

Company announcement no 2022-07

10 March 2022

Decisions of annual general meeting

Today, Demant A/S held its annual general meeting as a hybrid meeting, which took place both as a physical meeting at the company's headquarters and as a virtual meeting.

In his address, the Chairman of the Board, Niels B. Christiansen, gave an account of the Group's development in 2021. The report is available on www.demant.com. He said among other things:

"At the beginning of 2021, we had high hopes for the year's market development, and we are proud to say that not only did we meet our expectations, but we also exceeded them. All in all, 2021 was a fantastic year for Demant where we delivered high organic growth, and our core segment, Hearing Healthcare, delivered a growth rate above the market growth rate. The Group generated record-high revenue of more than DKK 18 billion and the best operating profit (EBIT) ever of more than DKK 3.4 billion.

Both in 2022 and in the years to come, we expect to see growth and to gain further market shares. However, this is only doable through the dedicated efforts of our engaged employees when it comes to ensuring high quality and doing their utmost to provide excellent service to our customers."

All proposals put forward by the Board of Directors were adopted by the general meeting, implying among others the following decisions:

- The company's Annual Report 2021 was approved, and the year's profit, DKK 2,015 million, will be transferred to the company's reserves.
- The Remuneration Report for 2021 was approved.
- The Director's fee remains the same as in 2021.
- Niels B. Christiansen, Niels Jacobsen, Anja Madsen, Sisse Fjelsted Rasmussen and Kristian Villumsen were re-elected members of the Board of Directors.
- The company's auditors, Deloitte Statsautoriseret Revisionspartnerselskab, were replaced by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PwC) in compliance with legal requirements in respect of rotation of auditor and accounting firm and with the proposal put forward by the company's audit committee.
- The company's share capital will be reduced by nominally DKK 1,949,819.60, corresponding to the company's holding of treasury shares at 27 January 2022. The company's holding of treasury shares was acquired during 2021 as part of the company's share buy-back scheme. As a result of the capital reduction, article 4.1 of the Articles of Association will be amended no later than four weeks after expiry of the deadline for the filing of claims by creditors, which means that upon expiry of this deadline, it will appear from article 4.1 that the company's share capital is DKK 46,075,747.00.
- Until the next ordinary general meeting, the Board was authorised to let the company buy back shares with a nominal value of up to 10% of the share capital.
- The revised Remuneration Policy, which among other changes implies a change in the remuneration structure for the Executive Board, was approved.

After the general meeting, the Board of Directors elected Niels B. Christiansen Chairman and Niels Jacobsen Deputy Chairman of the Board.

Additionally, after the general meeting and following the approval of the Remuneration Policy, the Board of Directors decided to introduce a share-based programme for the Executive Board as part of their remuneration package as described in the Remuneration Policy.

Rf. Rule 3.8.1 in Nasdaq's Nordic Main Market Rulebook for Issuers of Shares, the following information is hereby provided about the share-based programme:

Description of the programme	<p>A long-term incentive programme in the form of restricted stock units (RSUs), which will be converted into shares in the company on a 1:1 ratio at vesting.</p> <p>At the beginning of a one-year performance period, the maximum number of RSUs that will vest at the end of a three-year vesting period is granted.</p> <p>At the end of the performance period, the number of RSUs will be adjusted based on an assessment of the level of achievement of the performance criteria.</p> <p>The value of the RSUs cannot be less than 25% of the annual fixed base salary of the Executive Board member in question, and the value cannot be more than 75% of the annual fixed base salary of the Executive Board member.</p> <p>Please refer to the Remuneration Policy for a more detailed description of the programme.</p>
Performance criteria	Performance criteria are closely aligned with Demant's strategy and will typically be linked to financial, business and sustainability targets.
Group of persons covered by the programme	Executive Board as of 1 April 2022
Vesting period	2022-2025, i.e. three years
Performance period	2022, i.e. one year (the first year of the vesting period)
Share price used for grant calculation	DKK 271.70, i.e. the average share price quoted on Nasdaq Copenhagen of the first five trading days following the publication of Demant's Annual Report 2021.
Total number of RSUs granted	77,220
The theoretical market value of the programme	DKK 20,980,647 based on the share price used for grant calculation and representing the maximum payout to be adjusted based on performance criteria.

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