy consumption and mix	Sustainability	69
E1-6	Gross scopes 1, 2, 3 and total GHG emissions	Sustainability	70

ESRS E5 Resource use and circular economy

Disclosure requirements		Statement	Page
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability	75
ESRS 2, IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Sustainability	61
E5-1	Policies related to resource use and circular economy	Sustainability	75
E5-2	Actions and resources related to resource use and circular economy	Sustainability	75
E5-3	Targets related to resource use and circular economy	Sustainability	76
E5-4	Resource inflows	Sustainability	76
E5-5	Resource outflows	Sustainability	76-77

Social standards
ESRS S1 Own workforce

Disclosure requirements		Statement	Page
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability	84, 86
S1-1	Policies related to own workforce	Sustainability	81, 84, 86
S1-2	Processes for engaging with own workers and workers' representatives about impacts	Sustainability	81, 84
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Sustainability	81, 84
S1-4	Taking action on material impacts on own work-force, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Sustainability	81, 84, 86
S1-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Sustainability	85, 87
S1-6	Characteristics of the undertaking's employees	Sustainability	82-83, 85
S1-9	Diversity metrics	Sustainability	87
S1-14	Health and safety metrics	Sustainability	85
S1-16	Remunerations metrics (pay gap and total remunerations)	Sustainability	88
S1-17	Incidents, complaints and severe human rights impacts	Sustainability	88

Social standards
ESRS S2 Workers in the value chain

Disclosure requirements		Statement	Page
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability	90
S2-1	Policies related to value chain workers	Sustainability	90
S2-2	Processes for engaging with value chain workers about impacts	Sustainability	90
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	Sustainability	90
S2-4	Taking action on material impacts on value chain workers and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	Sustainability	90
S2-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Sustainability	90

Social standards
ESRS S4 Consumers and end-users

Disclosure requirements		Statement	Page
ESRS 2, SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Sustainability	92, 94, 96
S4-1	Policies related to consumers and end-users	Sustainability	94, 96
S4-2	Processes for engaging with consumers and end-users about impacts	Sustainability	92, 94, 96
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Sustainability	94, 96
S4-4	Taking action on material impacts on consumers and end-users and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Sustainability	92, 94, 96
S4-5	Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	Sustainability	92-95-96

Governance standards

ESRS G1 Business conduct

Disclosure requirements		Statement	Page
ESRS 2, GOV-1	The role of the administrative, supervisory and management bodies	Management	40, 46-47, 55
G1-1	Business conduct policies and corporate culture	Sustainability	99
G1-3	Prevention and detection of corruption and bribery	Sustainability	99
G1-4	Incidents of corruption or bribery	Sustainability	100
G1-5	Political influence and lobbying activities	Sustainability	101

Datapoints in cross-cutting and topical standards

The table below outlines the list of datapoints in cross-cutting standards that derive from other EU legislation.

Disclosure requirements	Datapoints		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Report/section	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		Management statement	40
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent paragraph			x		Management statement	46-47
ESRS 2 GOV-4	30	Statement on due diligence	x				Statement on due diligence	61
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities paragraph	x	x	x		Not material	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not material	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Not material	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not material	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Climate change	66
ESRS E1-1	16 (g)	Undertakings excluded from the EU Paris-Aligned Benchmark		x	x		Not material	
ESRS E1-4	34	GHG emissions reduction targets	x	x	x		Climate change	68
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate-impact sectors)	x				Climate change	69
ESRS E1-5	37	Energy consumption and mix	x				Climate change	69
ESRS E1-5	40-43	Energy intensity associated with activities in high climate-impact sectors	x				Climate change	69
ESRS E1-6	44	Gross scope 1, 2 and 3 and total GHG emissions	x	x	x		Climate change	70
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		Climate change	71
ESRS E1-7	56	GHG removals and carbon credits				x	Not material	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Not material	
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		x			Not material	
ESRS E1-9	66 (c)	Location of significant assets at material physical risk		x			Not material	
ESRS E1-9	67 (c)	Breakdown of the carrying value of real estate assets by energy-efficiency classes		x			Not material	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		Not material	

Disclosure requirements	Datapoints		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Report/section	Page
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				Not material	
ESRS E3-1	9	Water and marine resources	x				Not material	
ESRS E3-1	13	Dedicated policy	x				Not material	
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	x				Not material	
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Not material	
ESRS 2 - SBM 3 - E4	16 (a) i		x				Not material	
ESRS 2 - SBM 3 - E4	16 (b)		x				Not material	
ESRS 2 - SBM 3 - E4	16 (c)		x				Not material	
ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	x				Not material	
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	x				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	x				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	x				Not material	
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Not material	
ESRS 2 - SBM3 - S1	14 (f)	Risk of incidents of forced labour	x				Own workforce	88
ESRS 2 - SBM3 - S1	14 (g)	Risk of incidents of child labour	x				Own workforce	54
ESRS S1-1	20	Human rights policy commitments	x				Own workforce	54
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Own workforce	84
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Own workforce	54
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Own workforce	84-85
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				Own workforce	81
ESRS S1-14	88 (b), (c)	Number of fatalities and number and rate of work-related accidents	x		x		Own workforce	85
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				Not material	
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		Own workforce	88
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				Own workforce	88

Disclosure requirements	Datapoints		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU climate law reference	Report/section	Page
ESRS S1-17	103 (a)	Incidents of discrimination	x				Own workforce	88
ESRS S1-17	104 (a)	Non-compliance with UNGPs on Business and Human Rights and OECD Guidelines	x		x		Own workforce	88
ESRS 2 - SBM3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				Workers in the value chain	90
ESRS S2-1	17	Human rights policy commitments	x				Workers in the value chain	54
ESRS S2-1	18	Policies related to value chain workers	x				Workers in the value chain	90
ESRS S2-1	19	Non-compliance with UNGPs on Business and Human Rights principles and OECD guidelines	x		x		Workers in the value chain	90
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8			x		Workers in the value chain	90
ESRS S2-4	36	Human rights issues and incidents connected to upstream and downstream value chain	x				Workers in the value chain	90
ESRS S3-1	16	Human rights policy commitments	x				Not material	
ESRS S3-1	17	Non-compliance with UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		Not material	
ESRS S3-4	36	Human rights issues and incidents	x				Not material	
ESRS S4-1	16	Policies related to consumers and end-users	x				Consumers and end-users	94, 96
ESRS S4-1	17	Non-compliance with UNGPs on Business and Human Rights and OECD guidelines	x		x		Consumers and end-users	94, 96
ESRS S4-4	35	Human rights issues and incidents	x				Consumers and end-users	94, 96
ESRS G1-1	10 (b)	United Nations Convention against Corruption paragraph	x				Business conduct	99
ESRS G1-1	10 (d)	Protection of whistleblowers paragraph	x				Business conduct	99
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws paragraph	x		X		Business conduct	100
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	x				Business conduct	99

EU Taxonomy regulation disclosure

Turnover

				Substantial contributions to objectives 1-6 (%)						Do no significant harm to objectives 1-6 (y/n)								
Economic activity	Code	**Absolute turnover**	**Proportion of turnover in 2025**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution prevention and control**	**Protection of biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution prevention and control**	**Protection of biodiversity**	**Minimum social safeguards**	**Proportion of turnover in 2024**	**Category enabling/ transitional**
		DKK million	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E/T**
A.1 Taxonomy aligned activities																		
None		0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Turnover of taxonomy aligned activities (A.1)		**0**	**0**	**0**	**0**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**0**	**n/a**
Of which enabling		0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Of which transitional		0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Taxonomy eligible but not aligned activities																		
Manufacturing of electrical and electronic equipment	CE 1.2	19,401	84	0	0	0	100	0	0								84	
Turnover of taxonomy eligible but not aligned activities (A.2)		**19,401**	**84**	0	0	0	**100**	**0**	**0**								**84**	
Turnover of taxonomy eligible activities (A1 + A2)		**19,401**	**84**	0	0	0	**100**	**0**	**0**								**84**	
B. Taxonomy non-eligible activities																		
Turnover of taxonomy non-eligible activities		3,570	16														16	
Total[1]		**22,971**	**100**														**100**	

[1]Total revenue, Financial statements 2025, Note 2.1.

CAPEX

				Substantial contributions to objectives 1-6 (%)						Do no significant harm to objectives 1-6 (y/n)								
Economic activity	Code	Absolute CAPEX	Proportion of CAPEX in 2025	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention and control	Protection of biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution prevention and control	Protection of biodiversity	Minimum social safeguards	Proportion of CAPEX in 2024	Category enabling/ transitional
		DKK million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E/T
A.1 Taxonomy aligned activities																		
None		0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Turnover of taxonomy aligned activities (A.1)		**0**	**0**	**0**	**0**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**0**	**n/a**
Of which enabling		0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Of which transitional		0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Taxonomy eligible but not aligned activities																		
Acquisition and ownership of buildings	CCM 7.7	1,685	80	100	0	0	0	0	0								57	
Manufacturing of electrical and electronic equipment	CE 1.2	158	7	0	0	0	100	0	0								8	
Data processing and hosting	CCM 8.1	25	1	100	0	0	0	0	0								2	
CAPEX of taxonomy eligible but not aligned activities (A.2)		**1,868**	**88**	100	0	0	**100**	**0**	**0**								**67**	
CAPEX of taxonomy eligible activities (A1 + A2)		**1868**	**88**	**100**	**0**	**0**	**100**	**0**	**0**								**67**	
B. Taxonomy non-eligible activities																		
CAPEX of taxonomy non-eligible activities		**240**	**12**														**33**	
Total[1]		**2,108**	**100**														**100**	

[1]Property, plant and equipment, Financial statements, Note 4.2 and 4.3.

OPEX

				Substantial contributions to objectives 1-6 (%)						Do no significant harm to objectives 1-6 (%)								
Economic activity	Code	**Absolute OPEX**	**Proportion of OPEX in 2025**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution prevention and control**	**Protection of biodiversity**	**Climate change mitigation**	**Climate change adaptation**	**Water and marine resources**	**Circular economy**	**Pollution prevention and control**	**Protection of biodiversity**	**Minimum social safeguards**	**Proportion of OPEX in 2024**	**Category enabling/ transitional**
		DKK million	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**E/T**
A.1 Taxonomy aligned activities																		
None		0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
OPEX of taxonomy aligned activities (A.1)		**0**	**0**	**0**	**0**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**0**	**n/a**
Of which enabling		0	0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Of which transitional		0	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0	n/a
Taxonomy eligible but not aligned activities																		
Data processing and hosting	CCM 8.1	51	3	100	0	0	0	0	0								3	
OPEX of taxonomy eligible but not aligned activities (A.2)		**51**	**3**	0	0	0	**0**	**0**	**0**								**3**	
OPEX of taxonomy eligible activities (A1 + A2)		**51**	**3**	0	0	0	**0**	**0**	**0**								**3**	
B. Taxonomy non-eligible activities																		
OPEX of taxonomy non-eligible activities		1,433	97														97	
Total		**1,484**	**100**														**100**	

Financial statements

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Consolidated financial statements

Consolidated income statement

(DKK million)	Note	2025	2024
Revenue	2.1	22,971	22,419
Production costs	2.2 / 2.3 / 2.4	-5,600	-5,329
Gross profit		**17,371**	**17,090**
R&D costs	2.2 / 2.3	-1,401	-1,394
Distribution costs	2.2 / 2.3	-10,867	-10,246
Administrative expenses	2.2 / 2.3 / 9.2	-1,179	-1,145
Share of profit after tax, associates	4.4 / 7.1	36	99
Operating profit (EBIT) before special items		**3,960**	**4,404**
Special items	2.8	-128	124
Operating profit (EBIT)		**3,832**	**4,528**
Financial income	5.2	102	113
Financial expenses	5.2	-833	-925
Profit before tax		**3,101**	**3,716**
Tax on profit for the year	6.1	-734	-824
Profit after tax – continuing operations		**2,367**	**2,892**
Profit after tax – discontinued operations	7.2	-823	-504
Profit for the year		**1,544**	**2,388**
Profit for the year attributable to:			
Demant A/S' shareholders		1,545	2,387
Non-controlling interests		-1	1
		1,544	**2,388**
Earnings per share (EPS), DKK – continuing operations	5.7	11.20	13.31
Diluted earnings per share (DEPS), DKK – continuing operations	5.7	11.20	13.31
Earnings per share (EPS), DKK	5.7	7.31	10.99
Diluted earnings per share (DEPS), DKK	5.7	7.31	10.99

Consolidated statement of comprehensive income

(DKK million)	2025	2024
Profit for the year	**1,544**	**2,388**
Foreign currency translation adjustment, subsidiaries	-886	265
Value adjustments of hedging instruments:		
Value adjustment for the year	300	-91
Value adjustment transferred to revenue	-108	-5
Tax on currency translation and value adjustments	-42	22
Items that have been or may subsequently be reclassified to the income statement	**-736**	**191**
Actuarial gains/losses on defined benefit plans	22	-17
Tax on actuarial gains/losses on defined benefit plans	-5	4
Items that will not subsequently be reclassified to the income statement	**17**	**-13**
Other comprehensive income	**-719**	**178**
Comprehensive income	**825**	**2,566**
Comprehensive income attributable to:		
Demant A/S' shareholders	826	2,565
Non-controlling interests	-1	1
	825	**2,566**

Consolidated balance sheet 31 December

(DKK million)	Note	2025	2024
Assets			
Intangible assets	4.1	**20,379**	**15,066**
Property, plant and equipment	4.2	**3,428**	**2,909**
Lease assets	4.3	3,259	2,665
Investments in associates	4.4	370	363
Receivables from associates	4.4 / 5.3 / 9.1	166	193
Other investments	5.3 / 5.5	13	9
Customer loans	2.6 / 4.4 / 5.3	494	519
Other receivables	4.4 / 5.3	171	217
Deferred tax assets	6.2	719	588
Other non-current assets		**5,192**	**4,554**
Non-current assets	4.5	**28,999**	**22,529**
Inventories	2.4	2,620	2,500
Trade receivables	2.5 / 5.3	3,765	3,563
Receivables from associates	4.4 / 5.3 / 9.1	200	200
Income tax		147	78
Customer loans	2.6 / 4.4 / 5.3	150	155
Other receivables	4.4 / 5.3	575	454
Unrealised gains on derivatives	3.3 / 5.3 / 5.4 / 5.5	140	31
Prepaid expenses		449	435
Cash	5.3	1,330	1,112
Assets held for sale	7.2	699	1,393
Current assets		**10,075**	**9,921**
Assets		**39,074**	**32,450**

(DKK million)	Note	2025	2024
Equity and liabilities			
Share capital	5.6	43	44
Other reserves		9,799	9,520
Equity attributable to Demant A/S' shareholders		**9,842**	**9,564**
Equity attributable to non-controlling interests		77	80
Equity		**9,919**	**9,644**
Borrowings	5.3	16,411	12,487
Lease liabilities	4.3 / 5.3	2,571	2,104
Deferred tax liabilities	6.2	812	634
Provisions	8.1 / 8.2	221	213
Other liabilities	5.3 / 8.3	547	461
Deferred revenue	8.4	1,170	812
Non-current liabilities		**21,732**	**16,711**
Borrowings	5.3	1,194	423
Lease liabilities	4.3 / 5.3	812	667
Trade payables	5.3	923	658
Income tax		458	603
Provisions	8.1 / 8.2	91	93
Other liabilities	5.3 / 8.3	2,438	2,617
Unrealised losses on derivatives	3.3 / 5.3 / 5.4 / 5.5	24	102
Deferred revenue	8.4	862	588
Liabilities related to assets held for sale	7.2	621	344
Current liabilities		**7,423**	**6,095**
Liabilities		**29,155**	**22,806**
Equity and liabilities		**39,074**	**32,450**

Consolidated cash flow statement

(DKK million)	Note	2025	2024
Operating profit (EBIT)		3,832	4,528
Non-cash items etc.	2.7	1,729	1,233
Change in receivables etc.		-325	-119
Change in inventories		86	-7
Change in trade payables and other liabilities etc.		134	16
Change in provisions		19	-46
Dividends received		22	43
Cash flow from operating profit		**5,497**	**5,648**
Financial income etc. received		78	95
Financial expenses etc. paid		-738	-884
Income tax paid		-985	-779
Cash flow from operating activities (CFFO)		**3,852**	**4,080**
Acquisition of businesses	7.1	-6,285	-1,234
Investments in intangible assets		-205	-203
Investments in property, plant and equipment		-652	-576
Disposal of property, plant and equipment		47	31
Investments in other non-current assets		-256	-251
Disposal of other non-current assets		308	405
Cash flow from investing activities (CFFI)		**-7,043**	**-1,828**

(DKK million)	Note	2025	2024
Repayments of borrowings	5.3	-3,467	-5,023
Proceeds from borrowings	5.3	8,320	6,424
Change in short-term bank facilities	5.3	-167	-586
Repayments of lease liabilities	4.3 / 5.3	-777	-750
Transactions with non-controlling interests		-2	-3
Share buy-backs		-582	-2,301
Cash flow from financing activities (CFFF)		**3,325**	**-2,239**
Cash flow for the period, net – continuing operations		**134**	**13**
Cash flow for the period, net – discontinued operations	7.2	121	-16
Cash flow for the year, net		**255**	**-3**
Cash and cash equivalents at the beginning of the year		1,112	1,138
Foreign currency translation adjustment of cash and cash equivalents		-37	-23
Cash and cash equivalents at the end of the year		**1,330**	**1,112**
Breakdown of cash and cash equivalents at the end of the year:			
Cash	5.3	1,330	1,112
Cash and cash equivalents at the end of the year		**1,330**	**1,112**

Consolidated statement of changes in equity

(DKK million)

		Other reserves					
	Share capital	Foreign currency translation reserve	Hedging reserve	Retained earnings	Demant A/S' shareholders' share	Non-controlling interests' share	Equity
Equity at 1.1.2025	**44**	**163**	**-53**	**9,410**	**9,564**	**80**	**9,644**
Comprehensive income:							
Profit for the year	-	-	-	1,545	1,545	-1	1,544
Other comprehensive income:							
Foreign currency translation adjustment, subsidiaries	-	-886	-	-	-886	-	-886
Value adjustments of hedging instruments:							
Value adjustment for the year	-	-	300	-	300	-	300
Value adjustment transferred to revenue	-	-	-108	-	-108	-	-108
Actuarial gains/losses on defined benefit plans	-	-	-	22	22	-	22
Tax on other comprehensive income	-	-	-42	-5	-47	-	-47
Other comprehensive income	**-**	**-886**	**150**	**17**	**-719**	**-**	**-719**
Comprehensive income for the year	**-**	**-886**	**150**	**1,562**	**826**	**-1**	**825**
Share buy-backs	-	-	-	-582	-582	-	-582
Share-based compensation	-	-	-	34	34	-	34
Capital reduction through cancellation of treasury shares	-1	-	-	1	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-2	-2
Equity at 31.12.2025	**43**	**-723**	**97**	**10,425**	**9,842**	**77**	**9,919**

Consolidated statement of changes in equity (continued)

(DKK million)	Share capital	Other reserves: Foreign currency translation reserve	Other reserves: Hedging reserve	Retained earnings	Demant A/S' shareholders' share	Non-controlling interests' share	Equity
Equity at 1.1.2024	**45**	**-103**	**22**	**9,292**	**9,256**	**82**	**9,338**
Comprehensive income:							
Profit for the year	-	-	-	2,387	2,387	1	2,388
Other comprehensive income:							
Foreign currency translation adjustment, subsidiaries	-	265	-	-	265	-	265
Value adjustments of hedging instruments:							
Value adjustment for the year	-	-	-91	-	-91	-	-91
Value adjustment transferred to revenue	-	-	-5	-	-5	-	-5
Actuarial gains/losses on defined benefit plans	-	-	-	-17	-17	-	-17
Tax on other comprehensive income	-	1	21	4	26	-	26
Other comprehensive income	**-**	**266**	**-75**	**-13**	**178**	**-**	**178**
Comprehensive income for the year	**-**	**266**	**-75**	**2,374**	**2,565**	**1**	**2,566**
Share buy-backs	-	-	-	-2,301	-2,301	-	-2,301
Share-based compensation	-	-	-	44	44	-	44
Capital reduction through cancellation of treasury shares	-1	-	-	1	-	-	-
Transactions with non-controlling interests	-	-	-	-	-	-3	-3
Equity at 31.12.2024	**44**	**163**	**-53**	**9,410**	**9,564**	**80**	**9,644**

Notes to consolidated financial statements

Section 1

Basis for preparation

1.1 Group accounting policies

The Group's general accounting policies are described below. Where an accounting policy is generally applicable to a specific note to the financial statements, the policy is described in that note.

