

Remuneration Report 2024

Demant

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Introduction and activities in 2024

In this Remuneration Report 2024, we present the remuneration of the Board of Directors and the Executive Board for 2024. The information in the Report is based on our Remuneration Policy, which is available on our website.

Remuneration Report 2024 for Demant A/S is prepared in accordance with section 139 (b) of the Danish Companies Act.

Please refer to [Remuneration Report 2024](#) on the company's website.

Governance

The remuneration committee makes recommendations to be considered by the Board of Directors in relation to the Remuneration Policy. The remuneration committee also evaluates the current remuneration and prepares the Remuneration Report, which is approved by the Board of Directors, before it is submitted for advisory approval at the annual general meeting.

The remuneration committee ensures that the remuneration of the Board of Directors and the Executive Board is competitive and appropriate and in accordance with the Remuneration Policy. This includes an evaluation of the balance between the Executive Board's motivation to pursue the long-term strategic objectives of the Group and the interests of the company's shareholders.

The remuneration committee is committed to ensuring transparency by explaining how the remuneration is linked to the strategy and ambitions of Demant.

Remuneration Report 2024 is presented to the shareholders at the annual general meeting in 2025.

Remuneration Report 2023 was approved without comments at the annual general meeting held on 6 March 2024.

Main activities in 2024

In addition to its normal tasks pursuant to the committee charter, the remuneration committee has focused on ensuring that the remuneration policy works well. René Schneider, CFO, carried the responsibility as President of Diagnostics for an interim period. In recognition of this, the committee recommended to the Board of Directors to increase the CFO's base salary for an interim period during 2024 (see table 4 for details).

The committee held four meetings during the year.

Overall remuneration principles

The Remuneration Policy approved in 2022 ensures that the remuneration of the Executive Board is linked to the performance of both the Group and the Executive Board and that it aligns with the interests of the shareholders.

The remuneration policy is designed to attract, retain and motivate the members of the Board of Directors and Executive Board and to encourage decisions that support the long-term strategy and performance of the company. It is further designed to support the strategy, value creation, sustainability performance and long-term interests of the company.

Furthermore, the remuneration policy aims to support a straightforward, well-governed, competitive and transparent remuneration structure and to ensure that the leaders are rewarded for their commitment to and achieved results for the company.

Remuneration Report 2024 aims to provide a transparent and comprehensive overview of the remuneration of the Board of Directors and Executive Board.

Group performance in 2024

In 2024, we took important steps to become a more focused hearing healthcare company. We made many great achievements, but in terms of Group performance, we did not deliver as anticipated at the beginning of the year.

Halfway through the year, we had to revise our financial outlook and take cost-saving initiatives to safeguard profitability and deliver on our commitment to drive attractive financial returns for investors.

In 2024, the Group delivered results in line with our updated expectations of 2% organic revenue growth and an operating profit before special items of DKK 4.4 billion.

In 2024, our Hearing Care business area drove solid growth and good performance. Performance in our Hearing Aids business area did not live up to our expectations, which was also the case for Diagnostics. Regarding Communications, we decided to investigate strategic options for the future ownership of EPOS, and we successfully carried out a restructuring of the business during the year.

We made significant progress in our sustainability efforts, as reflected in our revised Sustainability Strategy. Regarding employee engagement, we implemented initiatives, but we did not achieve the increase in the engagement level we had aimed for.

The remuneration of the Board of Directors and Executive Board is in accordance with our remuneration policy, and when taking the overall Group performance in 2024 into account, the Board of Directors considers the remuneration to be fair.

Remuneration of the Board of Directors

Since the annual general meeting held on 6 March 2024, the Board of Directors has consisted of four members (re-elected the year before), as Anja Madsen decided not to stand for re-election. The staff-elected member, Charlotte Hedegaard, resigned and was replaced by the alternate, Anders Højsgaard Thomsen, on 1 November. As of 31 December 2024, the Board consists of:

- Niels B. Christiansen, Chair
- Niels Jacobsen, Vice Chair
- Sisse Fjelsted Rasmussen
- Kristian Villumsen
- Thomas Duer (staff-elected)
- Heidir Hørbye (staff-elected)

- Anders Højsgaard Thomsen (staff-elected)

The Board members receive a fixed base fee. In addition, the Chair and the Vice Chair and the members of the audit committee receive supplementary fees. The audit committee chair receives a higher supplementary fee. There are no fees for members of the nomination, remuneration and IT security committees.

