

Chair's report at Demant A/S' annual general meeting on Thursday, 6 March 2024 at 3:00 p.m.

It is always a pleasure to warmly welcome you shareholders to the general meeting here at Demant's headquarters. I am proud to be part of this company, which for more than 120 years has worked with a common and meaningful purpose: to improve the lives of people with hearing loss – or as we say in English, to create life-changing hearing health.

The more than 22,000 employees in the Group work dedicatedly every day to realise our ambition of improving as many users' lives as possible. Therefore, it was also a great joy to see the commitment when we celebrated Demant's 120th anniversary in 2024 by planting 120 trees as a global initiative. The desire to come together for beneficial initiatives in our company is strong among employees, regardless of nationality or background. And we experience that caring for people, which is at the core of what we do, goes hand in hand with caring for the environment.

2024 was the year of our 120-year celebration, but it was also a year that did not go entirely according to the plan we had laid out at the beginning of the year. Based on a strong year in 2023 for the Group, we started with ambitious plans for 2024. Regrettably, halfway through the year, we had to revise our financial outlook and implement cost-reducing measures. We did this to adapt the business to the current development and thus to maintain profitability. We are constantly focused on delivering an attractive financial return to you shareholders. And in line with our revised financial outlook, the Group delivered organic growth of 2% and an operating profit before special items of DKK 4.4 billion in 2024.

In addition to the financial results, I would like to dwell on the difference we have made for many people during 2024. We have improved the lives of 11 million people who have benefitted from using hearing aids from Demant. We are committed to delivering quality solutions to our customers and users, raising awareness about hearing loss and ensuring access to treatment for more people. One of the approaches to achieving this is performing hearing tests. In 2024, 1.5 million people were tested in one of our clinics worldwide.

A more focused company

We are determined to deliver solid results, even in a highly competitive environment. This has also led to our important strategic decision to be a company focused on hearing healthcare. In 2024, we decided to concentrate our efforts on the core business and thereby become a more focused and profitable company. An important element of this strategy was partly executed with the sale of our cochlear implant business and partly with the decision to sell our headset business, EPOS – including turning EPOS from loss-making to profitable. We are still working on selling EPOS and our bone-anchored hearing solutions business.

A Demant focused on hearing healthcare consists of our three business areas: Hearing Aids, Hearing Care and Diagnostics. They all contribute to Demant having a positive impact on people's health and well-being every day. Demant is strongly positioned in hearing healthcare, which can be attributed to our ability to deliver growth and earnings across geographies and channels.

We have made our strategy clear. Innovation is and will remain the core of our company, and we believe that being a leader in audiology is important to maintain a competitive advantage in our industry. We are dedicated to continuing to invest in next-generation hearing solutions, using groundbreaking sound processing based on artificial intelligence. We also believe strongly in the value of combining high-quality technology with professional and individual patient care. We do this through either customers' clinics or our own Hearing

Care clinic network. To increase economies of scale and profitability in the Group, we will continue to invest in global distribution, which includes expanding our Hearing Care business area both organically and through acquisitions. Similarly, we will continue to utilise and expand our significant knowledge as a global market leader in diagnostic equipment.

Hearing healthcare

Let me make some comments on the individual business areas:

Hearing Aids is our business area for the manufacture and wholesale of hearing aids.

At the beginning of 2024, we launched yet another groundbreaking flagship product, Oticon Intent. Oticon Intent features powerful artificial intelligence and provides high speech understanding and noise cancellation, especially in situations with many people talking at once. The new hearing aids were very positively received by users.

The benefits of using artificial intelligence in our solutions are significant. Demant has been working with it for several years, and we invest significantly in signal processing based on artificial intelligence, while focusing on the crucial factors, such as power consumption, speech understanding, noise cancellation, connectivity and not least the size of the hearing aid. Therefore, we are also pleased to announce that we have already delivered on these priorities in the first quarter of 2025 and launched new very small in-the-ear devices powered by 2nd generation artificial intelligence.

Despite the successful launch of new products in all four hearing aid brands, Oticon, Bernafon, Philips and Sonic, the business area did not meet our original expectations for 2024, which were high after a very strong 2023. This was due to a loss of market share in the insurance-based sales channel in the USA, managed care. Here, we decided on a changed approach to the use of our product brands, which had greater consequences for sales than expected. At the same time, the business area was affected by a generally competitive market.

Hearing Care is our global network of clinics, which we know in Denmark and several other countries as Audika. It is in the clinics that we get close to the users of our products, and we work dedicatedly to help them hear better. The business area delivered strong results in 2024.

We are convinced that professional treatment is crucial for a person with hearing loss to get the most out of their treatment. Therefore, we are available in our clinics with competent and caring treatment and the best technological solutions. In line with our strategy, we continued to acquire clinics in 2024, so we are accessible to even more people. For example, in 2024, we almost doubled our presence in Denmark with the acquisition of Dansk HøreCenter, which has just been renamed Audika. We have also significantly increased our presence in Germany in the past year. Thus, by the end of 2024, we have more than 4,000 clinics worldwide, which puts us in an advantageous position to continue driving growth.

Diagnostics is our business area for diagnostic instruments and services, where we are market leaders.

The market for diagnostic equipment was generally weak in 2024, which we also felt in Diagnostics, where we experienced weaker momentum than originally planned. Despite this negative market development, we estimate that our organic growth rate was above the market growth rate during the period. It is our assessment that the structural growth drivers are intact, so we expect to see better growth in the coming year with Demant's technologically strong position in the area.