General

The consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and Danish disclosure requirements for annual reports published by reporting class D (listed) companies, cf. the Danish executive order on IFRS issued in compliance with the Danish Financial Statements Act. The registered office of Demant A/S is in Denmark.

The consolidated financial statements are presented based on historical costs, except for obligations for contingent considerations in connection with business combinations, share-based remuneration, derivatives and financial assets classified as assets held for sale, which are measured at fair value.

The financial statements for the Parent as well as the Parent's accounting policies are presented separately from the consolidated financial statements and are shown on the last pages of this Annual Report 2025.

Effect of new accounting standards

The Group has adopted amended and revised accounting standards and interpretations as published by the IASB and adopted by the EU effective for the accounting period beginning 1 January 2025. The amended and revised standards and interpretations did not result in any changes to the accounting policies for the Group, nor had it any significant impact on the consolidated financial statements for 2025. The accounting policies remain unchanged compared to last year.

IASB has issued new accounting standards and amendments effective for accounting periods beginning after 1 January 2026, which have been adopted by the EU. Changes in 2026 are not expected to have any significant impact on the Group. In 2024, the IASB issued IFRS 18, which replaces IAS 1. The new accounting standard is not yet adopted by the EU, and the implications of the new requirements are currently being evaluated. Management expects to adopt the accounting standards and interpretations as they become mandatory.

The Group has applied the exception to recognise deferred tax in accordance with OECD/EU Pillar Two Model rules and their local implementation.

Consolidated financial statements

The consolidated financial statements comprise Demant A/S (the Parent) and the companies in which the Parent can or does exercise control by either directly or indirectly holding more than 50% of the voting rights, or in which the Parent exercises control in some other manner. Companies in which the Group holds 20-50% of the voting rights and/or in some other manner can or does exercise significant influence are considered associates or joint ventures and are incorporated proportionately into the consolidated financial statements using the equity method.

Consolidation principles

The consolidated financial statements are prepared based on the financial statements of the Parent and its subsidiaries by aggregating uniform items. Companies that, by agreement, are managed jointly with one or more other companies are recognised using the equity method.

The consolidated financial statements are prepared in accordance with the Group's accounting policies. Intra-group income, expenses, shareholdings, balances and dividends as well as unrealised intra-group profits on inventories are eliminated.

The accounting items of subsidiaries are recognised 100% in the consolidated financial statements. On initial recognition, non-controlling interests are measured either at fair value or at the proportionate share of the fair value of the identifiable assets, liabilities and contingent liabilities of the acquired subsidiary. The method is chosen for each individual transaction. Non-controlling interests are subsequently adjusted according to their proportionate share of changes in equity of the subsidiary.

Comprehensive income is allocated to non-controlling interests whether or not, as a result hereof, the value of such interests is negative. The purchase or sale of non-controlling interests in a subsidiary, which does not result in obtaining or discontinuing control of such subsidiary, is treated as an equity transaction in the consolidated financial statements, and any difference between the consideration and the carrying amount is allocated to the Parent's share of the equity.

Foreign currency translation

The Group's presentation currency is Danish kroner, which is the functional currency of the Parent.

On initial recognition, transactions in foreign currencies are translated at the exchange rates prevailing at the date of the transaction. The functional currencies of the companies are determined by the economic environment in which the companies operate, normally the local currency.

Receivables, payables and other monetary items in foreign currencies are translated into Danish kroner at the exchange rates prevailing at the balance sheet date. Realised and unrealised foreign currency translation adjustments are recognised in the income statement as part of the gross profit or net financial items, depending on the purpose of the underlying transaction.

Property, plant and equipment, intangible assets, inventories and other non-monetary assets purchased in foreign currencies and measured on the basis of historical cost are translated at the exchange rates prevailing at the transaction date. Non-monetary items, which are revalued at fair value, are translated using the exchange rates at the revaluation date.

On recognition of companies presenting their financial statements in a functional currency other than Danish kroner in the consolidated financial statements, the income statement is translated using average exchange rates for the months of the year in question, unless they deviate materially from actual exchange rates at the transaction dates. In case of the latter, actual exchange rates are applied.

Balance sheet items are translated at the exchange rates prevailing at the balance sheet date. Goodwill is considered as belonging to the acquired business in question and is translated at the exchange rate prevailing at the balance sheet date.

1.1 Group accounting policies (continued)

All foreign currency translation adjustments are recognised in the income statement, except for the following, which are recognised in other comprehensive income:

- The translation of income statements of foreign subsidiaries using monthly average exchange rates for the respective months of the year, whereas balance sheet items of such foreign subsidiaries are translated using exchange rates prevailing at the balance sheet date.
- The translation of non-current, intra-group receivables that are considered to be additions to or deductions from net investments in foreign subsidiaries.
- The translation of investments in associates.

Income statement

Income and costs are recognised on an accruals basis. The income statement is broken down by function, and all costs, including depreciation, amortisation and impairment losses, are therefore charged to production, distribution, administration and R&D.

Production costs

Production costs are costs incurred to generate revenue. Distribution companies recognise cost of goods sold as part of production costs. Production companies recognise cost of raw materials, consumables, production staff as well as maintenance of and depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets used in the production process as part of production costs.

R&D costs

Research costs are always recognised in the income statement as such costs are incurred. Development costs include all costs not satisfying capitalisation criteria but incurred in connection with the development of hearing aids and diagnostic equipment, prototype construction, development of new business concepts and amortisation of capitalised development costs.

Distribution costs

Distribution costs are recognised in the income statement as such costs are incurred and include costs relating to training, sales, marketing, promotion materials, distribution, bad debts as well as depreciation and amortisation of and impairment losses on assets used for distribution purposes.

Administrative expenses

Administrative expenses are recognised in the income statement as such costs are incurred and include administrative staff costs, office expenses as well as depreciation and amortisation of and impairment losses on assets used for administrative purposes.

Government grants

Government grants are recognised when there is reasonable certainty that the conditions for such grants are satisfied and that they will be awarded. Grants received as compensation for costs incurred are recognised proportionately in the income statement over the periods in which the related costs are recognised in the income statement and are offset against costs incurred.

Prepaid expenses

Prepaid expenses recognised as part of assets include costs relating to the subsequent financial years. Prepaid expenses are measured at cost.

Cash flow statement

The cash flow statement is prepared according to the indirect method and reflects the consolidated net cash flow broken down into operating, investing and financing activities.

Cash flow from operating activities includes inflows from the year's operations adjusted for non-cash operating items, changes in working capital, financial income received, financial expenses paid and income tax paid. Cash flow from operating activities also includes short-term lease payments, lease payments of low-value assets and variable lease payments.

Cash flow from investing activities includes payments in respect of the acquisition or divestment of businesses and financial assets as well as the purchase, development, improvement or sale of intangible assets and property, plant and equipment. In addition to this, cash flow from investing activities also includes movements in receivables from associates as well as customer loans.

Cash flow from financing activities includes payments to and from shareholders and the raising and repayment of non-current and current debt and lease liabilities.

Cash flow in currencies other than the functional currency is recognised at average exchange rates for the months of the year, unless they deviate significantly from actual exchange rates on the transaction dates. Repayments of lease liabilities are included as well.

Cash and cash equivalents are cash less overdrafts, which consist of uncommitted bank facilities that often fluctuate from positive to overdrawn. Any short-term bank facilities that are consistently overdrawn are considered cash flow from financing activities.

Equity

Foreign currency translation reserves include foreign currency translation adjustments on the translation of financial statements of foreign subsidiaries and associates from their respective functional currencies into Danish kroner. Foreign currency translation adjustments are recognised in the income statement on realisation of the net investment. Hedging reserves include fair value adjustments of derivatives and loans satisfying the criteria for hedging of future transactions. The amounts are recognised in the income statement or the balance sheet at the same time as hedged transactions are recognised.

1.1 Group accounting policies (continued)

Key figures and financial ratios

Organic growth	Organic growth is measured as the year on year change excluding impact from acquisitions, divestments and foreign exchange adjustments in percentage.
EBITDA	Operating profit before amortisation, depreciation and impairment losses.
EBITDA before special items	Operating profit before amortisation, depreciation, impairment losses and special items
EBIT before special items	Operating profit before special items
EBIT	Operating profit
Free cash flow	Cash flow from operating activities (CFFO) and investing activities (CFFI) before acquisitions and disposals of businesses and activities.
Net interest-bearing debt (NIBD)	Net amount of borrowings and lease liabilities less interest-bearing receivables and cash.
Net working capital	Net amount of current assets (excluding tax, financial contracts and cash) less trade payables, the current part of other liabilities and deferred income.
EPS	Earnings per share.
Adjusted EPS	Earnings per share adjusted for special items after tax.
Per share	Financial ratios per share are calculated per share of nominally DKK 0.20.
Average number of shares outstanding	Average number of shares excluding the average number of treasury shares for the year.

Financial ratios are calculated in accordance with Recommendations and Ratios from CFA Society Denmark.

Gross margin	$\frac{\text{Gross profit *100}}{\text{Revenue}}$
EBIT margin	$\frac{\text{Operating profit *100}}{\text{Revenue}}$
EBIT before special items margin	$\frac{\text{Operating profit before special items*100}}{\text{Revenue}}$
Gearing multiple	$\frac{\text{Net interest-bearing debt including unrealised gains/losses on derivatives}}{\text{EBITDA before special items}}$
EPS	$\frac{\text{Profit for the year attributable to Demant A/S' shareholders *100}}{\text{Average number of shares outstanding}}$
Adjusted EPS	$\frac{\text{Profit for the continuing operations for the year attributable to Demant A/S' shareholders adjusted for special items after tax *100}}{\text{Average number of shares outstanding}}$
EPS – continuing operations	$\frac{\text{Profit for the continuing operations for the year attributable to Demant A/S' shareholders *100}}{\text{Average number of shares outstanding}}$
EPS – discontinuing operations	$\frac{\text{Profit for the discontinuing operations for the year attributable to Demant A/S' shareholders *100}}{\text{Average number of shares outstanding}}$

1.1 Group accounting policies (continued)

iXBRL tagging

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 combination of XHTML format and iXBRL tags makes it possible for annual financial reports to be read by both humans and machines, thus enhancing accessibility, analysis and comparability of the information included in the annual financial reports.

The Group's iXBRL tags have been prepared in accordance with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

The line items in the consolidated financial statements are tagged to elements in the ESEF taxonomy. For financial line items that are not directly defined in the ESEF taxonomy, an extension to the taxonomy has been created. Extensions are anchored to elements in the ESEF taxonomy, except for extensions that are subtotals.

The Annual Report 2025 submitted to the Danish Financial Supervisory Authority (the Officially Appointed Mechanism) consists of the XHTML document together with the technical files, all of which are included in the ZIP file DEMANT-2025-12-31-en.zip.

Key definitions

XHTML (eXtensible HyperText Markup Language) is a text-based language used to structure and mark up content, such as text, images and hyperlinks, in documents that are displayed in a web browser.

iXBRL tags (or Inline XBRL tags) are hidden metainformation embedded in the source code of an XHTML document that enables the conversion of XHTML-formatted information into a machine-readable XBRL data record using appropriate software.

A financial reporting taxonomy is an electronic dictionary of business reporting elements used to report business data. A taxonomy element is an element defined in a taxonomy that is used for the machine-readable labelling of information in an XBRL data record.

1.2 Accounting estimates and judgements

As part of the preparation of the consolidated financial statements, Management makes a number of accounting estimates and judgements. These relate to the recognition, measurement and classification of assets and liabilities. Many items can only be estimated rather than accurately measured. Such estimates are based on the most recent information available on preparation of the financial statements. Estimates and assumptions are therefore reassessed on an ongoing basis. Actual figures may, however, deviate from these estimates. Any changes in accounting estimates are recognised in the reporting period in which such changes are made.

Significant accounting estimates and judgements are described in the individual notes to the consolidated financial statements as outlined below:

2.4 Inventories
4.3 Leases
6.2 Deferred tax
7.1 Acquisition of businesses

Additional descriptions of accounting estimates and judgements are provided in the relevant notes.

Section 2

Operating activities and cash flow

REVENUE

22,971

DKK MILLION

FREE CASH FLOW

3,094

DKK MILLION

2.1 Revenue and segment disclosures

(DKK million)	2025	2024
Revenue by geographic region:		
Europe	10,233	9,301
North America	8,900	9,231
Asia	2,085	2,145
Pacific region	1,074	1,097
Rest of world	679	645
Revenue	**22,971**	**22,419**
Revenue by country:		
Denmark	352	290
USA	7,351	7,668
Other countries	15,268	14,461
Revenue	**22,971**	**22,419**

Consolidated revenue mainly derives from the sale of goods and is broken down by the customers' geographic region.

The ten largest single customers together account for around 11% (13% in 2024) of total consolidated revenue.

Value adjustments transferred from equity relating to derivatives made for hedging foreign exchange risks on revenue amount to DKK 108 million (DKK 5 million in 2024).

(DKK million)	2025	2024
Revenue by business area:		
Hearing Aids	9,841	10,022
Hearing Care	10,724	9,932
Diagnostics	2,406	2,465
Revenue	**22,971**	**22,419**

(DKK million)	2025	2024
Contract liabilities:		
Customer prepayments[1]	97	52
Future performance obligations[1]	1,935	1,348
Expected volume discounts and other customer-related items[2]	315	368
Expected product returns[3]	192	196
Contract liabilities	**2,539**	**1,964**

[1]Included in deferred revenue.
[2]Included in other cost payables under other liabilities.
[3]Included in product-related liabilities under other liabilities.

For disclosures of deferred revenue, please refer to Note 8.4.

For disclosures of non-current assets by geographic region, please refer to Note 4.5.

(DKK million)	2025	2024
Changes in contract liabilities:		
Contract liabilities at 1.1.	1,964	1,769
Foreign currency translation adjustment	-105	20
Revenue recognised and included in the contract liability balance at 1.1.	-797	-536
Increases due to cash received, excluding amounts recognised as revenue during the year	878	702
Changes from expected volume discounts and other customer-related items	-5	-29
Changes from product returns	9	-7
Additions from acquisitions	595	45
Contract liabilities at 31.12.	**2,539**	**1,964**

2.1 Revenue and segment disclosures (continued)

Nature of goods and services

Control is normally transferred to the customer when the goods are shipped to the customer, though delivery terms can vary and control may be transferred at a later point in time.

When selling hearing aids and diagnostic equipment to customers, control is transferred and revenue recognised, when the hearing aid and diagnostic equipment, respectively, is delivered to the customer at a given point in time, and when a hearing aid is initially fitted to the user's specific hearing loss. In some countries, the users are granted a trial period. In such cases, the transfer of control occurs when the trial period expires.

Certain countries grant customers the right to return the hearing aid within a certain period. When this applies, the number of expected returns is estimated based on an analysis of historical return rates adjusted for any known factors impacting expectations of future return rates. Revenue and cost of goods sold are adjusted accordingly, and contract liabilities (refund liabilities) and rights to the returned goods (included in prepaid expenses) are recognised for the expected returns.

The Group's activities also involve delivery of various services, such as extended warranties, warranty-related coverages (loss and damage) and after-sales services (e.g. fine-tuning of the hearing aid, additional hearing tests and cleaning). Revenue from these services is recognised on a straight-line basis over the warranty or service period, as the user makes use of the service continuously. Some users purchase a battery package or are given batteries free of charge as part of the purchase of the hearing aid, entitling them to free batteries for a certain period. Revenue is recognised when the user receives the batteries or is given batteries free of charge as part of the purchase of the hearing aid. When available, an observable price to determine the stand-alone selling price for the separate performance obligations related to these services is used, and in countries where observable prices are not available, a cost-plus-margin method is used.

The standard warranty period for hearing aids and diagnostic equipment varies between countries but is typically 12-24 months and for certain products or countries up to 48 months. The extended warranty covers periods beyond the standard warranty period or standard warranty terms.

Standard payment terms for customers in respect of hearing aids and diagnostic equipment are 30-60 days but may vary between countries and also depend on whether the customer is a private or public customer.

Most of the hearing aids sold to users are invoiced and paid for after the initial fitting, but some customers choose to have the hearing aid financed by us. The transaction price of such arrangements is adjusted for any significant financing benefit, and the financing component is recognised as financial income.

Accounting policies

Segment information

In 2024, the Group announced the decision to undertake a review of strategic options for its Communications business and came to the conclusion to divest the business. As Communications is presented as a discontinued operation and held for sale, it is no longer considered an operating segment in the continuing business.

Management has identified one operating segment, Hearing Healthcare, as this reflects Management's approach to the organisation and to management activities, including the assessment of results and the use of resources. Hearing Healthcare comprises the Hearing Aids, Hearing Care and Diagnostics business areas, which do not represent operating segments for IFRS 8 purposes as management does not allocate resources or evaluate performance on that basis, and the business areas meet the aggregation criteria in IFRS 8.

Revenue recognition

Revenue is recognised when obligations under the terms of a contract with a customer are satisfied, which usually occurs with the transfer of control of the products and services. Revenue is measured as the consideration expected to be received in exchange for transferring goods and providing services net of the estimated discounts or other customer-related reductions.

Accounting estimates and judgements

Discounts, returns etc. (estimate)

Discounts, loyalty programmes and other revenue reductions are estimated and accrued when the related revenue is recognised. Estimating these is a matter of judgement, as all conditions are not known at the time of sale, e.g. the number of units sold to a given customer or the expected utilisation of loyalty programmes. Sales discounts, rebates and loyalty programmes are adjusted, as better information on the likelihood that they will be realised and the value at which they are expected to be realised is obtained. Sales discounts and rebates are recognised under other cost payables as part of other liabilities, and loyalty programmes are recognised under deferred revenue.

Depending on local legislation and the conditions to which a sale is subject, some customers have the option to return purchased goods and obtain a refund. Based on historical return rates, an estimate is made of the number of expected returns, and a provision is recognised. This provision is updated, as returns are recognised, or when more accurate data on return rates is collected.

After-sales services (estimate)

After-sales services are provided to users of the hearing aids and are based on estimates, as not all users make use of these services. The estimate is a matter of judgement and is based on the number of visits, the duration of an average user's visits and the expected number of users that make use of the after-sales services.

2.2 Employees

(DKK million)	Note	2025	2024
Employee costs:			
Wages and salaries		8,979	8,500
Share-based remuneration		7	16
Defined contribution plans		101	108
Defined benefit plans	8.2	18	-
Social security costs etc.		963	931
Employee costs		**10,068**	**9,555**
Employee costs by function:			
Production costs		1,344	1,236
R&D costs		943	920
Distribution costs		6,700	6,298
Administrative expenses		1,081	1,101
Employee costs		**10,068**	**9,555**
Average number of full-time employees		22,248	21,381

Remuneration of Executive Board and Board of Directors (included in employee costs)

(DKK million)	2025	2024
Executive Board:		
Wages and salaries	25.0	25.1
Cash bonus	1.3	0.6
Share-based remuneration	9.5	10.5
Total	**35.8**	**36.2**
Board of Directors:		
Fee	5.2	5.1
Total	**5.2**	**5.1**
Total	**41.0**	**41.3**

Remuneration of the Executive Board

The total remuneration of the Executive Board comprises:

- Wages and salaries, which include a base salary and certain other benefits
- A short-term incentive programme (cash bonus) – STIP
- A long-term incentive programme (share-based remuneration) – LTIP

The remuneration of the Executive Board and the Board of Directors is described in detail in the Remuneration Report 2025.