Board members' travel expenses are covered by the company. Board members do not receive any other separate fees from the company and are not entitled to severance pay.

Approved at the annual general meeting held on 6 March 2024, the Board fees for 2024, which remained unchanged from 2023, appear from Table 2.

Table 1: Annual fees to the Board of Directors

(DKK thousand)	Board	Audit committee
Member	DKK 450 (base fee)	DKK 100 (base fee)
Vice Chair	DKK 900 (2 x base fee)	N/A
Chair	DKK 1,350 (3 x base fee)	DKK 200 (2 x base fee)

Table 2: Remuneration of the Board of Directors

(DKK thousand)	2024			2023			2022		
	Base fee	Audit committee fee	Total	Base fee	Audit committee fee	Total	Base fee	Audit committee fee	Total
Niels B. Christiansen	1,350	-	1,350	1,350	-	1,350	1,200	50	1,250
Niels Jacobsen	900	100	1,000	900	100	1,000	800	50	850
Sisse Fjelsted Rasmussen	450	200	650	450	200	650	400	150	550
Kristian Villumsen	450	100	550	450	100	550	400	50	450
Thomas Duer	450	-	450	338	-	338	400	-	400
Heidir Hørbye	450	-	450	338	-	338	-	-	-
Anders Højsgaard Thomsen	113	-	113	-	-	-	-	-	-
Charlotte Hedegaard	338	-	338	338	-	338	-	-	-
Anja Madsen	225	-	225	450	-	450	400	50	450
Casper Jensen	-	-	-	225	-	225	400	-	400
Jørgen Møller Nielsen	-	-	-	113	-	113	400	-	400
Total	4,725	400	5,125	4,950	400	5,350	4,400	350	4,750

Remuneration of the Executive Board

Executive Board

As of 31 December 2024, the Executive Board consists of:

- Søren Nielsen, President & CEO and President of Hearing Aids
- René Schneider, CFO and President of Group Services
- Niels Wagner, President of Hearing Care

Remuneration structure

The remuneration for the Executive Board is structured in such a way that it closely aligns the members' interests with the company's strategic objectives, thereby creating value for the shareholders. Additionally, it aims to attract, retain and motivate members.

The remuneration package includes:

- Fixed base salary
- Short-term cash-based incentive payment
- Long-term share-based incentive payment
- Customary non-monetary benefits

The combination of fixed remuneration and short- and long-term variable components strikes an appropriate balance and incentivises the Executive Board to pursue value creation, sustainable growth and responsible development.

The performance criteria and targets are linked to Demant's strategy in which sustainability is intrinsic.

The remuneration committee makes a proposal for the Executive Board's remuneration, which is subsequently approved by the Board of Directors. The Executive Board's remuneration, including the nature and level of incentive payments, is benchmarked against remuneration levels in primarily other Danish listed OMXC25 companies.

Table 3: Remuneration elements

Element	Description	Level 2024
Base salary	Annual fixed base salary, adjusted on a yearly basis	Reflecting market standards and individual performance
Short-term cash-based incentive	Annual cash bonus based on the Group's financial targets and on financial targets for the business areas, where relevant Can be 0 but cannot be more than 20% of the annual fixed base salary	On achievement of the targets set, the target payout will be 10% of the annual fixed base salary
Long-term share-based incentive	Restricted stock units (RSUs) based on the Group's financial, business and sustainability targets as well as on retention RSUs vest after three years. At vesting, the RSUs are converted into shares in the company at a 1:1 ratio Cannot be less than 25% and cannot be more than 75% of the annual fixed base salary	On achievement of the targets set, the target payout will be 50% of the annual fixed base salary
Customary non-monetary benefits	Typical benefits, such as company car, telephone, internet access etc.	Market-competitive level

