

## Company announcement no 2022-05

4 March 2022

### Investment in leading growth platform in China

Demant has completed the acquisition of 20% of the shares in ShengWang, a leading network of hearing aid clinics in China with around 500 shops across the country. The investment allows Demant to further strengthen its position in the large, fast-growing Chinese hearing aid market where ShengWang has high ambitions for continued expansion. With a strong leadership team, a proven organisation and scalable processes, ShengWang offers an excellent growth platform for the next many years.

Demant and ShengWang are working in close collaboration to complete a transaction regarding the acquisition of the remaining 80% of ShengWang before the end of H1 2022 at which point details of the financial impact of the transaction will be disclosed.

ShengWang was founded in 1998 and has for several years – and particularly following the introduction of Philips Hearing Solutions – been a valued partner of the Demant Group thanks to a strong relationship with our Hearing Aids business. Today, ShengWang has more than 1,300 employees serving the fast-growing Chinese market for hearing care, which is expected to see double-digit annual growth rates in the next many years due to demographic developments and a gradually increasing penetration rate.

As part of the investment in ShengWang, Niels Wagner, President of Demant's Hearing Care business, has joined the company's board of directors.

In itself, the completed acquisition of 20% of the shares in ShengWang will only have a very limited financial impact on the Group, and the Group's outlook for 2022 thus remains unchanged. Completion of the planned full acquisition of ShengWang will entail full financial consolidation, and as stated above, the financial impact of such consolidation will be disclosed upon closing of the transaction.

*Further information:*

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