Key Management

Key Management personnel comprises the Executive Board.

Remuneration of the Board of Directors

The remuneration of the Board of Directors comprises a fixed fee and is not incentive-based.

In 2025, the basic remuneration was DKK 450,000 (DKK 450,000 in 2024). The Chair receives three times the base fee and the Vice Chair twice the base fee.

The members of the audit committee receive a base fee of DKK 100,000 (DKK 100,000 in 2024), and the chair of the audit committee receives twice the base fee.

The individual Board members' fees and their shareholdings can be found in the Remuneration Report 2025.

Accounting policies

Employee costs comprise wages, salaries, social security contributions, annual and sick leave, bonuses and non-monetary benefits and are recognised in the year in which the associated services are rendered by the employees. Where the Group provides long-term employee benefits, the costs are accrued to match the rendering of service by the employee in question.

2.2 Employees (continued)

Share-based remuneration

The Group has two types of share-based remuneration programmes, which consist of the “shadow share” programme and the RSU (restricted stock units) programme. The “shadow share” programme introduced in 2016 is cash-settled, whereas the RSU programme introduced in 2019 is equity-settled. Remuneration under both programmes is granted on a yearly basis and is contingent on the employee still being employed and not under termination when three years have passed from the time of the grant. The fair value of the shares at the time of the grant under both programmes is based on the average share price of the first five trading days after publication of the annual report.

“Shadow share” programme

In 2025 and 2024, the Group granted no “shadow shares”. The liability is recognised on a straight-line basis, as the service is rendered, and the liability is remeasured at each reporting date and at the settlement date based on the fair value of the “shadow shares”. Fair value adjustments are recognised as financial income or financial expenses. If relevant, the liability is adjusted to reflect the expected risk of non-vesting as a result of resignations.

Any changes to the liability are recognised in the income statement. At 31 December 2025, the remaining average contractual life of cash-settled remuneration programmes was 0 months (0 months in 2024).

RSU programme

In 2025, RSU shares were granted to 148 employees (153 employees in 2024). The Group recognised costs of DKK 43 million (DKK 40 million in 2024) in the income statement related to the RSU programme. There has been no subsequent remeasurement of the fair value. The costs are recognised on a straight-line basis, as the service is rendered. At 31 December 2025, the remaining average contractual life of equity-settled share programmes was 21 months (21 months in 2024).

Restricted share units (RSU programme)

	Total number of shares	Total fair value
	Number	(DKK million)
Outstanding 1.1.2024	**463,798**	
Granted	147,697	52
Exercised	-55,375	
Forfeited	-3,558	
Outstanding 31.12.2024	**552,562**	
Granted	201,244	53
Exercised	-145,737	
Forfeited	-8,916	
Outstanding 31.12.2025	**599,153**	

Share-based remuneration ("shadow share" programme)

(DKK million)	2025		2024	
	Executive Board	Other senior members of Management	Executive Board	Other senior members of Management
Liabilities at 1.1.	**-**	**-**	**9.3**	**2.3**
Expensed during the year in wages and salaries	-	-	0.8	0.2
Fair value adjustments	-	-	1.9	0.4
Settled during the year	-	-	-12.0	-2.9
Liabilities at 31.12.	**-**	**-**	**-**	**-**
Granted during the year	-	-	-	-
Unrecognised commitment at 31.12.[1]	-	-	-	-

[1]Unrecognised commitment is the part of granted ”shadow shares” not expensed at 31 December.

Accounting estimates and judgements

Vesting conditions and fair value (estimate)

For the share-based programmes, Management estimates the likelihood of vesting conditions being satisfied. Vesting is entirely dependent on the persons enrolled in the share-based programmes remaining employed until expiry of the vesting period.

Based on such likelihood, the estimate made is used to calculate the fair value of the share-based programmes. Furthermore, the shares must be valued. For this purpose, Management uses the share price quoted on Nasdaq Copenhagen.

2.3 Amortisation, depreciation and impairment losses

(DKK million)	Note	2025	2024
Amortisation of intangible assets	4.1	207	194
Depreciation of property, plant and equipment	4.2	511	490
Depreciation of lease assets	4.3	801	751
Amortisation, depreciation and impairment losses		**1,519**	**1,435**
Amortisation, depreciation and impairment losses by function:			
Production costs		149	133
R&D costs		56	47
Distribution costs		1,028	1,028
Administrative expenses		286	227
Amortisation, depreciation and impairment losses		**1,519**	**1,435**

For accounting policies on amortisation and depreciation, please refer to Note 4.1, Note 4.2 and Note 4.3.

In 2025, no impairment losses were recognised (none in 2024), except for impairment losses related to discontinued operations. Please refer to Note 7.2.

2.4 Inventory

(DKK million)	2025	2024
Raw materials and purchased components	1,194	1,289
Work in progress	48	35
Finished goods and goods for resale	1,378	1,176
Inventories	**2,620**	**2,500**
Write-downs and provisions for obsolescence included in the above	143	187
Included in the income statement under production costs:		
Write-downs of inventories for the year, net	40	82
Cost of goods sold for the year	3,964	3,880

Write-downs for the year are shown net, as a breakdown into reversed write-downs and new write-downs is not possible. Inventories are generally expected to be sold within one year.

Accounting policies

Raw materials, components and goods for resale are measured at cost according to the FIFO principle (according to which the most recently purchased items are considered to be in stock) or at their net realisable value, whichever is lower.

Group-manufactured finished goods and work in progress are measured at the value of direct costs, direct payroll costs, consumables and a proportionate share of indirect production costs, which are allocated based on the normal capacity of the production facility. Indirect production costs include the proportionate share of capacity costs directly relating to Group-manufactured finished goods and work in progress.

The net realisable value of inventories is determined as the estimated selling price less costs of completion and costs to sell.

Accounting estimates and judgements

Indirect production costs (significant judgement)

Indirect production cost allocations to inventories are based on relevant judgements of capacity utilisation at the production facility, of production time and of other product-related factors. The judgements are reviewed regularly to ensure that inventories are measured at their actual production cost. Changes in judgements may affect gross profit margins as well as the valuation of work in progress, finished goods and goods for resale.

Obsolescence provision (estimate)

The obsolescence provision for inventories is based on the expected sales forecasts for the individual types of hearing aids and diagnostic equipment. Sales forecasts are based on Management's expectations of market conditions and trends, and the obsolescence provision is subject to changes in these assumptions.

2.5 Trade receivables

Credit risk

(DKK million)	Balance not due	0-3 months overdue	3-6 months overdue	6-12 months overdue	More than 12 months overdue	Total carry-ing amount
2025						
Gross carrying amount	2,751	651	211	150	339	4,102
Individual loss allowance	-31	-51	-36	-27	-152	-297
General loss allowance	-12	-7	-3	-5	-13	-40
Total	**2,708**	**593**	**172**	**118**	**174**	**3,765**
Expected loss rate	1.6%	8.9%	18.5%	21.3%	48.7%	8.2%
2024						
Gross carrying amount	2,618	625	199	156	303	3,901
Individual loss allowance	-27	-45	-30	-29	-171	-302
General loss allowance	-12	-7	-3	-5	-9	-36
Total	**2,579**	**573**	**166**	**122**	**123**	**3,563**
Expected loss rate	1.5%	8.3%	16.6%	21.8%	59.4%	8.7%

The opening balance of trade receivables in 2024 amounted to DKK 3,650 million.

Of the total amount of trade receivables, DKK 338 million (DKK 284 million in 2024) is expected to be collected after 12 months. For information on security and collateral, please refer to credit risks in Note 5.1.

(DKK million)	2025	2024
Allowance for impairment:		
Allowance for impairment at 1.1.	-338	-385
Foreign currency translation adjustments	15	-3
Realised	66	97
Additions	-94	-123
Reversals	14	68
Transferred to assets held for sale	-	8
Allowance for impairment at 31.12.	**-337**	**-338**

Accounting policies

Trade receivables are measured at amortised cost less expected lifetime credit loss.

For trade receivables, the Group has a simplified approach to determining the expected credit loss. The allowance for credit loss is measured through a provision matrix. To measure the expected credit loss, trade receivables are grouped based on shared credit risk and the number of days that have passed after the due date. Allowances are also made for trade receivables not due. For trade receivables that are considered credit-impaired, the expected credit loss is determined on an individual basis.

Accounting estimates and judgements

Impairment of receivables (estimate)

The Group has historically incurred insignificant losses on trade receivables.

Allowance for impairment is calculated for trade receivables. The allowance is determined as expected credit loss based on assessments of the debtors' ability to pay. These assessments are made for uniform groups of debtors based on maturity analyses. When indicated by special circumstances, impairments are made for individual trade receivables.

2.6 Customer loans

(DKK million)	2025	2024
Non-current customer loans	494	519
Current customer loans	150	155
Total customer loans	**644**	**674**
Allowance for impairment:		
Allowance for impairment at 1.1.	-84	-62
Foreign currency translation adjustment	8	-3
Realised	8	14
Additions	-17	-49
Reversals	14	16
Allowance for impairment at 31.12.	**-71**	**-84**

Group internal credit rating

(DKK million)

2025		Expected credit loss rate	Gross carrying amount	Carrying amount
Performing	12-month expected credit loss	0.2%	386	385
Underperforming	Expected lifetime credit loss	24.7%	329	259
Total customer loans			**715**	**644**
2024				
Performing	12-month expected credit loss	0.3%	588	586
Underperforming	Expected lifetime credit loss	48.2%	170	88
Total customer loans			**758**	**674**

Accounting policies

Customer loans are initially recognised at fair value less transaction costs and are subsequently measured at amortised cost less loss allowance or impairment losses. Any difference between the nominal value and the fair value of the loans at initial recognition is treated as a prepaid discount on future sales to the customer and is recognised in the income statement as a reduction of revenue when the customer purchases goods from the Group.

The fair value of customer loans at initial recognition is measured as the present value of future repayments on the loan discounted at a market interest rate. The effective interest on customer loans is recognised as financial income in the income statement over the term of the loans.

A loss allowance is recognised on initial recognition and is subsequently based on a 12-month expected credit loss model. If a significant increase in the credit risk has arisen since the initial recognition of the loan, a loss allowance based on the expected lifetime credit loss is provided.

The calculation of 12-month expected credit losses on customer loans is based on a weighted average of historical annual losses on customers as well as forward looking market developments. Payment plans are agreed with customers when loans are granted. The credit risk of customer loans is considered to have increased significantly since initial recognition when actual loan balances differ from the agreed development in loan balances.

The calculation of lifetime expected credit losses on customer loans is based on the difference between the development in actual and agreed loan balances. The allowances are increased in steps if the difference between the development between actual and agreed loan balances increases.

Indicators that there is no reasonable expectation of recovery of a customer loan include bankruptcy, change of control and change in the payment behaviour or financial situation of the customer. The loans are written off when all possible options have been exhausted and there is no reasonable expectation of recovery. Where recoveries are made, these are recognised in the income statement.

Accounting estimates and judgements

Accounting treatment (judgement) and impairment (estimate) of loans

The Group provides sales-related financing in the form of loans to some of its customers and business partners. These customer loan arrangements are complex, cover several aspects of the customer relationship and may vary from agreement to agreement.

Management assesses the recognition and classification of income and expenses for each of these agreements, including whether the agreement represents a discount on future sales (judgement). Management also assesses whether there is an indication of impairment based on current economic market conditions and changes in the customer's payment behaviour (estimate).

2.7 Specification of non-cash items

(DKK million)	2025	2024
Amortisation and depreciation	1,519	1,435
Share of profit after tax, associates	-36	-99
Gain on sale of intangible assets and property, plant and equipment	-	-1
Provisions	40	23
Exchange rate adjustments	94	-33
Employee share salary arrangement	34	44
Step-up gains[1]	-	-13
Non-cash on special items	82	-124
Other non-cash items	-4	1
Non-cash items etc.	**1,729**	**1,233**

[1]Excluding the step-up gain presented in special items in the income statement.

2.8 Specification of special items

(DKK million)	2025	2024
Acquisition-related costs	-46	-
Step-up gain on acquisition	-82	324
Adjustment of Management judgement related to deferred payments	-	-200
Special items, net	**-128**	**124**

In 2025, the Group recognised one new significant non-operational special item of DKK 46 million in respect of acquisition-related costs in connection with the Group's acquisition of the KIND Group.

Furthermore, the Group concluded the acquisition of the remaining shares in Fuel Medical Group acquired in 2024, resulting in an adjustment to the previous recognised step-up gain of DKK -82 million.

In 2024, the Group recognised as special items two significant, non-operational and non-cash items totalling DKK 124 million net. The positive impact of DKK 324 million relates to a step-up gain from the acquisition of Fuel Medical Group. This was partly offset by the adjustment of a judgement related to the accounting treatment of deferred payments of DKK 200 million in respect of a prior-year acquisition.

Impact of special items on consolidated income statement

(DKK million)	2025			2024		
	Reported	Special items	Adjusted[1]	Reported	Special items	Adjusted[1]
Revenue	22,971	-	22,971	22,419	-	22,419
Production costs	-5,600	-	-5,600	-5,329	-	-5,329
Gross profit	**17,371**	**-**	**17,371**	**17,090**	**-**	**17,090**
R&D costs	-1,401	-	-1,401	-1,394	-	-1,394
Distribution costs	-10,867	-125	-10,992	-10,246	124	-10,122
Administrative expenses	-1,179	-1	-1,180	-1,145	-	-1,145
Share of profit after tax, associates	36	-	36	99	-	99
Operating profit (EBIT) before special items	**3,960**	**-126**	**3,834**	**4,404**	**124**	**4,528**
Special items	-128	128	-	124	-124	-
Operating profit (EBIT)	**3,832**	**2**	**3,834**	**4,528**	**-**	**4,528**
Financial income	102	-	102	113	-	113
Financial expenses	-833	-2	-835	-925	-	-925
Profit before tax	**3,101**	**-**	**3,101**	**3,716**	**-**	**3,716**

[1] 'Reported' are the figures reported in the income statement, while 'Adjusted' indicates what the figures would have been, if the special items had not been presented as such in the income statement.

Accounting policies

Special items are used in the presentation of consolidated income statement for the year to distinguish consolidated operating profit from significant non-recurring income and expenses in respect of extraordinary items of a non-operational nature. Special items are shown separately from the Group's operating activities to facilitate a better understanding of the Group's performance and are presented on a net basis.

Accounting estimates and judgements

Determination and presentation of special items (judgement)

Management exercises judgement to ensure that only significant, non-recurring income and expenses from items of a non-operational nature are included.

Deferred payments (estimate)

Adjustments of judgements related to deferred payments include accounting estimates.

Section 3

Exchange rates

3.1 Exchange rate risk policy

The Group has cash flow in foreign currencies due to its international operations, which exposes the Group to fluctuations in exchange rates. Hedging against exchange rate exposures ensures greater predictability in profit. The Group manufactures and distributes most of its products from its production facilities in Poland.

The general principle is to consolidate exchange rate risks at Group level, with the smaller entities being invoiced in functional currencies.

The currencies that mainly contribute to the Group's foreign exchange rate risks are US dollars, Polish zloty, British pound, Canadian dollars and Australian dollars. The aim of the Group's hedging policy is to reduce the Group's exposure to exchange rate fluctuations, mainly by entering into forward exchange contracts to mitigate the Group's risks related to the impact that exchange rate fluctuations have on consolidated earnings for up to 18 months rolling forward.

The exchange rate risk is managed by Group Treasury. Hedging is done in accordance with the Group's policy to maintain overall adequate hedging of the Group's material exchange rate exposures. Group Treasury is not allowed to undertake any financial transactions in foreign currencies of a speculative nature. Cash flow hedging is undertaken to the extent possible to mitigate any negative effects of adverse developments in exchange rates on the consolidated operating results. Furthermore, the Group seeks to hedge its on-balance net exposure in its main trading currencies.

Due to the fixed exchange rate policy towards the euro in Denmark, the risk associated with exposure to fluctuations is considered to be limited and is not hedged.

The Group does not hedge translation risk associated with the consolidation of Group accounts.

3.2 Sensitivity analysis in respect of exchange rates

Effect in DKK from exchange rates

(DKK million)	2025			2024		
	EBIT	**Profit for the year**	**Equity**	**EBIT**	**Profit for the year**	**Equity**
5% increase in:						
USD	59	40	235	70	56	255
GBP	13	12	37	9	9	35
CAD	9	7	61	11	9	61
AUD	5	4	18	3	2	17
PLN	11	13	58	5	7	51

The table shows the impact on the year's operating profit (EBIT), profit for the year and consolidated equity, given a 5% increase in the exchange rates with the highest exposures.

The exchange rate impact on EBIT is calculated based on the Group's EBIT for each currency and does not include the possible exchange rate impact on balance sheet items in those currencies.

3.3 Hedging and forward exchange contracts

Cash flow hedging

Open forward exchange contracts at the balance sheet date, which are entered to hedge future cash flows, are shown in the table, with sale of currency being shown at negative contractual values. The expiry dates reflect the periods during which the hedged cash flows are expected to be realised.

Realised forward exchange contracts, which are entered to hedge future cash flows, are recognised in the income statement together with revenue in foreign currencies that such contracts are designed to hedge. In 2025, the Group realised a gain of DKK 108 million (DKK 5 million in 2024) on forward exchange contracts, which increased the reported revenue for the year. The Group's forward exchange contracts were effective in 2025 and 2024.

Accounting policies

On initial recognition, derivatives are measured at fair value at the settlement date. After initial recognition, derivatives are measured at fair value at the balance sheet date. Any positive or negative fair values of derivatives are recognised as separate items on the balance sheet as unrealised gains/losses on derivatives. Forward exchange contracts are measured based on current market data and using commonly recognised valuation methods. Please refer to Note 5.5.

Any changes in fair values of derivatives classified as hedging instruments and satisfying the criteria for hedging the fair value of a recognised asset or a recognised liability are recognised in the income statement together with any changes in the fair value of the hedged asset or hedged liability. Any changes in fair values of derivatives classified as hedging instruments and satisfying the criteria for effective hedging of future transactions are recognised in other comprehensive income. The ineffective portion is recognised directly in the income statement. On realisation of the hedged transactions, the accumulated changes are recognised together with the related transactions.

Derivatives not fulfilling the conditions for treatment as hedging instruments are considered trading investments and measured at fair value, with fair value adjustments being recognised on an ongoing basis in the income statement.

Forward exchange contracts

(DKK million)	Expiry	Hedging period[1]	Average hedging rate	Contractual value	Fair value	Positive fair value at year-end	Negative fair value at year-end
2025							
USD	2027	18 months	658	-1,916	91	93	2
AUD	2026	10 months	413	-165	-4	-	4
GBP	2026	11 months	852	-494	2	4	2
CAD	2026	11 months	466	-436	4	6	2
JPY	2026	10 months	4.47	-71	6	6	-
PLN	2026	11 months	171	754	16	16	-
				-2,328	**115**	**125**	**10**
2024							
USD	2025	11 months	675	-1,356	-64	-	64
AUD	2025	10 months	452	-212	5	5	-
GBP	2025	11 months	865	-553	-15	-	15
CAD	2025	10 months	498	-463	3	3	-
JPY	2025	10 months	4.64	-79	1	1	-
PLN	2025	10 months	169	772	16	16	-
				-1,891	**-54**	**25**	**79**

[1]Hedging periods represent the estimated periods for which the exchange rate exposure of a relative share of the net flow in a currency will be hedged by forward exchange contracts.