Table 4: Remuneration of the Executive Board

2024								
	Fixed remuneration		Variable remuneration		Total	IFRS value ⁴	Fixed %	Variable %
	Fixed salary	Other benefits ¹	STI cash bonus ²	LTI RSU ³				
(DKK million)								
Søren Nielsen, President & CEO	12.9	-	0.1	3.5	16.5	18.7	78.2%	21.8%
René Schneider, CFO ⁵	7.1	-	0.1	1.7	8.9	9.8	79.8%	20.2%
Niels Wagner, President of Hearing Care	5.1	-	0.4	1.4	6.9	7.7	73.9%	26.1%
Total	25.1	-	0.6	6.6	32.3	36.2	77.7%	22.3%

¹ Other benefits: Telephone, health insurance.

² Cash bonus: Earned cash value of bonus based on 2024 performance to be paid out in 2025.

³ RSU programme: Earned RSU value based on 2024 performance, granted in April 2024, re-evaluated in January 2025, vesting in March 2027. Granted RSU value before adjusting for 2024 performance totals DKK 18.2 million.

⁴ IFRS value: Stated value in the Annual Report (note 1.2). In the Annual Report 2024, DKK 10.7 million was expensed as total share-based payments for the Executive Board. Expenses relating to incentive programmes are amortised over the vesting period in accordance with IFRS 2 and adjusted for expected achievement of performance criteria. The IFRS value represents the value presented in the Annual Report and includes both the "shadow share" programme and the RSU programme. The IFRS value thus consists of costs from the current year's grant as well as costs from previous programmes, which will vest in the current or in the coming years. The Remuneration Report shows the value recognised in the year of grant only.

⁵ René Schneider, CFO, has been interim President of Diagnostics for a period. As compensation for this extra commitment and responsibility, his base salary was increased from January to August 2024 by a total amount of DKK 800,000. This addition to his salary is not included in the base for calculation of the variable remuneration (STI and LTI).

Table 5: RSU programmes for the Executive Board

(number of shares)	Programme	Grant	Vesting	Grant	Adjusted	Exercised	Deposit as at 31 Dec. 2024	Market value as at 31 Dec. 2024 (DKK million)	Value of exercised RSUs in 2024 (DKK million)
Søren Nielsen, President & CEO	2022/2025	April 2022	March 2025	33,964	-15,306	-	18,658	4.9	-
Søren Nielsen, President & CEO	2023/2026	April 2023	March 2026	42,403	-5,654	-	36,749	9.7	-
Søren Nielsen, President & CEO	2024/2027	April 2024	March 2027	27,579	-17,541	-	10,038	2.7	-
René Schneider, CFO	2022/2025	April 2022	March 2025	15,420	-6,950	-	8,470	2.2	-
René Schneider, CFO	2023/2026	April 2023	March 2026	20,481	-2,731	-	17,750	4.7	-
René Schneider, CFO	2024/2027	April 2024	March 2027	13,341	-8,485	-	4,856	1.3	-
Niels Wagner, President of Hearing Care	2022/2025	April 2022	March 2025	12,918	-5,822	-	7,096	1.9	-
Niels Wagner, President of Hearing Care	2023/2026	April 2023	March 2026	16,340	-2,179	-	14,161	3.7	-
Niels Wagner, President of Hearing Care	2024/2027	April 2024	March 2027	10,858	-6,906	-	3,952	1.0	-
Total				159,340	-56,268	-	103,072	27.2	-

Table 6: “Shadow share” programmes for the Executive Board

(number of shares)	Programme	Grant	Vesting	Grant	Forfeited	Exercised	Deposit as at 31 Dec. 2024	Market value as at 31 Dec. 2024 (DKK million)	Value of exercised “shadow shares” in 2024 (DKK million) ¹
Søren Nielsen, President & CEO	2021/2024	April 2021	March 2024	19,797	-	-19,797	-	-	7.0
René Schneider, CFO	2021/2024	April 2021	March 2024	8,552	-	-8,552	-	-	3.0
Niels Wagner, President of Hearing Care	2021/2024	April 2021	March 2024	5,929	-	-5,929	-	-	2.1
Total				34,278	-	-34,278	-	-	12.1

¹ The value of the exercised shares is based on the average share price for the five stock market days following publication of the Annual Report 2023. The average share price applied is DKK 351.21.