At the end of the year, we were pleased to welcome our new President of Diagnostics, Anne-Karen Hunt. She comes with significant relevant experience and has quickly been integrated into and become a valuable member of our competent leadership team, which the Board of Directors is very satisfied with.

Sustainability integrated into the strategy

Our ambition and care for people's hearing health and general well-being go hand in hand with also taking care of our society and the planet. Our focus on sustainability is an integrated part of our strategy.

As something new this year, we are publishing an annual report that integrates reporting on data and goals within both the financial and sustainability areas. The annual report addresses how we, as a leading and responsible hearing healthcare company, create value for all our stakeholders – including how our activities impact the environment and society.

Our core contribution to creating a more sustainable world is closely linked to our purpose of *life-changing hearing health*. Improving the lives of people with hearing loss positively impacts health in a broad sense and thus also society in general. As mentioned, we improved the lives of 11 million people in 2024, and our goal is to increase this number to more than 16 million by 2030.

Just as we care for the hearing aid users we help, we are also committed to caring for our employees. To support and promote fair opportunities for all employees, our focus is on creating an even more diverse and inclusive culture at Demant. We are pleased that we can again report progress on our goals: With a share of 31% of women in our global top management in 2024, we have reached our goal a year earlier than planned. We have therefore set a new goal that the balance between women and men in top management should be at least 35/65% by 2030.

In terms of climate, our goal is to have reduced our CO2 emissions by 46% by 2030 compared to 2019. Specifically, in 2024, we reduced our own direct and indirect CO2e emissions – so-called scope 1 and 2 – by 8% compared to 2019 and 11% compared to 2023.

We are pleased that the anchoring of sustainability into the strategy leads to progress on our goals. When we run a more focused company, we can also better prioritise our activities while working responsibly and sustainably.

Cash flow and share buy-backs

In 2024, we once again delivered strong cash flow from our operating activities of more than DKK 4 billion, mainly due to improved profitability. It is a testament to Demant being a healthy company with a strong financial position, which gives us the freedom to execute on the strategic choices that we believe best serve our ambition of creating value for our users and our shareholders.

As far as allocating capital and channelling profits back to you shareholders are concerned, I would like to remind you how we approach this at Demant:

Each year, we use the cash flow we generate from our operating activities for value-creating investments and acquisitions. We intend to use any excess liquidity for continuous share buy-backs. We use the shares we buy for capital reduction, and we propose that the general assembly adopts this proposal. That way, a large part of the profit is channelled back to you shareholders. In 2024, we bought back shares for as much as DKK 2.3 billion.

Board of Directors and remuneration

The Board of Directors evaluates on a continuous basis whether the company has value-creating and efficient structures for corporate governance that strike a balance between being a listed company with many shareholders and strong and good foundation ownership with a long-term perspective. We continue to comply with the Danish Recommendations on Corporate Governance to a very high degree, and our report on corporate governance can as always be found on the company's website.

At last year's general meeting, Anja Madsen did not stand for re-election to the Board. We then announced that we would find a new competent candidate to be proposed at this year's general meeting. We are very pleased that in the notice of this general meeting, we were able to announce that Katrin Pucknat is standing for election to the Board of Directors. Katrin is Chief Marketing Officer in ResMed, a medical equipment company listed in the USA, and brings strong competences in marketing as well as significant knowledge of and commercial insight into the MedTech industry. Katrin is, of course, present here today, and I would like to ask her to stand up. *[Could you please stand up, Katrin]*. We are confident that her skills and knowledge will be valuable in the Board's work going forward and will contribute to the execution of the company's strategy.

The Board of Directors and the leadership team have continued the good cooperation throughout the year, which is based on trustful and constructive discussions. Every year, we evaluate our work on the Board. The evaluation is carried out either through individual interviews with Board members or through a questionnaire. In both cases, we subsequently have a discussion of the results in the entire Board. At least every third year, the evaluation is carried out with external assistance. In the Board, we are satisfied with our working method and structure, but we also look forward to having a 5th member elected by the general meeting join the group again. This will bring the total number of Board members, including the staff-elected members, to eight. More skills will contribute to valuable discussions focused on the long-term strategic development of the company.

Our remuneration structure and policy are simple, focusing on rewarding members of the Board of Directors and the Executive Board for their commitment and achieved results for the company. Additionally, the goal is to attract qualified potential members to the Board and Executive Board and then motivate and retain them. The Board considers the remuneration of Demant's Executive Board to be reasonable and competitive.

The annual Board fee at Demant is DKK 450,000, and the fee for the audit committee members is DKK 100,000. The Board fee is around the average for companies in the C25 index, while the fee for the audit committee is at the lower end. For 2025, we propose that the fees remain unchanged.

As usual, we present all information about the Board's and Executive Board's remuneration in our Remuneration Report, where you can also read about the performance criteria.

Conclusion

Demant is fully dedicated to promoting global hearing health so that we can help more people hear better. We are in a unique position to serve users and customers from the first screening, testing and fitting to ongoing personal treatment. As one of the world's leading hearing health companies, we focus on creating growth and delivering attractive financial results based on a strong and sustainable business model. With our focus on innovation, artificial intelligence and service, we will work intensively to ensure that we deliver on our long-term targets for growth and profitability, and also to make 2025 a good year for Demant.

Our skilled employees worldwide work dedicatedly every day to contribute to achieving this. We greatly appreciate it, and a big thank you goes to our employees for their efforts in 2024. I would also like to thank our customers and partners for their loyalty in 2024.

And finally, I would like to thank you shareholders for your interest in and support for Demant.

Now, I give the floor to Søren Nielsen, who will present the company's financial statements for 2024.

Søren, the floor is yours.