Section 4

Asset base

INTANGIBLE ASSETS

20,379

DKK MILLION

PROPERTY, PLANT AND EQUIPMENT

3,428

DKK MILLION

OTHER NON-CURRENT ASSETS

1,201

DKK MILLION

4.1 Intangible assets

(DKK million)	2025					2024				
	Goodwill	Patents and licences	Other intangible assets	Assets under develop-ment[1]	Total intangible assets	Goodwill	Patents and licences	Other intangible assets	Assets under develop-ment[1]	Total intangible assets
Cost at 1.1.	**13,854**	**71**	**2,048**	**267**	**16,240**	**12,381**	**71**	**1,777**	**332**	**14,561**
Foreign currency translation adjustments	-761	-	-68	-13	-842	255	-	16	16	287
Additions	-	-	31	179	210	-	-	56	152	208
Additions from acquisitions	5,941	-	181	-	6,122	1,836	-	47	-	1,883
Disposals	-	-	-17	-	-17	-1	-	-4	-	-5
Adjustment of Management judgement related to deferred payments	-	-	-	-	-	-200	-	-	-	-200
Transfers	-	-	61	-61	-	-	-	244	-233	11
Transferred to assets held for sale	-	-	-	-	-	-417	-	-88	-	-505
Cost at 31.12.	**19,034**	**71**	**2,236**	**372**	**21,713**	**13,854**	**71**	**2,048**	**267**	**16,240**
Amortisation at 1.1.	**-**	**-59**	**-1,115**	**-**	**-1,174**	**-**	**-56**	**-965**	**-**	**-1,021**
Foreign currency translation adjustments	-	-	35	-	35	-	-	-11	-	-11
Amortisation	-	-4	-203	-	-207	-	-3	-193	-	-196
Disposals	-	-	12	-	12	-	-	3	-	3
Transfers	-	-	-	-	-	-	-	-8	-	-8
Transferred to assets held for sale	-	-	-	-	-	-	-	59	-	59
Amortisation at 31.12.	**-**	**-63**	**-1,271**	**-**	**-1,334**	**-**	**-59**	**-1,115**	**-**	**-1,174**
Carrying amount at 31.12.	**19,034**	**8**	**965**	**372**	**20,379**	**13,854**	**12**	**933**	**267**	**15,066**

[1]Prepayments are included in assets under development.

The Group performed the annual impairment test of goodwill as at 31 December 2025 by comparing the market price of Demant A/S with its carrying amount.

The market value of Demant A/S' shares is based on the quoted price of DKK 215.2 per share on Nasdaq Copenhagen on 31 December 2025 (DKK 264.20 per share on 31 December 2024).

Based on this market value approximation, Demant's equity value is DKK 45,385 million (DKK 56,278 million in 2024), which leaves DKK 35,466 million (DKK 46,634 million in 2024) in headroom to the carrying amount of equity.

Based on the test performed, Management concludes that there is no indication of impairment of goodwill.

4.1 Intangible assets (continued)

Accounting policies

On initial recognition, goodwill is recognised and measured as the difference between the acquisition cost – including the value of non-controlling interests in the acquired business and the fair value of any existing investment in the acquired business – and the fair values of the acquired assets, liabilities and contingent liabilities. Please refer to accounting policies in Note 7.1.

On recognition, goodwill is allocated to corporate activities that generate independent payments (cash-generating units). The definition of a cash-generating unit is in line with the Group's managerial structure as well as the internal financial management reporting.

Goodwill is not amortised, but an impairment test is performed at least once a year based on the single defined cash-generating unit in the Group.

Patents and licences acquired from third parties are measured at cost less accumulated amortisation and impairment losses. Patents and licences are amortised on a straight-line basis over their estimated useful lives.

Other intangible assets consist of software, other rights than patents and licences and other intangible assets acquired in connection with business combinations, primarily brand value and customer relationships.

Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Other intangible assets are amortised on a straight-line basis over their estimated useful lives, except other rights, which are not amortised, as the residual value of other rights is considered to exceed the cost price and is instead tested annually for impairment.

Assets under development include internally developed IT systems. Assets under development are measured at cost, which includes direct salaries, consultant fees and other direct costs attributable to the development of such assets. Assets under development are not amortised, as they are not available for use.

Useful lives of intangible assets:

Patents and licences	5-20 years
Software	3-10 years
Brand value	5-10 years
Customer relationships	5-9 years

Impairment testing

The carrying amounts of intangible assets with definite useful lives are reviewed at the balance sheet date to determine whether there are indications of impairment. If so, the recoverable amount of the particular asset is calculated to determine the need for impairment, if any. The recoverable amounts of goodwill and other intangible assets with indefinite useful lives are estimated, whether or not there are indications of impairment.

The recoverable amount is estimated for the smallest cash-generating unit to which the asset belongs. The recoverable amount is determined as the higher of the fair value of the asset or cash-generating unit less costs to sell and the value in use of such asset or unit. On determination of the value in use, estimated future cash flows are discounted to their present values, using a discount rate that reflects partly current market valuations of the time value of money, and partly the special risks attached to the particular asset or cash-generating unit for which no adjustment has been made in the estimated future cash flows. If the recoverable amount of a particular asset or cash-generating unit is lower than its carrying amount, such asset or unit is written down to its recoverable amount.

Impairment losses are recognised in the income statement. On any subsequent reversal of impairment losses due to changes in the judgements on which the calculation of the recoverable amount is based, the carrying amount of an asset or cash-generating unit is increased to the adjusted estimate of the recoverable amount, however not exceeding the carrying amount of the asset or cash-generating unit, had the particular asset or cash-generating unit not been written down. Impairment of goodwill is not reversed.

Accounting estimates and judgements

Product development (judgement)

It is Management's opinion that the product development undertaken by the Group today cannot meaningfully be allocated to either the development of new products or the further development of existing products. Moreover, as the products are subject to approval by various authorities, it is difficult to determine the final completion of new products. Consequently, development costs are expensed as incurred, as the criteria for capitalisation are not considered to be met.

Cash-generating units (judgement)

In 2024, the Group announced the decision to undertake a strategic review of options for its Communications business and came to the conclusion to divest the business. As Communications is presented as a discontinued operation and held for sale, it is no longer considered a cash-generating unit in the continuing business.

Group businesses cooperate closely on R&D, purchasing, production, marketing and sale, as the use of resources in the individual markets is coordinated and monitored by Management in Denmark. Group businesses are thus highly integrated.

4.2 Property, plant and equipment

(DKK million)	2025						2024					
	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipment	Leasehold improvements	Assets under construction[1]	Total property plant and equipment	Land and buildings	Plant and machinery	Other plant, fixtures and operating equipment	Leasehold improvements	Assets under construction[1]	Total property plant and equipment
Cost at 1.1.	**1,472**	**826**	**1,870**	**1,812**	**198**	**6,178**	**1,439**	**726**	**1,796**	**1,574**	**225**	**5,760**
Foreign currency translation adjustments	-26	-3	-79	-56	2	-162	21	4	11	-4	2	34
Additions	11	26	210	261	144	652	9	33	202	232	113	589
Additions from acquisitions	193	8	259	14	-	474	-	1	13	11	-	25
Disposals	-31	-4	-89	-20	-1	-145	-1	-36	-100	-13	-11	-161
Transfers	7	144	1	2	-154	-	4	98	4	14	-127	-7
Transferred to assets held for sale	-	-	-	-	-	-	-	-	-56	-2	-4	-62
Cost at 31.12.	**1,626**	**997**	**2,172**	**2,013**	**189**	**6,997**	**1,472**	**826**	**1,870**	**1,812**	**198**	**6,178**
Depreciation and impairment losses at 1.1.	**-341**	**-535**	**-1,344**	**-1,049**	**-**	**-3,269**	**-304**	**-466**	**-1,288**	**-889**	**-**	**-2,947**
Foreign currency translation adjustments	12	6	60	35	-	113	-8	-3	-6	7	-	-10
Depreciation	-29	-113	-181	-188	-	-511	-30	-100	-178	-180	-	-488
Disposals	7	1	78	12	-	98	1	35	84	11	-	131
Transfers	-1	-	1	-	-	-	-	-1	1	-	-	-
Transferred to assets held for sale	-	-	-	-	-	-	-	-	43	2		45
Depreciation and impairment losses at 31.12.	**-352**	**-641**	**-1,386**	**-1,190**	**-**	**-3,569**	**-341**	**-535**	**-1,344**	**-1,049**	**-**	**-3,269**
Carrying amount at 31.12.	**1,274**	**356**	**786**	**823**	**189**	**3,428**	**1,131**	**291**	**526**	**763**	**198**	**2,909**

[1]Prepayments are included in assets under construction.

4.2 Property, plant and equipment (continued)

Accounting policies

Property, plant and equipment are recognised at cost less accumulated depreciation and impairment losses. Cost is defined as the acquisition price and costs directly relating to the acquisition until the particular asset is ready for use. For assets produced by the Group, cost includes all costs directly attributable to the production of such assets, including materials, components, sub-supplies and payroll. If the acquisition or the use of an asset requires the Group to defray costs for the demolition or restoration of such asset, the calculated costs hereof are recognised as a provision and as part of the cost of the particular asset.

Assets consisting of various elements are depreciated separately, if their useful lives are not the same.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Land is not depreciated.

Buildings	30-50 years
Technical installations	10 years
Plant and machinery	3-5 years
Other plant, fixtures and operating equipment	3-5 years
IT hardware	3-5 years
Leasehold improvements	Up to 10 years

Accounting estimates and judgements

Useful life and residual value (estimate)

The depreciation basis is cost less the estimated residual value of an asset after the end of its useful life. The residual value is the estimated amount, which could after deduction of costs to sell be obtained through the sale of the asset today, such asset already having the age and being in the state of repair expected after the end of its useful life. The residual value is determined at the time of acquisition and is reviewed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

Depreciation methods, useful lives and residual values are reviewed annually. Property, plant and equipment are written down to their recoverable amounts, if these are lower than their carrying amounts.

4.3 Leases

(DKK million)	2025	2024
Lease assets at 1.1.	**2,665**	**2,596**
Foreign currency translation adjustments	-71	-3
Additions	883	751
Additions from acquisitions	690	163
Disposals	-107	-59
Depreciation	-801	-751
Transferred to assets held for sale	-	-32
Lease assets at 31.12.	**3,259**	**2,665**
Lease liabilities at 1.1.	**2,771**	**2,686**
Foreign currency translation adjustments	-82	1
Additions	883	751
Additions from acquisitions	690	163
Disposals	-102	-57
Payments	-861	-827
Interest	84	77
Transferred to liabilities related to assets held for sale	-	-23
Lease liabilities at 31.12.	**3,383**	**2,771**
Current lease liabilities	812	667
Non-current lease liabilities	2,571	2,104
Amounts recognised in the income statement:		
Variable lease payments	35	34
Short-term lease expenses	47	45
Low-value assets	11	8

Approximately 96% of the Group's leases consist of property agreements. The lease terms can be up to twenty years but are normally up to ten years and may contain extension and termination options. The carrying amounts of vehicles and other equipment total DKK 140 million (DKK 132 million in 2024). Management exercises significant judgement in determining whether it is reasonably certain that these extension and termination options will be exercised.

Accounting policies

Lease assets

Lease assets and liabilities are recognised in the balance sheet at the commencement date of the contract, if it is or contains a lease. Lease assets are recognised at cost less accumulated depreciation and impairment. Cost is defined as the lease liability adjusted for any lease payments made at or before the commencement date. Lease assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

Lease liabilities are measured at the present value of future payments using the implicit interest rate in the lease agreement. Lease payments are discounted using the Group's incremental borrowing rate adjusted for the functional currencies and duration of the lease term, if the implicit interest rate in the lease agreement cannot be determined. Lease payments contain fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate as well as payments of penalties for terminating the lease, if the terms of the lease warrant that the Group exercises such option.

The lease liability is remeasured if or when the future payment or lease term changes. Any net remeasurement of the lease liability is recognised as an adjustment to the lease asset. If the carrying amount of the lease asset is reduced to zero, the adjustment is recognised in the income statement.

Additional information

Short-term lease expenses, low-value assets and variable lease payments are classified as operating expenses in the income statement.

Please refer to Note 5.3 for a maturity analysis of the lease liabilities.

Accounting estimates and judgements

Lease term (judgement)

The lease term is the period during which the lease contract is enforceable. If the original expiry date of a lease contract has passed, typically in the case of property leases, but the contract continues without a determined expiry date, the lease term is set for an estimated period during which the lease contract is expected to be enforceable. This assessment is based on Management's judgement and takes into consideration the location of the lease, capitalised leasehold improvements and experience with similar leases for the specific area.

Extension and termination options (significant judgement)

When determining the lease term for lease agreements containing extension and termination options, Management considers circumstances that create a financial incentive to exercise an extension option or not to exercise a termination option. Extension and termination options are only included in the lease term, if it is reasonably certain that a lease will be extended/terminated.

4.4 Other non-current assets

(DKK million)	2025				2024			
	Investments in associates	Receivables from associates	Customer loans	Other	Investments in associates	Receivables from associates	Customer loans	Other
Cost at 1.1.	**319**	**202**	**593**	**228**	**741**	**268**	**526**	**172**
Foreign currency translation adjustments	-3	-12	-53	-5	21	10	24	13
Additions	-	13	338	90	-	26	285	47
Additions from acquisitions	18	-	-	7	8	-	-	4
Disposals related to step acquisitions	-19	-	-	-	-383	-	-	-
Disposals, repayments etc.	2	-31	-174	-101	-68	-34	-129	-56
Transferred to current assets	-	-	-146	-38	-	-68	-113	48
Cost at 31.12.	**317**	**172**	**558**	**181**	**319**	**202**	**593**	**228**
Value adjustments at 1.1.	**44**	**-9**	**-74**	**-11**	**-13**	**9**	**-49**	**-2**
Foreign currency translation adjustments	-	-	5	1	-4	-	-3	-1
Share of profit after tax[1]	36	-	-	-	42	-	-	-
Dividends received	-22	-	-	-	-43	-	-	-
Disposals related to step acquisitions	-	3	-	-	56	-	-	-
Disposals	-	-	8	-	-	-	11	-
Provisions	-	-	-17	-	-	-	-49	-
Recovered	-	-	14	-	-	-	16	-
Other adjustments	-5	-	-	-	6	-18	-	-8
Value adjustments at 31.12.	**53**	**-6**	**-64**	**-10**	**44**	**-9**	**-74**	**-11**
Carrying amount at 31.12.	**370**	**166**	**494**	**171**	**363**	**193**	**519**	**217**

[1]Excluding gain from the sale of an associate recognised in the income statement in 2024.

4.4 Other non-current assets (continued)

	Associates	
(DKK million)	2025	2024
Financial information from financial statements (Group share):		
Revenue	511	622
Profit for the year	36	99
Comprehensive income	36	99

Accounting policies

Investments in associates are recognised and measured using the equity method, i.e. investments are recognised in the balance sheet at the proportionate share of the equity value determined in accordance with the Group's accounting policies after the deduction and addition of proportionate intra-group gains and losses, respectively, and after the addition of the carrying amount of any goodwill. The proportionate shares of profit after tax in associates are recognised in the income statement after the year's changes in unrealised intra-group profits less any impairment loss relating to goodwill.

The proportionate shares of all transactions and events, which have been recognised in other comprehensive income in associates, are recognised in consolidated other comprehensive income. On the acquisition of interests in associates, the acquisition method is applied.

4.5 Non-current assets by geographic region

(DKK million)	2025	2024
Non-current assets by geographic region:		
Europe	17,331	9,949
North America	7,367	8,162
Asia	1,805	1,945
Pacific region	798	799
Rest of world	135	148
Non-current assets	**27,436**	**21,003**
Non-current assets by country:		
Denmark	2,669	2,305
Germany	8,056	1,348
USA	5,764	6,521
France	3,307	3,170
Other countries	7,640	7,659
Non-current assets	**27,436**	**21,003**

For accounting policies on segment information, please refer to Note 2.1.

Section 5

Capital structure and financial management

NET INTEREST-BEARING DEBT

18,742

DKK MILLION

NET FINANCIAL ITEMS

-731

DKK MILLION

5.1 Financial risk management and capital structure

Policies relating to financial risk management

Financial risk management focuses on identifying risks related to changes in the financial markets and to customers' propensity to pay for products and services.

The Executive Leadership Team monitors the management of financial risks and risks relating to counterparties of the company to ensure that these remain well-balanced. Financial risks are managed centrally by Group Treasury, which is responsible for securing attractive funding under the prevailing market conditions and for monitoring and mitigating risks related to liquidity, interest rates and exchange rates. Risks related to counterparties are managed in the individual markets.

Capital structure, funding and liquidity

The Group remains highly cash-generating from operating activities with a strong balance sheet. The Group continuously adapts its capital structure to the prevailing market conditions to secure attractive financing. Demant secures funding based on a strong commitment by our core banks to provide longer-term bank facilities. To mitigate potential liquidity and refinancing risks, the Group has secured considerable undrawn committed credit facilities from its core banking relations.

In relation to R&D, Demant obtains financing from the Nordic Investment Bank and the European Investment Bank, which includes covenants with which Demant fully complies.

To minimise financing risks, Demant aims for more than 50% of credit facilities to be committed with long-term maturity. Group Treasury monitors market conditions on an ongoing basis and ensures planning and execution of refinancing when deemed appropriate and to manage maturity risk.

Our financial gearing multiple is currently above the communicated target range of 2.0-2.5x due to the KIND acquisition. Demant prioritises deleveraging and expects to return to its medium- to long-term gearing target within 18-24 months after closing of the KIND transaction.

The Group's net interest-bearing debt (NIBD) amounted to DKK 18,742 million as at 31 December 2025, and the gearing multiple was 3.4x.

Interest rate risks

Despite an increasing debt level, the financial expenses decreased in 2025, largely driven by decreasing interest rates during the year as well as reduced credit margins.

Currently, around 50% of the next-twelve-months interest expenses on the Group's debt are funded through facilities with fixed rates or hedged through financial instruments that limit the interest rate risk.

The Group seeks to maintain a balanced mix between fixed and floating rate debt.

Exchange rate risks

The Group is exposed to exchange rate risks, as it trades with counterparties in a number of countries, and as it has cash flows in different currencies. It is therefore important to adequately balance foreign exchange rate risks to avoid unexpected adverse impacts on the Group's financial performance.

The majority of Group companies transact mainly in local currencies and are therefore exposed to limited exchange rate risks.

The Group does not hedge translation risks resulting from the consolidation of Group accounts into Danish kroner. Most Group companies are invoiced from the Danish production entities. Around two-thirds of the invoices out of Denmark are issued in other currencies than Danish kroner or euros. To reduce our exchange rate exposure, the Group continuously seeks to balance incoming and outgoing cash flows in our main trading currencies as much as possible. To ensure predictability in terms of net profit, the Group hedges expected future net cash flows, mainly through forward exchange contracts with a horizon of up to 18 months.

In addition, the Group seeks to balance on-balance net exposure in our main trading currencies and to hedge our exposure, if relevant. It is the Group's policy to exclusively hedge financial risks arising from our commercial activities and not to undertake any financial transactions of a speculative nature.

Credit risks

From a commercial point of view, the Group is exposed to credit risks, if our customers fail to pay for products and services provided. Such risks mainly relate to trade receivables and loans to customers or business partners, and failure to adequately manage credit risks may adversely impact the Group.

To minimise the risk of suffering losses on customers, the Group monitors the credit risks on an ongoing basis. The Group generally has a diversified customer base, and in 2025, the accumulated revenue from our ten largest customers accounted for approximately 11% of total consolidated revenue. We regularly adjust our financial accounts to reflect the current credit risks.

When granting loans to business partners, we require that our counterparties provide security in their business. In general, we estimate that the risk relative to our total credit exposure is well-balanced at Group level, and historically, we have only suffered limited credit-related losses.