Table 7: Performance criteria structure and assessment for LTI 2024

	Target	Weight	Assessment
Group financial targets	Organic growth relative to peers in Hearing Healthcare	50%	Below target
	EBIT margin in Hearing Healthcare	30%	Below target
	Performance of Communications	10%	Below target
Group sustainability target	Employee engagement ¹	10%	Below target

Table 8: Performance criteria structure and assessment for STI 2024

	Target	Weight		Assessment
		CEO and CFO	President of a business area	
Group financial targets	Organic growth relative to peers in Hearing Healthcare	50%	20%	Below target
	EBIT margin in Hearing Healthcare	30%	12%	Below target
	Performance of Communications	10%	4%	Below target
Group sustainability target	Employee engagement ¹	10%	4%	Below target
Business area financial targets	Organic growth relative to peers in Hearing Care	-	38%	Above target
	EBIT margin in Hearing Care	-	22%	Around target

The CEO and the CFO are measured against Group targets only. The President of Hearing Care is measured against Group and business area targets based on a 40/60% ratio.

Table 9: Total performance assessment for STI and LTI 2024

Name and position	LTI performance criteria achievement (25-75%)	STI performance criteria achievement (0-20%)
Søren Nielsen, President & CEO	27.3%	0.9%
René Schneider, CFO	27.3%	0.9%
Niels Wagner, President of Hearing Care	27.3%	8.7%

Percentages are calculated based on the annual fixed base salary.

¹ ESRS 2 GOV-3 Integration of sustainability-related performance in incentive schemes. The metrics are part of limited assurance.

Termination and severance payments

Employment contracts for the Executive Board are entered into for an indefinite period with a mutual right of termination.

In the event of dismissal, Executive Board members' notice period cannot exceed 24 months, please refer to Table 10. During the notice period, the Executive Board member is entitled to continued remuneration. However, Executive Board members are not entitled to severance pay.

Non-monetary benefits

Members of the Executive Board are entitled to usual non-cash benefits, such as company car, newspapers, telephone, internet access etc.

Claw-back

The company has an option to reclaim, in part or in full, any earned, paid or vested variable remuneration, if it was based on information that subsequently proved to be materially incorrect, or if the member of the Executive Board acted in bad faith in respect of other matters, either situation having led to payment of a too large variable remuneration. Such option to reclaim is only valid for up to 12 months after payout or vesting of the variable remuneration. Furthermore, there is a mechanism, which will become effective to ensure that granted, but not paid out/vested, remuneration is clawed back, if a member of the Executive Board resigns or is given notice of termination due to gross negligence.

In the financial year 2024, no incentive remuneration was reclaimed.

Share salary arrangement

Members of the Executive Board may enrol in the company's share salary arrangement. Participation in the arrangement requires the Executive Board member to set aside a percentage of his or her gross salary each month, which is then converted into shares in the company and transferred to be traded freely.

In 2024, all members of the Executive Board participated in the company's share salary arrangement on a voluntary basis and had part of their remuneration converted into shares.

Table 10: Notice

Name and position	Notice in the event of dismissal	Notice in the event of resignation
Søren Nielsen, President & CEO	24 months	12 months
René Schneider, CFO	21 months ¹	6 months
Niels Wagner, President of Hearing Care	12 months	6 months

¹ Increases by one month for every year of employment, however to a maximum of 24 months.



Correlation between remuneration, strategy and goals

Demant's 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. In doing so, we contribute to building a more sustainable world and enable more people to enjoy life to the fullest.