The maximum credit risk relating to receivables matches the carrying amounts of such receivables. Overall, the Group has limited deposits with financial institutions for which reason the credit risk in respect of deposits is considered to be low.

The credit risk on cash is managed in accordance with the Group's policy by selecting core banking partners, all with strong credit ratings. Due to its global presence and operations, the Group holds some cash balances. However, these are distributed across multiple banks and locations, minimising the associated credit risk.

5.2 Net financial items

(DKK million)	2025	2024
Interest on cash and bank deposits	21	26
Interest on receivables, customer loans etc.	73	75
Other financial income	8	12
Financial income from financial assets measured at amortised cost	**102**	**113**
Interest on bank debt, mortgages etc.	-468	-575
Interest on lease liabilities	-85	-77
Financial expenses on financial liabilities measured at amortised cost	**-553**	**-652**
Foreign exchange losses, net	-48	-45
Transaction costs	-232	-228
Financial expenses	**-833**	**-925**
Net financial items	**-731**	**-812**

Accounting policies

Net financial items mainly consist of interest income and interest expenses, credit card fees and bank fees and also include interest on lease liabilities, the unwinding of discounts on financial assets and liabilities, fair value adjustments of “shadow shares” under share-based remuneration programmes as well as certain realised and unrealised foreign exchange gains and losses. Interest income and interest expenses are accrued based on the principal amount and the effective interest rate.

The effective interest rate is the discount rate used for discounting expected future payments attaching to the financial asset or financial liability in order for the present value to match the carrying amount of such asset or liability.

5.3 Financial instruments

Categories of financial instruments

(DKK million)	2025	2024
Unrealised gains on derivatives	140	31
Other investments	13	9
Financial assets at fair value through profit/loss	**153**	**40**
Receivables from associates	366	393
Customer loans	644	674
Other receivables	746	671
Trade receivables	3,765	3,563
Cash	1,330	1,112
Financial assets at amortised cost	**6,851**	**6,413**
Contingent considerations	-70	-132
Unrealised losses on derivatives	-24	-102
Financial liabilities at fair value through profit/loss	**-94**	**-400**
Debt to credit institutions etc.	-17,504	-12,670
Short-term bank facilities etc.	-100	-240
Lease liabilities	-3,383	-2,771
Trade payables	-923	-658
Other liabilities excluding contingent considerations	-2,254	-2,438
Financial liabilities measured at amortised cost	**-24,164**	**-18,611**

The following non-financial item is included in the balance sheet and represents the difference between the table and the balance sheet: Other liabilities of DKK 661 million (DKK 508 million in 2024).

5.3 Financial instruments (continued)

Maturity of financial liabilities

(DKK million)	Contractual cash flows					
	Less than 1 year	**1-3 years**	**4-5 years**	**More than 5 years**	**Total**	**Carrying amount**
2025						
Debt to credit institutions etc.	1,580	15,275	702	1,065	18,622	17,504
Short-term bank facilities etc.	103	-	-	-	103	100
Lease liabilities	827	1,841	722	977	4,367	3,383
Trade payables	923	-	-	-	923	923
Deferred payments[1]	7	62	1	-	70	70
Contingent considerations[1]	37	-	-	-	37	37
Financial liabilities	**3,477**	**17,178**	**1,425**	**2,042**	**24,122**	**22,017**
2024						
Debt to credit institutions etc.	609	10,140	1,832	1,314	13,895	12,670
Short-term bank facilities etc.	253	-	-	-	253	240
Lease liabilities	669	1,351	672	661	3,353	2,771
Trade payables	658	-	-	-	658	658
Deferred payments[1]	44	42	46	-	132	132
Contingent considerations[1]	158	-	8	-	166	166
Financial liabilities	**2,391**	**11,533**	**2,558**	**1,975**	**18,457**	**16,637**

[1]Included in other liabilities.

In 2025, the weighted average effective interest rate for debt to credit institutions and short-term bank facilities was 2.6% (3.9% in 2024).

Debt to credit institutions, short-term bank facilities and lease liabilities split by currency, including hedging: 71% in Danish kroner (61% in 2024), 16% in euros (19% in 2024), 6% in US dollars (14% in 2024), 2% in Canadian dollars (2% in 2024) and 5% in other currencies (4% in 2024).

Accounting policies

Debt to credit institutions is recognised at the date of borrowing as the proceeds received less transaction costs. For subsequent periods, financial liabilities are measured at amortised cost in order for the difference between proceeds and the nominal value to be recognised as a financial expense over the term of the loan.

On initial recognition, other financial liabilities are measured at fair value and subsequently at amortised cost using the effective interest method, and the difference between proceeds and the nominal value is recognised in the income statement as a financial expense over the term of the loan.

5.3 Financial instruments (continued)

Cash flow from financing activities

			Non-cash changes					
(DKK million)	31.12.2024	Cash flow from financing activities	Acquisitions and divestments	Foreign exchange movement	Other additions	Disposals	Transferred to held for sale	31.12.2025
Debt to credit institutions etc.	12,670	4,853	51	-70	-	-	-	17,504
Short-term bank facilities etc.	240	-167	-	-30	-	-	57	100
Lease liabilities	2,771	-777	690	-82	883	-102	-	3,383
Financial liabilities	**15,681**	**3,909**	**741**	**-182**	**883**	**-102**	**57**	**20,987**
	31.12.2023							**31.12.2024**
Debt to credit institutions etc.	11,238	1,401	-	31	-	-	-	12,670
Short-term bank facilities etc.	530	-586	3	12	-	-	281	240
Lease liabilities	2,686	-750	163	1	751	-57	-23	2,771
Financial liabilities	**14,454**	**65**	**166**	**44**	**751**	**-57**	**258**	**15,681**

5.3 Financial instruments (continued)

Net interest-bearing debt

(DKK million)	2025	2024
Receivables from associates[1]	208	243
Customer loans	644	674
Other receivables[1]	63	107
Cash	1,330	1,112
Interest-bearing assets	**2,245**	**2,136**
Debt to credit institutions etc.	-17,504	-12,670
Short-term bank facilities etc.	-100	-240
Lease liabilities	-3,383	-2,771
Interest-bearing liabilities	**-20,987**	**-15,681**
Net interest-bearing debt	**-18,742**	**-13,545**

[1]Interest-bearing portion.

5.4 Interest rate risks

Interest rate swap DKK/DKK

(DKK million)

Start	Expiry	Interest rate/strike	Contractual amount at year-end	Positive fair value at year-end	Negative fair value at year-end
			2025		
2023	2026	3.27%	1,000	-	12
2025	2026	2.02%	1,000	-	-
2024	2027	2.22%	746	2	-
2025	2027	2.05%	1,000	2	-
2026	2027	2.26%	1,000	-	1
2025	2031	2.20%	895	14	-
			5,641	**18**	**13**
			2024		
2023	2026	3.27%	1,000	-	22
2025	2026	2.02%	1,000	1	-
2024	2027	2.22%	746	1	-
2025	2027	2.05%	1,000	1	-
2026	2027	2.26%	1,000	-	1
2025	2031	2.20%	895	3	
			5,641	**6**	**23**

Sensitivity analysis in respect of interest rates

Based on the Group's net debt at the end of the 2025 financial year, a rise of 1 percentage point in the general interest rate level will cause an increase in consolidated annual interest expenses before tax of approximately DKK 97 million (DKK 44 million in 2024). Around 50% (around 60% in 2024) of the next-twelve-months interest expenses on the Group's debt are funded through facilities with fixed rates or hedged through financial instruments that limit the interest rate risk.

5.5 Fair value hierarchy

(DKK million)

	Level 1	Level 2	Level 3	Total
2025				
Financial assets used as hedging instruments	-	140	-	140
Other investments	-	-	13	13
Financial liabilities used as hedging instruments	-	-24	-	-24
Contingent considerations	-	-	-70	-70
2024				
Financial assets used as hedging instruments	-	31	-	31
Other investments	-	-	9	9
Financial liabilities used as hedging instruments	-	-102	-	-102
Contingent considerations	-	-	-132	-132

(DKK million)	Financial assets		Contingent considerations	
	2025	**2024**	**2025**	**2024**
Assets and liabilities (level 3)				
Carrying amount at 1.1.	9	19	-132	-127
Foreign currency translation adjustment	-1	-	4	-
Acquisitions	5	-	-8	-42
Disposals, repayments, settlements etc.	-1	-5	66	37
Other adjustments	1	-5	-	-
Carrying amount at 31.12.	**13**	**9**	**-70**	**-132**

There have been no transfers between level 1 and level 2 in the 2025 and 2024 financial years.

Financial assets and contingent considerations are measured at fair value in the balance sheet based on valuation methods, with any significant inputs not being based on observable market data (level 3).

The majority of the contingent considerations are recognised as the maximum consideration to be paid, which Management has assessed to be the most likely outcome.

Methods and judgements for determining fair values

Other investments

Other investments are assessed at fair value.

Derivatives

Forward exchange contracts are assessed using discounted cash flow valuation techniques. Future cash flows are based on observable forward exchange rates at the end of the reporting period and on contractual forward exchange rates discounted at a rate that reflects the credit risk related to various counterparties.

Interest rate swaps are assessed using discounted cash flow valuation techniques. Future cash flows are based on observable forward yield curves at the end of the reporting period and on contractual interest rates discounted at a rate that reflects the credit risk related to various counterparties.

Contingent considerations

Contingent considerations are measured at fair value based on the contractual terms of the contingent considerations and on non-observable inputs (level 3), such as the financial performance and purchasing patterns of the acquired businesses for a period of typically 1-5 years after the date of acquisition.

Fair value hierarchy for assets and liabilities measured at fair value in the balance sheet

Financial instruments measured at fair value are broken down according to the fair value hierarchy:

- Listed prices in an active market for the same type of instrument (level 1).
- Listed prices in an active market for similar assets or liabilities or other valuation methods, with all significant inputs being based on observable market data (level 2).
- Valuation methods, with any significant inputs not being based on observable market data (level 3).

Accounting policies

On initial recognition, other investments are recognised at fair value and subsequently measured at fair value in the income statement. Unrealised and realised value adjustments are recognised in net financial items in the income statement. Contingent considerations arising from the acquisition of businesses are recognised at fair value at the time of acquisition. The obligations are reevaluated at fair value on a recurring basis.

5.6 Share capital

(DKK million)	2025	2024
Share capital at 1.1	**44,218**	**44,788**
Capital reduction	-1,459	-570
Share capital at 31.12	**42,759**	**44,218**
Total number of shares, thousand	213,795	221,090

At the balance sheet date in 2025, the share capital was nominally DKK 43 million (DKK 44 million in 2024) divided into the corresponding number of shares of DKK 0.20.

There are no restrictions on the negotiability or voting rights of the shares. At the balance sheet date in 2025, the number of shares outstanding was 210,898,609 (213,014,319 in 2024).

As part of Demant A/S' share buy-back programme, the company acquired 2,272,349 treasury shares in 2025 (7,598,403 shares in 2024), worth a total of DKK 582 million (DKK 2,301 million in 2024).

Accounting policy

On the buy-back of shares or sale of treasury shares, the purchase price or selling price, respectively, is recognised directly in equity as other reserves (retained earnings). A capital reduction through the cancellation of treasury shares will reduce the share capital by an amount corresponding to the nominal value of such shares. Proposed dividends are recognised as a liability at the time of adoption at the annual general meeting.

	2025		2024	
	Treasury shares	Percentage of share capital	Treasury shares	Percentage of share capital
Treasury shares at 1.1.	**8,075,473**	**3.6%**	**3,386,939**	**1.5%**
Cancellation of treasury shares	-7,451,768	-3.5%	-2,909,869	-1.3%
Share buy-backs	2,272,349	1.1%	7,598,403	3.4%
Treasury shares at 31.12.	**2,896,054**	**1.4%**	**8,075,473**	**3.6%**

5.7 Earnings per share

	2025	2024
Demant A/S' shareholders' share of profit for the year, DKK million – continuing operations	2,368	2,891
Demant A/S' shareholders' share of profit for the year, DKK million – discontinued operations	-823	-504
Demant A/S' shareholders' share of profit for the year, DKK million	**1,545**	**2,387**
Average number of shares, million	215.75	221.86
Average number of treasury shares, million	-4.44	-4.64
Average number of shares outstanding, million	**211.31**	**217.22**
Earnings per share (EPS), DKK – continuing operations	11.20	13.31
Diluted earnings per share (DEPS), DKK – continuing operations	11.20	13.31
Earnings per share (EPS), DKK – discontinued operations	-3.89	-2.32
Diluted earnings per share (DEPS), DKK – discontinued operations	-3.89	-2.32
Earnings per share (EPS), DKK	7.31	10.99
Diluted earnings per share (DEPS), DKK	7.31	10.99
Adjusted earnings per share (adjusted EPS), DKK	11.74	12.74

Section 6

Tax

TAX ON PROFIT

-734

DKK MILLION

EFFECTIVE TAX RATE

23.7%

6.1 Tax on profit

(DKK million)	2025	2024
Current tax on profit for the year	-716	-878
Adjustment of current tax, prior years	10	-1
Change in deferred tax	-78	39
Adjustment of deferred tax, prior years	51	16
Impact of changes in corporate tax rates	-1	-
Tax on profit for the year	**-734**	**-824**
Reconciliation of tax rates:		
Danish corporate tax rate	22.0%	22.0%
Differences between tax rates of non-Danish companies and Danish corporate tax rate	1.0%	0.8%
Impact of unrecognised tax assets, net	-	0.5%
Permanent differences	2.2%	-1.8%
Other items, including prior-year adjustments	-1.5%	0.7%
Effective tax rate	**23.7%**	**22.2%**

The Group is not impacted by OECD/EU Pillar Two Model rules and their local implementation.

(DKK million)	2025	2024
Breakdown of tax on other comprehensive income:		
Foreign currency translation adjustment	-	1
Value adjustment of hedging instruments for the year	-64	20
Value adjustment of hedging instruments transferred to revenue	24	1
Actuarial gains/losses on defined benefit plans	-5	4
Tax on other comprehensive income	**-45**	**26**

Accounting policies

Tax on profit for the year includes current tax and any changes in deferred tax. Current tax includes taxes payable and is determined on the basis of the estimated taxable income for the year and any prior-year tax adjustments. Tax on changes in equity and other comprehensive income is recognised directly in equity and in other comprehensive income, respectively.

Foreign currency translation adjustments of deferred tax are recognised as part of the year's adjustments of deferred tax.

Permanent differences primarily include Danish interest limitation, R&D incentives, profit in associates, non-deductible share-based payments and special items.

Current tax liabilities or tax receivables are recognised in the balance sheet and determined as tax calculated on taxable income for the year, adjusted for any tax on account. The tax rates prevailing at the balance sheet date are used for calculation of the year's taxable income.

6.2 Deferred tax

(DKK million)	2025	2024
Deferred tax recognised in the balance sheet:		
Deferred tax assets	719	588
Deferred tax liabilities	-812	-634
Deferred tax, net at 31.12.	**-93**	**-46**
Deferred tax, net at 1.1.	**-46**	**-91**
Foreign currency translation adjustments	27	-28
Changes in deferred tax	-78	39
Additions from acquisitions	1	3
Adjustment of deferred tax, prior years	51	16
Impact of changes in corporate tax rates	-1	-
Deferred tax relating to changes in equity, net	-47	26
Transferred to assets held for sale	-	-11
Deferred tax, net at 31.12.	**-93**	**-46**

The tax value of deferred tax assets not recognised is DKK 94 million (DKK 108 million in 2024) and relates mainly to tax losses and tax credits for which there is considerable uncertainty about their future utilisation. Tax losses of DKK 18 million will expire within 5-10 years, whereas other tax losses carried forward have no expiry date.

Any sale of shares in subsidiaries and associates at the balance sheet date is estimated to result in tax in the amount of DKK 0 million (DKK 0 million in 2024).

Accounting policies

Deferred tax is recognised, using the balance sheet liability method on any temporary differences between the tax base of assets and liabilities and their carrying amounts, except for deferred tax on temporary differences arisen either on initial recognition of goodwill or on initial recognition of a transaction that is not a business combination, with the temporary difference ascertained on initial recognition affecting neither net profits nor taxable income.

Deferred tax is determined on the basis of the tax rules and rates prevailing at the balance sheet date in a particular country. The effect of any changes in tax rates on deferred tax is included in tax on profit for the year, unless such deferred tax is attributable to items previously recognised directly in equity or in other comprehensive income. In the latter case, such changes will also be recognised directly in equity or in other comprehensive income. The tax base of a loss, if any, which may be set off against future taxable income, is carried forward and set off against deferred tax in the same legal tax entity and jurisdiction.

6.2 Deferred tax (continued)

(DKK million)	Temporary differences at 1.1.	Foreign currency translation adjust-ments	Acquisi-tions	Recognised in profit for the year	Recognised in other compre-hensive in-come	Transferred to assets held for sale	Temporary differences at 31.12.
2025							
Intangible assets	-719	-13	-	-71	-	-	-803
Property, plant and equipment	-128	51	-	-40	-	-	-117
Leased assets	25	-	-	4	-	-	29
Inventories	193	10	-	50	-	-	253
Receivables	60	-1	-	-	-	-	59
Provisions	114	-4	-	-89	-	-	21
Deferred revenue	176	-5	1	27	-	-	199
Tax losses	77	-4	-	54	-	-	127
Other	156	-7	-	37	-47	-	139
Total	**-46**	**27**	**1**	**-28**	**-47**	**-**	**-93**
2024							
Intangible assets	-565	-3	1	-151	-	-1	-719
Property, plant and equipment	-159	-28	-	57	-	2	-128
Leased assets	21	-1	-	5	-	-	25
Inventories	208	-3	-	-15	-	3	193
Receivables	52	-	-	10	-	-2	60
Provisions	99	2	-	13	-	-	114
Deferred revenue	158	2	1	27	-	-12	176
Tax losses	56	10	1	11	-	-1	77
Other	39	-7	-	98	26	-	156
Total	**-91**	**-28**	**3**	**55**	**26**	**-11**	**-46**

Accounting estimates and judgements

Deferred tax assets (significant estimate)

Deferred tax assets, including the tax value of any tax losses allowed for carry-forward, are recognised in the balance sheet at the estimated realisable value of such assets, either by a set-off against a deferred tax liability or by a net asset to be set off against future positive taxable income. At the balance sheet date, an assessment is made as to whether it is probable that sufficient taxable income will be available in the future against which the deferred tax asset can be utilised.

Deferred tax on temporary differences between the carrying amounts and the tax values of investments in subsidiaries and associates is recognised, unless the Parent is able to control the time of realisation of such deferred tax, and it is probable that such deferred tax will not be realised as current tax in the foreseeable future. Deferred tax is recognised in respect of eliminations of intragroup profits and losses.

Section 7

Acquisitions, discontinued operations and assets held for sale

7.1 Acquisition of businesses

As part of the capital allocation policy, a portion of the cash flow from operating activities is allocated to value-adding acquisitions. In 2025, a total of 53 acquisitions were completed at an estimated total consideration of DKK 6,274 million.

Except for KIND Group, no other individual acquisitions are considered to be material and are therefore not disclosed separately but grouped together within the respective geographical region.

In 2025, the Group acquired a number of businesses or obtained significant stakes in hearing healthcare businesses, the most significant ones being KIND Group and Ohrwerk Group, both in Germany.

On 31 January 2025, the Group acquired 100% of the shares in Ohrwerk Horgeräte GmbH, which operates hearing care clinics across Germany.

On 1 December 2025, the Group acquired 100% of the shares in KIND Group, a leading retailer of hearing aids operating hearing care clinics across Germany and several other countries.

In addition, the Group made a number of other minor acquisitions in Europe, North America, the Pacific region and Asia in 2025. The Pacific region and Asia are presented as “Other”.

In 2024, the Group acquired a number of businesses or obtained significant stakes in hearing healthcare businesses, the most significant one being Fuel Medical Group in the US.

On 1 May 2024, the Group acquired the remaining 51% of the shares in Fuel Medical Group and now holds 100% of the shares. Fuel Medical Group is a value-added distributor of hearing aids that operates in North America. The step acquisition resulted in a fair value adjustment of the Group’s existing shares of DKK 324 million, presented as a special item in the income statement. In 2025, the Group concluded the acquisition, resulting in an adjustment to the previously recognised step-up gain of DKK -82 million.

On 2 September 2024, the Group acquired 100% of the shares in Dansk HøreCenter ApS, which operates hearing care clinics across Denmark.

In addition, the Group made a number of other minor acquisitions in Europe, North America, the Pacific region and Asia in 2024. The Pacific region and Asia are presented as “Other”.

(DKK million)	2025					2024			
	Europe	North America	Other	KIND Group	Total	Europe	North America	Other	Total
Intangible assets	16	2	1	162	181	21	25	1	47
Property, plant and equipment	24	1	3	446	474	20	3	2	25
Other non-current assets	120	23	8	565	716	141	22	15	178
Inventories	13	-	-	301	314	19	1	1	21
Current receivables	50	1	-	231	282	19	44	-	63
Cash and cash equivalents	42	4	-	96	142	41	81	-	122
Non-current liabilities	-174	-20	-7	-985	-1,186	-176	-19	-12	-207
Current liabilities	-136	-6	-2	-446	-590	-75	-35	-4	-114
Acquired net assets	**-45**	**5**	**3**	**370**	**333**	**10**	**122**	**3**	**135**
Goodwill	946	99	26	4,870	5,941	502	1,284	50	1,836
Consideration paid	**901**	**104**	**29**	**5,240**	**6,274**	**512**	**1,406**	**53**	**1,971**
Carrying amount of non-controlling interests on obtaining control	-3	-16	-	-	-19	-26	-301	-	-327
Fair value adjustment of non-controlling interests on obtaining control	-	-	-	-	-	-9	-328	-	-337
Contingent considerations and deferred payments	-53	-12	-9	-	-74	-32	-81	-13	-126
Acquired cash and cash equivalents	-42	-4	-	-96	-142	-41	-81	-	-122
Cash consideration paid	**803**	**72**	**20**	**5,144**	**6,039**	**404**	**615**	**40**	**1,059**

Figures are shown at fair value on the acquisition date.

7.1 Acquisition of businesses (continued)

Accounting treatment

In respect of the acquisitions, the Group paid total consideration of DKK 6,274 million, exceeding the fair values of the acquired assets, liabilities and contingent liabilities. Such positive balances in value can be attributed to expected synergies between the activities of the acquired entities and the Group's existing activities, to the future growth opportunities and to the value of staff competencies in the acquired businesses. These synergies are not recognised separately from goodwill, as they are not individually identifiable. Total goodwill recognised in respect of the acquisitions made in 2025 amounts to DKK 5,941 million.

Of the total acquisitions made in 2025, the fair value of the estimated contingent considerations in the form of earn-outs and deferred payments accounted for DKK 74 million (DKK 126 million in 2024). Earn-outs depend on the results of the acquired entities for a period of 1-4 years. Earn-outs and other contingent considerations related to the acquisitions are estimated to be maximum DKK 77 million (DKK 145 million in 2024).

The fair values of acquisitions are not considered final until 12 months after the acquisition date. Adjustments to acquisitions completed more than 12 months prior to the time of the adjustments, including changes in estimated contingent considerations, are recognised in the income statement.

In 2025, adjustments were made to the preliminary recognition of acquisitions recognised in 2024. These adjustments relate to payments made, contingent considerations provided as well as net assets and goodwill acquired. The impact of these adjustments on goodwill was DKK 19 million (DKK 9 million in 2024) and DKK 16 million (DKK -1 million in 2024) on contingent considerations.

In 2025, adjustments were also made to contingent considerations related to acquisitions completed more than 12 months prior to the time of the adjustments. These adjustments amount to DKK 29 million (DKK 35 million in 2024) and are recognised as part of distribution costs for acquisitions.

Step acquisitions

At the time of acquisition of non-controlling interests, the shares of the acquisitions are measured at the proportionate share of the total fair value of the acquired entities, including goodwill. On obtaining a controlling interest through step acquisitions, previously held non-controlling interests are, at the time of obtaining control, remeasured at fair value with fair value adjustments recognised in the income statement.

The total impact on the income statement of fair value adjustments of non-controlling interests in step acquisitions was DKK 0 million in 2025 (DKK 337 million in 2024).

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

Transaction costs

Transaction costs in connection with acquisitions made in 2025 amounted to DKK 61 million (DKK 23 million in 2024). Of this amount, DKK 46 million were recognised as special items, with the remainder recognised in distribution costs.

Acquired assets and pro forma figures

The acquired assets include contractual receivables amounting to DKK 206 million (DKK 57 million in 2024) of which DKK 16 million (DKK 2 million in 2024) was considered to be uncollectible at the date of the acquisition. Of total goodwill in the amount of DKK 5,941 million (DKK 1,836 million in 2024), DKK 4,753 million (DKK 1,328 million in 2024) can be amortised for tax purposes.

Revenue and profit after tax generated by the acquired businesses since acquiring them in 2025 amount to DKK 507 million (DKK 371 million in 2024) and DKK 46 million (DKK 17 million in 2024), respectively. Had such revenue and profit been consolidated on 1 January 2025, it is estimated that consolidated pro forma revenue and profit after tax would have been DKK 25,052 million (DKK 22,710 million in 2024) and DKK 1,648 million (DKK 2,401 million in 2024), respectively. Without taking synergies from our core business into account, we believe that these pro forma figures reflect the level of consolidated earnings after acquisition of the business.

Acquisitions after balance sheet date

From the balance sheet date and until the date of financial reporting in 2026, the Group has acquired a number of retail businesses. The Group is in the process of completing the purchase price allocation, including the valuation of intangible assets and liabilities assumed. The final impact will be reflected in the subsequent reporting period.

7.1 Acquisition of businesses (continued)

Accounting policies

Newly acquired or newly established businesses are recognised in the consolidated financial statements from the time of acquisition or formation, respectively. The time of acquisition is the date when control of the business is transferred to the Group. For Group accounting policies on control, please refer to Note 1.1. In respect of newly acquired businesses, comparative figures and key figures are not restated. On acquiring new businesses of which the Group obtains control, the purchase method is applied according to which their identified assets, liabilities and contingent liabilities are measured at fair value on the acquisition date. Any non-current assets acquired for the purpose of resale are, however, measured at fair value less expected cost of disposal. Restructuring costs are solely recognised in the pre-acquisition balance sheet if they are a liability for the acquired business. Any tax effect of revaluations are taken into account.

The acquisition cost of a business consists of the fair value of the consideration paid for the business with the addition of the fair values of previously held interests in the acquiree. If the final consideration is conditional upon one or more future events, the consideration is recognised at fair value on acquisition. Any subsequent adjustment of contingent considerations is recognised directly in the income statement, unless the adjustment is the result of new information about conditions prevailing on the acquisition date, and this information becomes available up to 12 months after the acquisition date. Transaction costs are recognised directly in the income statement when incurred. If the purchase price exceeds the fair values of the assets, liabilities and contingent liabilities identified on acquisition, any remaining positive differences (goodwill) are recognised in the balance sheet under intangible assets and tested for impairment at least annually. If the carrying amount of an asset exceeds its recoverable amount, it is written down to such lower recoverable amount.

If, on the acquisition date, there are any uncertainties with respect to identifying or measuring acquired assets, liabilities or contingent liabilities or uncertainty with respect to determining their cost, initial recognition is made on the basis of provisionally calculated values. Such provisionally calculated values may be adjusted, or additional assets or liabilities may be recognised up to 12 months after the acquisition date, if new information becomes available about conditions prevailing on the acquisition date, which would have affected the calculation of values on that day, had such information been known.

Accounting estimates and judgements

Identification of assets and liabilities (significant judgement)

On recognition of assets and liabilities from acquisitions, management judgements may be required for the identification of the following:

- Goodwill
- Intangible assets, resulting from technology, customer relationships, client lists or brand names.
- Contingent considerations.

Contingent considerations (estimate)

Acquisitions may include provisions to the effect that additional payments of contingent considerations be paid to the previous owners when certain events occur or certain results are obtained. Management assesses, on a regular basis, the judgements made in respect of the particular acquisitions, taking sales run rates of the acquired entity into account.

7.2 Discontinued operations and assets held for sale

(DKK million)	2025	2024
Revenue	1,153	1,162
Expenses	-1,099	-1,551
Gain/loss on divestment of businesses and activities	-	-25
Amortisation, depreciation and impairment losses	-966	-224
Profit/loss before tax – discontinued operations	**-912**	**-638**
Tax on profit/loss for the year	89	134
Profit/loss for the year – discontinued operations	**-823**	**-504**
Profit/loss for the year for discontinued operations attributable to:		
Demant A/S' shareholders	-823	-504
	-823	**-504**
Earnings per share (EPS), DKK	-3.89	-2.32
Diluted earnings per share (DEPS), DKK	-3.89	-2.32
Cash flow from discontinued operations:		
Cash flow from operating activities (CFFO)	102	-247
Cash flow from investing activities (CFFI)	-13	-38
Cash flow from financing activities (CFFF)	32	269
Cash flow for the year, net – discontinued operations	**121**	**-16**

On 22 October 2025, the Group signed an agreement to sell its bone anchored hearing systems (BAHS) business to Impilo, thereby concluding the process of divesting its Hearing Implants (Oticon Medical) business. As part of the agreement, the Group will provide transitional services related to the development of products, supply sound processors and provide local sales and customer support as well as administrative services. The transaction is subject to customary closing conditions and regulatory approvals and continues to be considered a discontinued operation.

The Group announced on 20 December 2025 that an agreement to sell EPOS to ACCO Brands had been signed. The transaction is the result of the strategic review of the Communications business area under which the EPOS brand operates. Closing of the transaction is subject to customary closing conditions, and the Communications business continues to be considered a discontinued operation.

In 2025, discontinued operations realised a loss after tax of DKK 823 million. The loss relates to a combined net operating loss in the Hearing Implants and Communications businesses as well as impairment losses related to the transactions.

Accounting policies

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

7.2 Discontinued operations and assets held for sale (continued)

(DKK million)	2025	2024
Balance sheet items:		
Intangible assets	82	433
Property, plant and equipment	7	25
Lease assets	24	44
Deferred tax assets	93	47
Other non-current assets	-	1
Non-current assets	**206**	**550**
Current assets	**493**	**843**
Assets held for sale	**699**	**1,393**
Provisions and deferred considerations	340	46
Lease liabilities	36	46
Other liabilities	245	252
Liabilities related to assets held for sale	**621**	**344**
Net assets held for sale	**78**	**1,049**

Assets classified as held for sale as at 31 December 2025 comprise the Communications business and the Hearing Implants business.

Accounting policies

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

Key accounting estimates and judgements

No key estimates were identified.

7.3 Divestment of businesses and activities

(DKK million)	2025	2024
Selling price	-	-
Net debt adjustment	-	25
Selling price of divested businesses and activities	**-**	**25**
Gain/loss on divestment of businesses and activities:		
Selling price for divested businesses and activities	-	25
Net assets sold	-	-619
Previously recognised impairment losses	-	612
Provisions as a result of the transaction	-	-32
Transaction costs	-	-11
Gain/loss on divestment of businesses and activities	**-**	**-25**
Net profit from divestment of businesses and activities:		
Profit from divested discontinued operations	-	-65
Gain/loss on divestment of business and activities	-	-25
Net profit from divestment of businesses and activities	**-**	**-90**

In 2025, there were no divestments.

In May 2024, the Group divested its CI business to Cochlear Limited. The divestment resulted in a loss of DKK 25 million.

Accounting policies

Gains or losses on the divestment of businesses and activities are determined as the difference between the selling price and the carrying amount of the net assets divested. Transaction costs and any provisions made for obligations related to the divestment of businesses and activities are deducted.

Section 8

Provisions, other liabilities etc.

PROVISIONS

312

DKK MILLION

OTHER LIABILITIES

2,985

DKK MILLION

8.1 Provisions

(DKK million)	2025	2024
Staff-related provisions	72	75
Miscellaneous provisions	136	111
Other provisions	**208**	**186**
Defined benefit plan liabilities, net	104	120
Provisions at 31.12.	**312**	**306**
Breakdown of provisions:		
Non-current provisions	221	213
Current provisions	91	93
Provisions at 31.12.	**312**	**306**

Miscellaneous provisions relate to provisions for disputes etc. The majority of these provisions are expected to be realised within the next five years.

	2025				2024			
(DKK million)	Restructuring costs	Staff-related	Miscellaneous	Total	Restructuring costs	Staff-related	Miscellaneous	Total
Other provisions at 1.1.	**-**	**75**	**111**	**186**	**-**	**65**	**98**	**163**
Foreign currency translation adjustments	-	-7	-	**-7**	-	-	-1	-1
Additions	-	3	51	**54**	40	4	27	71
Additions from acquisitions	-	1	29	**30**	-	6	8	14
Realised	-	-	-30	**-30**	-	-	-7	-7
Reversals	-	-	-25	**-25**	-	-	-14	-14
Transferred to/from liabilities related to assets held for sale	-	-	-	**-**	-40	-	-	-40
Other provisions at 31.12.	**-**	**72**	**136**	**208**	**-**	**75**	**111**	**186**
Breakdown of provisions:								
Non-current provisions	-	72	45	117	-	75	21	96
Current provisions	-	-	91	91	-	-	90	90
Other provisions at 31.12.	**-**	**72**	**136**	**208**	**-**	**75**	**111**	**186**

8.2 Employee benefit obligations

(DKK million)	2025	2024
Defined benefit obligations:		
Present value of defined benefit obligations	491	485
Fair value of defined benefit assets	387	365
Defined benefit obligations, net	**104**	**120**
Return on defined benefit assets:		
Actual return on defined benefit assets	3	33
Actuarial gains/losses on defined benefit assets	**3**	**33**
Defined benefit obligations maturity:		
Between 1-5 years	137	133
More than 5 years	354	352
Assumptions:		
Discount rate	1.6%	1.2%
Expected return on defined benefit assets	0.0%	0.0%
Future salary increase rate	1.3%	1.5%
Sensitivity analysis:		
Discount rate		
Increase of 0.5 percentage point	-6.3%	-6.3%
Decrease of 0.5 percentage point	6.8%	6.8%
Expected salary growth rate		
Increase of 0.5 percentage point	0.5%	1.0%
Decrease of 0.5 percentage point	-0.7%	-1.0%

Generally, the Group does not offer defined benefit plans, but it has such plans in Switzerland, France and Germany where they are required by law.

Defined benefit plan costs recognised in the income statement amount to DKK 18 million (DKK 0 million in 2024), and the accumulated actuarial gain recognised in the statement of comprehensive income amounts to DKK 22 million (loss of DKK 17 million in 2024).

In 2026, the Group expects to pay approximately DKK 16 million (DKK 22 million in 2025) into defined benefit plans.

	2025	2024
Composition of plan assets:		
Equity	29%	28%
Bonds	30%	31%
Property	26%	26%
Other	15%	15%

Accounting policies

Provisions are recognised if, as a result of an earlier event, the Group has a legal or constructive obligation, and if the settlement of such obligation is expected to draw on corporate financial resources, but there is uncertainty about the timing or amount of the obligation. Provisions are measured on a discounted basis based on Management's best estimate of the amount at which a particular liability may be settled. The discount effect of any changes in the present value of provisions is recognised as a financial expense.

The Group has defined benefit plans and similar agreements with some of its employees.

With respect to defined contribution plans, the Group pays regular, fixed contributions to independent pension companies. Contributions are recognised in the income statement for the period in which employees have performed work entitling them to such pension contributions. Contributions due are recognised in the balance sheet as a liability.

With respect to defined benefit plans, the Group is obliged to pay a certain contribution when an employee covered by such a plan retires, for instance a fixed amount or a percentage of the employee's final salary. An actuarial calculation is prepared periodically of the accrued present value of future benefits to which employees, through their past employment with the Group, are entitled and which are payable under the defined benefit plan. This defined benefit obligation is calculated annually, using the projected unit credit method based on judgements in respect of the future development in for instance wage levels, interest rates, mortality and inflation rates.

8.2 Employee benefit obligations (continued)

The defined benefit obligation less the fair value of any assets relating to the defined benefit plan is recognised in the balance sheet under provisions.

Defined benefit costs are categorised as follows:

- Service costs, including current service costs, past-service costs as well as gains and losses on curtailments and settlements
- Net interest expenses or income
- Remeasurements

Remeasurements, comprising actuarial gains and losses, any effects of changes to the asset ceiling as well as returns on defined benefit assets, excluding interest, are reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income for the period in which it occurs.

Remeasurements recognised in other comprehensive income are reflected immediately in retained earnings and are not reclassified to the income statement. Service costs and net interest expenses or income are included in the income statement as staff costs.

Other non-current employee benefits are recognised using actuarial calculation. Actuarial gains or losses on such benefits are recognised directly in the income statement.

Accounting estimates and judgements

Assessment of provisions (estimate)

Management assesses, on an ongoing basis, provisions for, among others, restructuring costs and the likely outcomes of pending and probable lawsuits etc. (other provisions). When assessing the likely outcomes of lawsuits, Management bases its assessments on internal and external legal advice and established precedent. Provisions for restructuring costs are based on the estimated costs of implementing restructuring initiatives and thus on a number of assumptions about future costs and events. For all provisions, the outcome and final expense depend on future events, which are by nature uncertain.

8.3 Other liabilities

(DKK million)	2025	2024
Product-related liabilities	661	508
Staff-related liabilities	1,012	981
Other debt, public authorities	325	299
Contingent considerations	107	298
Other costs payable	880	992
Other liabilities	**2,985**	**3,078**
Due within 1 year	2,438	2,617
Due within 1-5 years	547	461

Product-related liabilities include standard warranties and returned products etc. Staff-related liabilities include holiday pay and payroll costs due. The carrying amounts of other liabilities approximate the fair values of such liabilities.

Accounting policies

Other non-financial liabilities are recognised if, as a result of an earlier event, the Group has a legal or constructive obligation, and if the settlement of such obligation is expected to draw on corporate financial resources. Other non-financial liabilities are measured on a discounted basis, and the discount effect of any changes in the present value of the liabilities is recognised as a financial expense.

On the sale of products with a right of return, a refund liability and a right to the returned products is recognised as a refund liability and a current asset (included in prepaid expenses), respectively. The refund liability is deducted from revenue, and the right to the returned products is offset in production costs. Warranty commitments include an obligation to remedy faulty or defective products during the warranty period.

Accounting estimates and judgements

Warranty and return liabilities (estimates)

Liabilities in respect of service packages and warranties are calculated on the basis of information on products sold, related service and warranty periods and past experience of costs incurred by the Group to fulfil its service and warranty liabilities. Liabilities in respect of returns are calculated based on information on products sold, related rights concerning returns and past experience of products being returned in the various markets. Consolidated product-related liabilities are the sum of a large number of small items, with the sum changing constantly due to a large number of transactions.

8.4 Deferred revenue

(DKK million)	2025	2024
Prepayments from customers	97	52
Future performance obligations:		
Deferred warranty-related revenue	685	677
Deferred free products revenue	357	219
Deferred service revenue	893	452
Total	**2,032**	**1,400**

Some products and services, including warranty-related are provided free of charge to the customer. Certain other services and warranty-related services are paid by the customer on delivery of the related goods, but delivery of the service takes place 1-4 years after delivery of the goods.

Please refer to Note 2.1 for a description of the nature of the deferred revenue.

Accounting policies

Deferred revenue includes income received or future performance obligations relating to subsequent financial years and is recognised as revenue when the Group fulfils its obligations by transferring the goods or services to the customers.