With our strategy, we are focused on creating value by growing our business, while enhancing our profitability through economies of scale, efficiency and clear commitments to customers, employees and investors:

We deliver a user experience to our *customers* that exceeds expectations by providing life-changing hearing health through innovative, state-of-the-art products. For our *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. For our *investors*, we deliver attractive financial returns and growth based on a resilient business model and a strategy that focuses on value-creating growth.

The remuneration of the Board of Directors and the Executive Board is designed to support these strategic goals and commitments.

It is the opinion of the Board of Directors that a combination of fixed remuneration and a long-term variable component on the one hand and the interests of the company's shareholders on the other hand strikes an appropriate balance and motivates the Executive Board in their pursuit to create long-term growth.

It is the opinion of the Board of Directors that the total remuneration of the Board of Directors and the Executive Board reflects a competitive remuneration level.

As part of determining the remuneration for the Executive Board, Demant has assessed the Executive Board's remuneration level against the salaries of the company's employees and compared the Executive Board's terms of employment with the terms of employment of other employees.

The Executive Board's remuneration reflects the responsibility, scale and complexity of the roles and duties of the Executive Board, and the principles applied are based on general salary benchmarking practices.



Changes in the Executive Board's and the Board of Directors' remuneration

Table 11: Annual changes, Executive Board

	2024	2023	2022	2021	2020
Executive Board					
Søren Nielsen, President & CEO ¹	-27.1%	28.5%	-1.7%	12.6%	8.9%
René Schneider, CFO ^{1 2}	-18.6%	30.1%	5.0%	14.3%	2.9%
Niels Wagner, President of Hearing Care ³	-19.4%	30.2%	-	-	-
Parent					
Profit before tax, DKK million	1,602	1,369	1,431	1,983	776
Profit before tax, annual change	17.0%	-4.3%	-27.8%	155.5%	-19.8%
Number of full-time employees (FTE)	49	41	29	27	25
Change in average salary per FTE	-0.4%	-0.6%	-18.2%	-5.2%	22.4%
Group					
EBIT before special items, DKK million ⁴	4,404	4,506	3,207	3,663	1,530
EBIT before special items, annual change ⁴	-2.3%	40.5%	-12.4%	139.4%	-28.9%
Number of full-time employees (FTE) ⁵	22,163	21,567	19,810	17,498	16,153
Change in average salary per FTE	5.1%	-1.6%	0.9%	4.8%	-2.6%
CEO remuneration ratio ⁶⁾	41	47	39	38	35

¹ In 2020 and 2021, the "shadow shares" granted under the retention programme to the Executive Board in 2017 and 2018, respectively, were converted into cash payouts in accordance with the terms of the programme. These cash payouts constitute the by far major part of the increase in remuneration.

² Includes additional salary as interim President of Diagnostics.

³ Niels Wagner joined the Executive Board on 1 April 2022. The calculation is annualised.

⁴ Has been changed for 2023 and 2021 due to the reclassification of Communications and Hearing Implants to discontinued operations.

⁵ Including FTEs in discontinued operations.

⁶ The CEO remuneration ratio is calculated as the CEO's total remuneration/the average employee's total remuneration in the Demant Group.

Prior years' remuneration to the Executive Board is updated to reflect the final target adjustment conducted each year in February.

Table 12: Annual changes, Board of Directors

	2024	2023	2022	2021	2020 ⁶⁾
Board of Directors					
Niels B. Christiansen	0%	8%	0%	31%	-13%
Niels Jacobsen	0%	18%	0%	31%	-13%
Sisse Fjelsted Rasmussen ⁵	0%	18%	0%	-	-
Kristian Villumsen ⁵	0%	22%	0%	-	-
Thomas Duer ³	0%	13%	0%	32%	-13%
Heidir Hørby ³	0%	-	-	-	-
Anders Højsgaard Thomsen ²	0%	-	-	-	-
Charlotte Hedegaard ^{1 3}	0%	-	-	-	-
Anja Madsen ^{1 4}	0%	0%	0%	30%	-
Casper Jensen ³	-	13%	0%	32%	-13%
Jørgen Møller Nielsen	-	13%	0%	32%	-13%
Benedikte Leroy ⁵	-	-	-	30%	-13%
Lars Rasmussen ⁵	-	-	-	27%	-13%

¹ In 2024, Anja Madsen did not stand for re-election.