Expected recognition of revenue

(DKK million)	Less than 1 year	1-2 years	3-4 years	More than 4 years	Total
2025					
Prepayments from customers	97	-	-	-	97
Deferred warranty-related revenue	292	253	124	16	685
Deferred free products revenue	141	102	93	21	357
Deferred service revenue	332	276	182	103	893
Total	**862**	**631**	**399**	**140**	**2,032**
2024					
Prepayments from customers	52	-	-	-	52
Deferred warranty-related revenue	287	261	119	10	677
Deferred free products revenue	74	48	66	31	219
Deferred service revenue	175	127	110	40	452
Total	**588**	**436**	**295**	**81**	**1,400**

8.5 Contingent liabilities

The Group is involved in minor litigations, claims, disputes etc. Management is of the opinion that such disputes do not or will not significantly affect the Group's financial position. The Group seeks to make adequate provisions for legal proceedings.

As part of its business activities, the Group has entered into normal agreements with customers and suppliers etc. as well as agreements for the purchase of shareholdings.

The Demant Group is jointly taxed with William Demant Invest A/S, which is the administration company, and all Danish subsidiaries. Under the Danish Corporation Tax Act, the Group is first of all fully liable for corporate tax payments and for withholding tax at source in respect of interest, royalties and dividends in relation to its own subsidiaries and is secondly liable for tax payments due for William Demant Invest A/S and its partly owned subsidiaries.

Section 9

Other disclosure requirements

9.1 Related parties

William Demant Foundation, Kongebakken 9, 2765 Smørum, Denmark, is the only related party with a controlling interest. Controlling interest is achieved through a combination of William Demant Foundation's own shareholdings and the shareholdings of William Demant Invest A/S for which William Demant Foundation exercises the voting rights. Subsidiaries and associated companies of William Demant Invest A/S are related parties to the Demant Group.

Related parties with significant influence are the Company's Board of Directors and their related parties. Furthermore, related parties are the Executive Board and companies in which the above persons have significant interests.

Subsidiaries and associates as well as the Demant Group's ownership interests in these companies appear from Subsidiaries and associates in Section 11.

In 2025, William Demant Foundation paid administration fees to the Group of DKK 2 million (DKK 2 million in 2024). The Demant Group paid administration fees to William Demant Invest A/S of DKK 4 million (DKK 4 million in 2024) and received service fees of DKK 3 million (DKK 4 million in 2024) from William Demant Invest A/S.

In 2025, the Demant Group paid service fees to Embla Medical, a subsidiary of William Demant Invest A/S, of DKK 1 million (DKK 3 million in 2024) and received service fees of DKK 40 million (DKK 48 million in 2024) from Embla Medical.

In 2025, the Demant Group was reimbursed by Vision RT, a subsidiary of William Demant Invest A/S, for pass-through expenses in the amount of DKK 150 million (DKK 123 million in 2024).

At year-end 2025, the Demant Group had receivables of DKK 18 million for services provided to Vision RT and Embla Medical (DKK 22 million in 2024).

In 2025, William Demant Foundation donated DKK 6 million (DKK 8 million in 2024) to mainly PhD projects in the Demant Group. Further, William Demant Foundation acquired diagnostic equipment and hearing aids worth DKK 0 million and DKK 1 million (DKK 0 million and DKK 1 million in 2024), respectively, from the Group.

Since 2011, the Demant Group has settled Danish tax on account and residual tax with William Demant Invest A/S, which is the administration company for the joint taxation.

There have been no transactions with the Executive Board and the Board of Directors apart from normal remuneration. Please refer to Note 2.2.

Transactions with associates

Under the provisions of contracts concluded with associates, the Group is not entitled to receive dividends from certain associates. This is reflected in the profit included in the income statement, as no profit is recognised, if the Group is not entitled to receive dividends.

	Associates	
(DKK million)	**2025**	**2024**
Transactions with associates:		
Revenue from sales	259	263
Royalties and paid licence fee, net	26	20
Purchased materials and other fees	-6	-
Dividends received	22	43
Interest income	15	19
Receivables from associates	366	393

9.2 Fees to auditors

(DKK million)	2025	2024
Fees to Parent's auditors appointed at the annual general meeting:		
Statutory audit fee	17	19
Other assurance engagements	2	3
Tax	1	1
Other services	-	1
Total	**20**	**24**

Some of the Group's subsidiaries are not subject to auditing by PricewaterhouseCoopers.

In 2025, the fee for non-audit services delivered by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark, amounted to DKK 3 million (DKK 4 million in 2024).

Services other than statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab, Denmark, mainly consist of limited assurance on the Sustainability statement and tax-related advice.

9.3 Events after the balance sheet date

On 30 January 2026, the transaction to sell EPOS closed, cf. the investor news published that day.

No events have occurred after the reporting date of importance to the consolidated financial statements.

Parent financial statements

Parent income statement

(DKK million)	Note	2025	2024
Revenue		-	-
Administrative expenses	10.2 / 10.3	-91	-113
Operating loss (EBIT)		**-91**	**-113**
Share of profit after tax, subsidiaries	10.9	846	2,575
Share of profit after tax, associates	10.9	-4	-2
Gain/loss on divestment of businesses and activities		-	-527
Financial income	10.4	468	312
Financial expenses	10.4	-596	-643
Profit before tax		**623**	**1,602**
Tax on profit for the year	10.5	41	56
Profit for the year	10.6	**664**	**1,658**

Parent balance sheet 31 December

(DKK million)	Note	2025	2024
Assets			
Goodwill		13	17
Intangible assets	10.7	**13**	**17**
Land and buildings		-	24
Property, plant and equipment	10.8	**-**	**24**
Lease assets		-	1
Investments in subsidiaries	10.9	17,840	18,019
Loans to subsidiaries	10.9	10,444	3,890
Investments in associates	10.9	25	28
Other investments		2	2
Other receivables		10	-
Deferred tax assets		13	3
Other non-current assets		**28,334**	**21,943**
Non-current assets		**28,347**	**21,984**
Receivables from subsidiaries		1	-
Income tax		53	45
Other receivables		60	6
Prepaid expenses		32	32
Cash		65	5
Current assets		**211**	**88**
Assets		**28,558**	**22,072**

(DKK million)	Note	2025	2024
Equity and liabilities			
Share capital	10.10	43	44
Other reserves		3,322	2,712
Retained earnings		664	1,657
Total equity		**4,029**	**4,413**
Provisions		1,157	1,058
Provisions		**1,157**	**1,058**
Borrowings	10.11	16,363	12,474
Lease liabilities	10.11	-	1
Other liabilities		59	97
Non-current liabilities	10.11	**16,422**	**12,572**
Borrowings	10.11	1,130	377
Debt to subsidiaries		5,710	3,404
Other liabilities		110	248
Current liabilities		**6,950**	**4,029**
Liabilities		**23,372**	**16,601**
Equity and liabilities		**28,558**	**22,072**

Parent accounting policies	10.1
Contingent liabilities	10.13
Related parties	10.14
Events after the balance sheet date	10.15

Parent statement of changes in equity

(DKK million)		Other reserves				
	Share capital	Foreign currency translation reserve	Hedging reserve	Reserve according to equity method	Retained earnings	Total equity
Equity at 1.1.2024	**45**	**-83**	**-19**	**2,414**	**2,426**	**4,783**
Profit for the year	-	-	-	2,573	-915	1,658
Dividends received	-	-	-	-1,104	1,104	-
Foreign currency translation adjustment of investments in subsidiaries etc.	-	7	-	148	-	155
Other changes in equity in subsidiaries	-	-	-	68	1	69
Share buy-backs	-	-	-	-	-2,301	-2,301
Capital reduction through cancellation of treasury shares	-1	-	-	-	1	-
Share-based compensation	-	-	-	-	12	12
Other changes in equity	-	-	-	-	37	37
Equity at 31.12.2024	**44**	**-76**	**-19**	**4,099**	**365**	**4,413**
Profit for the year	-	-	-	842	-178	664
Dividends received	-	-	-	-1,082	1,082	-
Foreign currency translation adjustment of investments in subsidiaries etc.	-	-75	-	-502	-	-577
Other changes in equity in subsidiaries	-	-	-	28	-	28
Value adjustment for the year	-	-	23	-	-	23
Tax relating to changes in equity	-	-	-5	-	-	-5
Share buy-backs	-	-	-	-	-582	-582
Capital reduction through cancellation of treasury shares	-1	-	-	-	1	-
Share-based compensation	-	-	-	-	6	6
Other changes in equity	-	-	7	-	52	59
Equity at 31.12.2025	**43**	**-151**	**6**	**3,385**	**746**	**4,029**

Section 10

Notes to Parent financial statements

10.1 Parent accounting policies

The financial statements of the Parent, Demant A/S, are presented in accordance with the provisions of the Danish Financial Statements Act for class D entities.

The financial statements of the Parent are presented in Danish kroner (DKK), which is also the functional currency for the Parent. The accounting policies are the same as last year.

In respect of recognition and measurement, the Parent's accounting policies are generally consistent with the Group's accounting policies. The instances in which the Parent's accounting policies deviate from those of the Group are described below.

The Parent has decided to apply recognition and measurement in accordance with IFRS 15 and 16. The standards affect the Parent's proportionate share of its subsidiaries' equity value, and IFRS 16 affects the Parent's leases.

Income statement

Tax

The Parent is jointly taxed with its Danish subsidiaries and its parent, William Demant Invest A/S. Current income tax is allocated to the jointly taxed Danish companies in proportion to their taxable income.

Balance sheet

Goodwill

Goodwill is amortised on a straight-line basis over 20 years. The 20-year amortisation period appropriately reflects the long-term nature of the economic benefits derived from the acquired hearing healthcare businesses. Goodwill is written down to its recoverable amount, if lower than its carrying amount.

Rights

Rights acquired are amortised on a straight-line basis over their estimated useful lives and measured at cost less accumulated amortisation and impairment losses. The amortisation period is five years. Rights acquired are written down to their recoverable value, if lower than their carrying value.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are recognised and measured using the equity method, i.e. interest is measured at the proportionate share of the equity values of such subsidiaries and associates with the addition or deduction of the carrying amount of goodwill and with the addition or deduction of unrealised intra-group profits or losses, respectively.

The Parent's proportionate shares of profits or losses in subsidiaries and associates are recognised in the income statement after elimination of unrealised intra-group profits or losses less any amortisation and impairment of goodwill.

Subsidiaries and associates with negative equity values are measured at DKK 0, and any receivables from such companies are written down with the Parent's share of the negative equity value to the extent that such receivable is considered irrecoverable. If the negative equity value exceeds the value of receivables, if any, such residual amount is recognised under provisions to the extent that the Parent has a legal or constructive obligation to cover liabilities incurred by the particular subsidiary or associate.

On distribution of profit or loss, net revaluation and net impairment losses on investments in subsidiaries and associates are transferred to reserves for net revaluation according to the equity method.

Loans to and receivables from subsidiaries

Loans to and receivables from subsidiaries are recognised at amortised cost and subsequently measured after deduction of allowance for losses based on an individual assessment.

Other investments

On initial recognition, other investments are measured at cost. Subsequently, they are measured at fair value on the balance sheet date, and any changes in fair values are recognised in the income statement under net financial items.

Provisions

Provisions include liabilities, which are uncertain in respect of the amount or the timing of their settlement. Provisions may include different types of liabilities, such as deferred tax liabilities, pension obligations, investments in subsidiaries with negative equity as well as provisions for disputes etc.

Debt to subsidiaries

Debt to subsidiaries is measured at amortised cost.

Statement of changes in equity

In compliance with the format requirements of the Danish Financial Statements Act, any items included under comprehensive income in the consolidated financial statements are recognised directly in equity in the Parent financial statements.

Cash flow statement

In compliance with section 86(4) of the Danish Financial Statements Act, a cash flow statement is not prepared for the Parent, such statement being included in the consolidated cash flow statement.

10.2 Employees

(DKK million)	2025	2024
Employee costs		
Wages and salaries	82	103
Share-based remuneration	9	12
Defined benefit plans	-	-
Total	**91**	**115**
Average number of full-time employees	52	52

For further details on the remuneration of the Executive Board and the Board of Directors and the share-based remuneration programme, please refer to Note 2.2.

Remuneration to Executive Board and Board of Directors (included in employee costs)

(DKK million)	2025	2024
Executive Board:		
Wages and salaries	25.0	25.1
Cash bonus	1.3	0.6
Share-based remuneration	9.5	10.5
Total	**35.8**	**36.2**
Board of Directors:		
Fee	5.2	5.1
Total	**5.2**	**5.1**
Total	**41.0**	**41.3**

10.3 Fees to statutory auditors

(DKK million)	2025	2024
Statutory audit fee	3	2
Other assurance engagements	2	3
Tax services	1	-
Other services	-	1
Total	**6**	**6**

10.4 Net financial items

(DKK million)	2025	2024
Interest from subsidiaries	411	288
Interest on cash and bank deposits	7	1
Foreign exchange gains, net	50	23
Financial income	**468**	**312**
Interest to subsidiaries	-144	-129
Interest on bank debt	-433	-500
Transaction costs	-19	-14
Financial expenses	**-596**	**-643**
Net financial items	**-128**	**-331**

10.5 Tax on profit for the year and deferred tax

(DKK million)	2025	2024
Current tax on profit for the year	37	48
Adjustment of current tax, prior years	-6	1
Change in deferred tax	10	8
Adjustment of deferred tax, prior years	-	-1
Tax on profit for the year	**41**	**56**
Deferred tax, net at 1.1.	3	-4
Changes in deferred tax	10	8
Adjustment of deferred tax, prior years	-	-1
Deferred tax, net at 31.12.	**13**	**3**

10.6 Proposed distribution of net profit

(DKK million)	2025	2024
Transferred to reserves for net revaluation according to the equity method	842	2,573
Retained earnings	-178	-915
Total	**664**	**1,658**

10.7 Intangible assets

(DKK million)	Goodwill	Rights and other intangible assets	Total intangible assets
Cost at 1.1.2025	**65**	**11**	**76**
Cost at 31.12.2025	**65**	**11**	**76**
Amortisation at 1.1.2025	**-48**	**-11**	**-59**
Amortisation	-4	-	-4
Amortisation at 31.12.2025	**-52**	**-11**	**-63**
Carrying amount at 31.12.2025	**13**	**-**	**13**
Cost at 1.1.2024	**65**	**11**	**76**
Cost at 31.12.2024	**65**	**11**	**76**
Amortisation at 1.1.2024	**-45**	**-11**	**-56**
Amortisation	-3	-	-3
Amortisation at 31.12.2024	**-48**	**-11**	**-59**
Carrying amount at 31.12.2024	**17**	**-**	**17**

10.8 Property, plant and equipment

(DKK million)	Land and buildings
Cost at 1.1.2025	**31**
Disposals	-31
Cost at 31.12.2025	**-**
Depreciation and impairment losses at 1.1.2025	**-7**
Disposals	7
Depreciation and impairment losses at 31.12.2025	**-**
Carrying amount at 31.12.2025	**-**
Cost at 1.1.2024	**31**
Cost at 31.12.2024	**31**
Depreciation and impairment losses at 1.1.2024	**-7**
Depreciation and impairment losses at 31.12.2024	**-7**
Carrying amount at 31.12.2024	**24**

10.9 Financial assets

(DKK million)	2025			2024		
	Investments in subsidiaries	Loans to subsidiaries	Investments in associates	Investments in subsidiaries	Loans to subsidiaries	Investments in associates
Cost at 1.1.	**12,138**	**3,890**	**50**	**13,266**	**3,014**	**50**
Foreign currency translation adjustments	-	-203	-	-	64	-
Additions	431	6,782	-	234	839	-
Divestments	-	-	-	-498	-	-
Disposals	-92	-25	-	-864	-27	-
Cost at 31.12.	**12,477**	**10,444**	**50**	**12,138**	**3,890**	**50**
Value adjustments at 1.1.	**4,823**	**-**	**-22**	**2,447**	**-**	**-20**
Foreign currency translation adjustments	-502	-	1	148	-	-
Share of profit after tax	846	-	-4	2,575	-	-2
Dividends received	-1,082	-	-	-1,104	-	-
Divestments	-	-	-	-47	-	-
Disposals	93	-	-	736	-	-
Other adjustments	28	-	-	68	-	-
Value adjustments at 31.12.	**4,206**	**-**	**-25**	**4,823**	**-**	**-22**
Carrying amount at 31.12.	**16,683**	**10,444**	**25**	**16,961**	**3,890**	**28**
Subsidiaries with negative equity reclassified to provisions	1,157	-	-	1,058	-	-
Carrying amount after reclassification	**17,840**	**10,444**	**25**	**18,019**	**3,890**	**28**
Non-current financial assets	17,840	10,444	25	18,019	3,890	28

The carrying amount of investments in subsidiaries includes capitalised goodwill of DKK 14,006 million (DKK 9,224 million in 2024). Amortisation of capitalised goodwill for the year was DKK 818 million (DKK 695 million in 2024).

Loans to subsidiaries of DKK 10,444 million (DKK 3,890 million in 2024) are considered additions to the total investments in the particular business and are therefore considered non-current.

Please refer to Section 11 for further information on subsidiaries and associates.

10.10 Financial liabilities

(DKK million)	Contractual cash flows					
	Less than 1 year	1-3 years	4-5 years	More than 5 years	Total	Carrying amount
2025						
Debt to credit institutions etc.	1,562	15,226	702	1,065	18,555	17,440
Short-term bank facilities etc.	55	-	-	-	55	53
Lease liabilities	-	-	-	-	-	-
Contingent liabilities[1]	3	59	-	-	62	62
Financial liabilities	**1,620**	**15,285**	**702**	**1,065**	**18,672**	**17,555**
2024						
Debt to credit institutions etc.	591	10,127	1,832	1,314	13,864	12,639
Short-term bank facilities etc.	223	-	-	-	223	212
Lease liabilities	-	1	-	-	1	1
Contingent liabilities[1]	-	43	44	-	87	87
Financial liabilities	**814**	**10,171**	**1,876**	**1,314**	**14,175**	**12,939**

[1]Included in other liabilities.

The weighted average effective interest rate for debt to credit institutions and short-term bank facilities in 2025 was 2.7% (3.5% in 2024).

Interest-bearing debt broken down by currency: 89% in Danish kroner (79% in 2024), 9% in euros (15% in 2024) and 2% in US dollars (6% in 2024).

10.11 Treasury shares

Please refer to Note 5.6.

10.12 Interest rate risk

Interest rate swap DKK/DKK

(DKK million)

Start	Expiry	Interest rate/strike	Contractual amount at year-end	Positive fair value at year-end	Negative fair value at year-end
			2025		
2023	2026	3.27%	1,000	-	12
2025	2026	2.02%	1,000	-	-
2024	2027	2.22%	746	2	-
2025	2027	2.05%	1,000	2	-
2026	2027	2.26%	1,000	-	1
2025	2031	2.20%	895	14	-
			5,641	**18**	**13**
			2024		
2023	2026	3.27%	1,000	-	22
2025	2026	2.02%	1,000	1	-
2024	2027	2.22%	746	1	-
2025	2027	2.05%	1,000	1	-
2026	2027	2.26%	1,000	-	1
2025	2031	2.20%	895	3	
			5,641	**6**	**23**

Sensitivity analysis in respect of interest rates

Based on bank debt facilities at the balance sheet date, a rise of 1 percentage point in the general interest rate level will result in an increase in the Parent's annual interest expenses before tax of approximately DKK 97 million (DKK 64 million in 2024). Around 50% (around 50% in 2024) of the interest-bearing debt is subject to fixed or limited interest rates, partly due to a bought interest rate swap, and partly due to loans being raised at fixed interest rates.

10.13 Contingent liabilities

Demant A/S has provided security in respect of credit facilities established by Danish subsidiaries. These credit facilities totalled DKK 1,220 million as at 31 December 2025 (DKK 1,095 million in 2024) of which DKK 153 million was utilised (DKK 101 million in 2024).

Demant A/S has provided security in respect of rent as well as guarantees concerning the continuous operation and settlement of liabilities in 2025 for some of its subsidiaries.

The Parent is jointly taxed with William Demant Invest A/S, which is the administration company, and with all Danish subsidiaries of both. Under the Danish Corporation Tax Act, Demant A/S is first of all fully liable for corporate tax payments and for withholding tax at source in respect of interest, royalties and dividends in relation to its own subsidiaries and is secondly liable for tax payments due for William Demant Invest A/S and its partly owned subsidiaries.

For the purposes of section 357 of the Republic of Ireland Companies Act 2014, Demant A/S has undertaken to indemnify the creditors of its subsidiaries incorporated in the Republic of Ireland in respect of all losses and liabilities for the financial year ending on 31 December 2025 or any amended financial period incorporating said financial year. No material loss is expected to arise from this guarantee.

10.14 Related parties

William Demant Foundation, Kongebakken 9, 2765 Smørum, Denmark, is the only related party with a controlling interest. Controlling interest is achieved through a combination of William Demant Foundation's own shareholdings and the shareholdings of William Demant Invest A/S for which William Demant Foundation exercises the voting rights. Subsidiaries and associated companies of William Demant Invest A/S are related parties to Demant A/S.

Related parties with significant influence are the company's Board of Directors and their related parties. Furthermore, related parties are the Executive Board and companies in which the above persons have significant interests.

Demant A/S has not entered into any related-party transactions that were not conducted on an arm's length basis, in accordance with section 98 c of the Danish Financial Statements Act.

10.15 Events after the balance sheet date

Please refer to Note 9.3.

Section 11

Subsidiaries and associates

Company	Interest
Demant A/S	Parent
Oticon A/S, Denmark[1]	100%
Oticon AS, Norway[1]	100%
Oticon Denmark A/S, Denmark[1]	100%
Oticon GmbH, Germany	100%
Oticon Limited, United Kingdom[1]	100%
Oticon Medical A/S, Denmark[1]	100%
Oticon Medical AB, Sweden[1]	100%
Oticon Medical, LLC, United States	100%
Oticon Polska Sp. z o.o., Poland[1]	100%
Oticon, Inc., United States	100%
Oticon (Shanghai) Hearing Technology Co., Ltd., China[1]	100%
ACS Audika Sp. z.o.o., Poland	100%
Acustica Sp. z o.o., Poland[1]	100%
Advanced Hearing Providers, LLC, United States	100%
Akoustica Medica S.A., Greece[1]	100%
Amplivox Limited, United Kingdom	100%
Atomed Produtos Médicos e de Auxilio Humano Ltda, Brazil	100%
Audifon GmbH & Co. KG, Germany[2]	100%
Audika - SoluÇões Auditivas, Unipessoal Lda, Portugal[1]	100%
Audika AB, Sweden[1]	100%
Audika AG, Switzerland[1]	100%
Audika ApS, Denmark[1]	100%
Audika Australia Pty Ltd, Australia[1]	100%
Audika B.V., Netherlands	100%
Audika GmbH, Germany	100%
Audika Groupe SAS, France[1 2 3]	100%
Audika K.K., Japan[1]	100%
Audika New Zealand Limited, New Zealand[1]	100%
Audika NV, Belgium[1]	100%

[1]Directly owned by the Parent by 100%.
[2]Sub-consolidated group of companies, including associated companies.

Company	Interest
Audilab SAS, France[1 2 3]	100%
Audio Seleccion S.L., Spain[1]	100%
Audiology Services Company USA, LLC, United States[2]	100%
AudioNet America, Inc., United States	100%
Audmet Australia Pty Ltd, Australia	100%
Audmet Canada Ltd., Canada	100%
Audmet New Zealand Limited, New Zealand[1]	100%
Audmet Oy, Finland[1]	100%
Audmet Srl, Italy[1]	100%
Beijing Shengwang Yuanbo Commerce and Trade Co., Ltd., China[1 2 3]	100%
Bernafon (UK) Limited, United Kingdom[1]	100%
Bernafon AG, Switzerland[1]	100%
Bernafon Hörgeräte GmbH, Germany	100%
Bernafon, LLC, United States	100%
Birdsong Hearing Benefits, LLC, United States	100%
Centro Auditivo Telex Ltda, Brazil[2]	100%
CQ Partners, LLC, United States	100%
Demant Australia Pty Ltd, Australia[1]	100%
Demant Belgium BV, Belgium[1]	100%
Demant Business Services Poland Sp. z o.o., Poland[1]	100%
Demant Germany GmbH, Germany	100%
Demant Germany II GmbH, Germany	100%
Demant Germany III GmbH, Germany	100%
Demant Iberica, S.A., Spain[1]	100%
Demant İşitme Cihazları San. Tic. A.Ş, Turkey[1]	100%
Demant Italia S.r.l., Italy[1]	100%
Demant Japan K.K., Japan[1]	100%
Demant Korea Co., ltd., Korea, Republic Of[1]	100%
Demant Malaysia Sdn. Bhd., Malaysia[1]	100%
Demant México, S.A. de C.V., Mexico	100%

[3]Sub-consolidated group of companies, including companies with non-controlling interests.
The list includes the Group's active companies.

Company	Interest
Demant Nederland B.V., Netherlands[1]	100%
Demant New Zealand Limited, New Zealand[1]	100%
Demant Operations Poland Sp. z o.o, Poland	100%
Demant Operations S.A. de C.V., Mexico	100%
Demant Participaçoes Ltda, Brazil	100%
Demant Sales Strategic Accounts A/S, Denmark[1]	100%
Demant Schweiz AG, Switzerland[1]	100%
Demant Singapore Pte Ltd, Singapore[1,2]	100%
Demant South Africa (Pty) Ltd., South Africa[1]	100%
Demant Sweden AB, Sweden[1]	100%
Demant Technology & Innovation Centre Sdn. Bhd., Malaysia[1]	100%
Demant Technology Centre Sp. z o.o., Poland[1]	100%
DGS Diagnostics Sp. z o.o., Poland	100%
Diagnostic Group LLC, United States	100%
Diatec A/S, Denmark[1]	100%
Diatec AG, Switzerland[1]	100%
Diatec Canada Ltd., Canada	100%
Diatec Diagnostics GmbH, Germany[1]	100%
Diatec Diagnostics Ltd, United Kingdom	100%
Diatec France SAS, France	100%
Diatec Japan K.K., Japan[1]	100%
Diatec Korea Joshik Hoesa, Korea, Republic Of[1]	100%
Diatec New Zealand Limited, New Zealand	100%
Diatec Polska Sp. z o.o., Poland[1]	100%
Diatec Shanghai Medical Technology Co., Ltd., China[1]	100%
Diatec Singapore, Singapore	100%
Diatec Spain, S.L.U., Spain[1]	100%
DSEA A/S, Denmark	100%
e3 Diagnostics, Inc., United States	100%
EPOS Audio Australia Pty Ltd, Australia	100%

Company	Interest
EPOS Audio India Private Limited, India	100%
EPOS Audio Ireland Limited, Ireland	100%
EPOS Audio Singapore Pte. Ltd., Singapore	100%
EPOS Audio UK Ltd., United Kingdom	100%
EPOS Austria GmbH, Austria	100%
EPOS Belgium BV, Belgium	100%
EPOS Canada Ltd., Canada[1]	100%
EPOS France S.A.S, France	100%
EPOS Germany GmbH, Germany	100%
EPOS Group A/S, Denmark[1]	100%
EPOS Hong Kong Limited, Hong Kong	100%
EPOS Netherlands B.V., Netherlands	100%
EPOS Sales A/S, Denmark	100%
EPOS Sweden AB, Sweden	100%
EPOS Switzerland AG, Switzerland	100%
EPOS USA, Inc., United States	100%
Etymonic Design Inc., Canada[1]	100%
Fluorite Sp. z o.o., Poland	100%
Fonema Italia S.r.l., Italy	100%
Fuel Medical Group, LLC, United States	100%
Great Lakes Provider Network, LLC, United States	100%
Guymark UK Limited, United Kingdom	100%
HearBase Limited, United Kingdom[2]	100%
Hearing Screening Associates, LLC, United States	100%
HearingLife Canada Ltd., Canada[1,2]	100%
Hess & Haas Horgeräte GmbH, Germany	100%
Hess Hören Horgeräte GmbH, Germany	100%
Hess Optic GmbH, Germany	100%
Hidden Hearing (N.I.) Limited, United Kingdom	100%
Hidden Hearing International Plc, United Kingdom[1]	100%

[1]Directly owned by the Parent by 100%.
[2]Sub-consolidated group of companies, including associated companies.
[3]Sub-consolidated group of companies, including companies with non-controlling interests.
The list includes the Group's active companies.

Company	Interest
Hidden Hearing Limited, Ireland[1]	100%
Hidden Hearing Limited, United Kingdom	100%
Hidden Hearing Properties Ltd, United Kingdom	100%
Horgerate-Akustik Flemming & Klingbeil Verwaltungs-GmbH, Germany	100%
Hörgeräte Huth & Dickert GmbH, Germany	100%
Hörgeräte-Akustik Flemming & Klingbeil GmbH & Co. KG, Germany	100%
IDEA Isitme Sistemleri Sanayi ve Ticaret A.S., Turkey[1]	100%
Interacoustics A/S, Denmark[1]	100%
Interacoustics Pty Ltd, Australia	100%
Inventis North America Inc., United States	100%
Inventis S.r.l., Italy[1]	100%
ITSA Medical SAS, France[1]	100%
KIND Centre Auditif S.àr.l., Luxembourg[1]	100%
KIND GmbH & Co. KG, Germany	100%
KIND Hearing Pte. Ltd., Singapore	100%
KIND Hörzentralen AG, Switzerland	100%
Langer Hörstudio GmbH, Germany	100%
LeDiSo Italia S.r.l., Italy[1]	100%
Maico Diagnostics GmbH, Germany[1]	100%
Maico S.r.l., Italy[1]	100%
Mediszintech Audiologica Kft., Hungary[1]	100%
MedRx, Inc., United States	100%
Medton Ltd., Israel[1 2]	100%
Medton Retail Ltd., Israel	100%
Mr. Optik GmbH, Germany[2]	100%
Northeast Hearing Instruments, LLC, United States	100%
Ohrwerk Hörgeräte GmbH, Germany	100%
Prodition SAS, France[1]	100%
SBO Hearing A/S, Denmark[1]	100%
SBO Hearing US, Inc., United States	100%

[1]Directly owned by the Parent by 100%.
[2]Sub-consolidated group of companies, including associated companies.

Company	Interest
SBO International Sales A/S, Denmark[1]	100%
Shanghai YinPo Technology Co., Ltd., China	100%
Sonic AG (Sonic SA) (Sonic Ltd.), Switzerland[1]	100%
Sonic Equipment Australia Pty Ltd, Australia	100%
Sonic Innovations, Inc., United States	100%
Synapsys S.A.S, France	100%
Udicare S.r.l., Italy[1]	100%
Value Hearing (Pty) Ltd., South Africa[1]	100%
Virtualis VR, Corp., United States	100%
WDH Germany GmbH, Germany[1]	100%
WDH NR. 11 A/S, Denmark[1]	100%
WDH UK Limited, United Kingdom[1]	100%
WDH USA, Inc., United States[1]	100%
Workplace Integra Inc., United States	100%
Your Hearing Network, LLC, United States	100%
Destin Hearing Associates, LLC, United States	70%
Virtualis SAS, France	55%
Conc. Maico - Centro Otoacustico Marchesin S.r.l., Italy	50%
Acustica Umbra S.r.l., Italy	49%
Exclusive Hearing Limited, United Kingdom	49%
Ma.Bi.Ge Bioacustica S.r.l., Italy	49%
Microfon S.r.l., Italy	49%
Otic Hearing Solutions Private Limited, India	49%
AIRD S.r.l., Italy	40%
Audiology Concepts, LLC, United States	40%
Audiology Specialty Clinics of Minnesota, LLC, United States	40%
Audition Bahuaud SAS, France	40%
Dencker A/S, Denmark	40%
Istituto Acustica Italia S.r.l., Italy	40%
Vocechiara S.r.l., Italy	40%

[3]Sub-consolidated group of companies, including companies with non-controlling interests.
The list includes the Group's active companies.

Company	Interest
Centro Audioprotesico Lombardo S.r.l., Italy	35%
HIMSA A/S, Denmark	25%
Imperial Hearing Limited, United Kingdom	25%
Acufon S.r.l., Italy	20%
Audiovox Preduzece Za Izradu I Promet Ortopedskih Pomagaladoo, Serbia	20%
Bontech Research CO D.o.o., Croatia	20%
HIMSA II A/S, Denmark	20%
The Hearing Doctors of Georgia, LLC, United States	20%
K/S HIMPP, Denmark	19%
HIMPP A/S,	14%
HIMSA II K/S, Denmark	13%
Shanghai Longwan Medical Ltd., China	10%

[1]Directly owned by the Parent by 100%.
[2]Sub-consolidated group of companies, including associated companies.
[3]Sub-consolidated group of companies, including companies with non-controlling interests.
The list includes the Group's active companies.

Signatures

Statement by Management

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Demant A/S for the financial year 1 January to 31 December 2025.

The consolidated financial statements for Demant A/S have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent financial statements have been prepared in accordance with the Danish Financial Statements Act. The Management statement has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the Parent financial statements give a true and fair view of the financial position at 31 December 2025 of the Group and the Parent and the results of the Group and the Parent operations and consolidated cash flows for the financial year 1 January to 31 December 2025.

In our opinion, the Management statement includes a fair review of the development in the operations and financial circumstances of the Group and the Parent, of the results for the year and of the financial position of the Group and the Parent as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent are facing.

Additionally, the Sustainability statement, which is part of the Management statement, has been prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99a. This includes compliance with the European Sustainability Reporting Standards (ESRS), including that the process undertaken by Management to identify the reported information (the "Process") is in accordance with the description set out in the Double materiality assessment section. Furthermore, disclosures in the EU taxonomy subsection under the Environment section of the Sustainability statement are, in all material respects, in accordance with article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

The Sustainability statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different, since anticipated events frequently do not occur as expected.

In our opinion, the Annual Report of Demant A/S for the financial year 1 January to 31 December 2025 with the file name DEMANT-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report 2025 be adopted at the annual general meeting on 5 March 2026.

Smørum, 3 February 2026

Executive Board

Søren Nielsen, President & CEO	René Schneider, CFO	Niels Wagner, President Hearing Care

Board of Directors

Niels B. Christiansen, Chair	Niels Jacobsen, Vice Chair	Thomas Duer	Heidir Hørby
Sisse Fjelsted Rasmussen	Anders Højsgaard Thomsen	Kristian Villumsen	Katrin Pucknat

Independent auditor's reports

To the shareholders of Demant A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group's financial position at 31 December 2025 and of the results of the Group's operations and cash flows for the financial year 1 January to 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company's financial position at 31 December 2025 and of the results of the Parent Company's operations for the financial year 1 January to 31 December 2025 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 Demant A/S for the financial year 1 January to 31 December 2025 comprise the consolidated income statement and consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement, the consolidated statement of changes in equity and the notes, including material accounting policy information.

The Parent Company Financial Statements of Demant A/S for the financial year 1 January to 31 December 2025 comprise the income statement, the balance sheet, the statement of changes in equity and the notes, including material accounting policy information. 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) as applicable to audits of financial statements of public interest entities, 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 Demant A/S on 10 March 2022 for the financial year 2022. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of four years including the financial year 2025.

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 2025. 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
Acquisitions Acquisitions are complex transactions, which are subject to significant estimates, including the identification and valuation of assets, liabilities and contingent consideration etc. In order to determine the fair value of the separately identified assets and liabilities in a business combination, the valuation methodologies require input based on assumptions about the future and applied discounted cash flow forecasts, including market development and WACC. We focused on this area because of the significance to the Financial Statements, the inherent complexity and high degree of estimation in the accounting for acquisitions, as well as the potential inherent risk related to the control environment. Our main focus of the area was on the acquisition of KIND Group. Reference is made to Note 7.1 Acquisition of businesses in the consolidated financial statements.	We performed risk assessment procedures with the purpose of achieving an understanding of procedures and relevant controls relating to acquisition accounting. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement. Our audit procedures included assessing the appropriateness of the accounting policies for acquisitions applied by Management and assessing compliance with IFRS Accounting Standards. We assessed the valuation methodologies applied by Management and challenged Management's significant assumptions used to determine the fair value of the acquired assets and liabilities in the acquisitions, including the fair value of the intangible assets. Finally, we assessed the adequacy of disclosures relating to the acquisitions.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition Recognition of revenue is inherently complex due to the extent of different revenue streams, several performance obligations, trial periods and prepaid discounts, which are subject to interpretation, including the point in time of satisfaction of the performance obligations and recognition of related deferred revenue in respect of e.g. extended warranties, after sales services, etc. We focused on this area because of the significance to the Financial Statements, as well as the complexity and high degree of estimation related to e.g. prepaid discounts, provision for sales returns and extended warranties and deferred revenue. In addition, we focused on this area as revenue comprises a substantial number of transactions, with different characteristics depending on the business area the revenue relates to. Reference is made to Note 2.1 Revenue and segment disclosures in the consolidated financial statements.	Our audit procedures included considering the appropriateness of the accounting policies for revenue recognition applied by Management and assessing compliance with IFRS Accounting Standards. We performed risk assessment procedures to understand the information processing activities in relation to revenue recognition and evaluated whether the information systems appropriately support revenue recognition and measurement in accordance with the accounting policies. We identified controls addressing risk of material misstatements determined to be significant risk and evaluated the design of the controls and determined whether the controls have been implemented. We assessed the accounting estimates related to the recognition and presentation of revenue with Management. Further, we performed substantive procedures regarding invoicing, significant contracts and provision for e.g. sales returns and extended warranties in order to assess the accounting treatment and principles applied. We applied data analysis in our testing of selected revenue streams in order to identify transactions outside the ordinary transaction flow, including journal entry testing. Finally, we assessed the adequacy of disclosures relating to revenue recognition.

Statement on Management's review

Management is responsible for Management's review. Management's review consist of the Management statement (page 4-48) and the Sustainability statement (page 49-113).

Our opinion on the Financial Statements does not cover Management's review, and we do not as part of the audit express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's review and, in doing so, consider whether Management's review 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 review includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in paragraph 99 a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's review 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, except for the requirements in paragraph 99 a related to the sustainability statement, cf. above. We did not identify any material misstatement in Management's review.

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 IFRS Accounting 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 Demant A/S for the financial year 1 January to 31 December 2025 with the filename DEMANT-2025-12-31-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 Demant A/S for the financial year 1 January to 31 December 2025 with the file name DEMANT-2025-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 3 February 2026

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
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Independent auditor's limited assurance report on the Sustainability Statement

To the stakeholders of Demant A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Demant A/S (the "Group") included in management statement (the "Sustainability Statement"), page 49-113, for the financial year 1 January – 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the section "Double materiality assessment"; and
- Compliance of the disclosures in the section "EU Taxonomy regulation disclosure" of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)")* and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the *Auditor's responsibilities for the assurance engagement* section of our report.

Our independence and quality management

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.

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other Matter

The comparative information for the financial years 1 January – 31 December 2023, 2022 and 2021 included in the Sustainability Statement of the Group was not subject to an assurance engagement. Our conclusion is not modified in respect of this limitation of scope.

Management's responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in the section "Double materiality assessment" of the Sustainability Statement. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- Compliance with the ESRS;
- Preparing the disclosures as included in the section "EU Taxonomy regulation disclosure" of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;
- Designing, implementing and maintaining such internal control that management

determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the section "Double materiality assessment".

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the section "Double materiality assessment".

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether the information identified by the Process is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Performed substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and management statement. Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Hellerup, 3 February 2026

PricewaterhouseCoopers
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