² Charlotte Hedegaard resigned on 1 November and was replaced by the alternate, Anders Højsgaard Thomsen.

³ In 2023, Charlotte Hedegaard and Heidir Hørby were elected new members of the Board of Directors – both for a term of four years, starting after the annual general meeting. They replaced Thomas Duer and Jørgen Møller Nielsen. Subsequently, Casper Jensen resigned and was on 1 August replaced by the alternate, Thomas Duer.

⁴ In 2020, Anja Madsen was elected to the Board of Directors at the annual general meeting.

⁵ In 2021, Sisse Fjelsted Rasmussen and Kristian Villumsen were elected to the Board of Directors at the annual general meeting, as Benedikte Leroy and Lars Rasmussen did not stand for re-election.

⁶ In 2020, when the Hearing Healthcare business was severely impacted by the coronavirus pandemic, the Board of Directors decided to reduce their fee by 20% from 1 May until the end of the year. The Executive Board made a voluntary reduction of 10% of their annual fixed base salary from 1 April 2020 until the end of the year.

Table 11 and Table 12 above show annual changes in the remuneration of the Board of Directors and Executive Board on an annualised basis and in the development of the company's overall performance.

The percentage development is based solely on published financial information, which is available in this Remuneration Report 2024 or in the annual report for the year in question.

Statement by the Board of Directors

The Board of Directors has today considered and approved the Remuneration Report of Demant A/S for the financial year 1 January – 31 December 2024.

Remuneration Report 2024 has been prepared in accordance with section 139 (b) of the Danish Companies Act.

In our opinion, Remuneration Report 2024 is in accordance with the remuneration policy adopted at the annual general meeting and is free from material misstatements and omissions, whether due to fraud or error.

Remuneration Report 2024 will be put to an advisory shareholder vote at the annual general meeting on 6 March 2025.

Smørum, 5 February 2025

Niels B. Christiansen
Chair

Niels Jacobsen
Vice Chair

Thomas Duer

Heidir Hørby

Sisse Fjelsted Rasmussen

Anders Højsgaard Thomsen

Kristian Villumsen

Independent auditor's report on the Remuneration Report

To the shareholders of Demant A/S

We have examined whether the Remuneration Report for Demant A/S for the financial year 1 January – 31 December 2024 contains the information required under section 139 b, subsection 3, of the Danish Companies Act.

We express reasonable assurance in our conclusion.

The Board of Directors' responsibility for the Remuneration Report

The Board of Directors is responsible for the preparation of the Remuneration Report in accordance with section 139 b, subsection 3, of the Danish Companies Act. The Board of Directors is also responsible for the internal control that the Board of Directors deems necessary to prepare the Remuneration Report without material misstatement, regardless of whether this is due to fraud or error.

Auditor's independence and quality management

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants' International

Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and ethical requirements applicable in Denmark.

Our firm applies International Standard on Quality Management 1, ISQM 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.

Auditor's responsibility

Our responsibility is to express a conclusion on the Remuneration Report based on our examinations. We conducted our examinations in accordance with ISAE 3000 (revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and the additional requirements applicable in Denmark to obtain reasonable assurance in respect of our conclusion.

As part of our examination, we checked whether the Remuneration Report contains the information required under section 139 b, subsection 3, of the Danish

Companies Act, number 1 – 6, on the remuneration of each individual member of the Executive Board and the Board of Directors.

We believe that the procedures performed provide a sufficient basis for our conclusion. Our examinations have not included procedures to verify the accuracy and completeness of the information provided in the Remuneration Report, and therefore we do not express any conclusion in this regard.

Conclusion

In our opinion, the Remuneration Report, in all material respects, contains the information required under section 139 b, subsection 3, of the Danish Companies Act.

Copenhagen, 5 February 2025

PricewaterhouseCoopers

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