



# Remuneration Report 2022

Demant

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# Introduction and activities in 2022

The Remuneration Report for 2022 for Demant A/S is prepared in accordance with section 139 (b) of the Danish Companies Act.

The Remuneration Report is available on the company's website [www.demant.com](http://www.demant.com).

In this Remuneration Report, we present the remuneration of the Executive Board and the Board of Directors in 2022. This information is based on the Remuneration Policy and is also available on our website.

## Governance

The remuneration committee prepares 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 interests of the company's shareholders and the Executive Board's motivation to pursue the long-term strategic objectives of the Group.

To ensure transparency in the remuneration, the remuneration committee is committed to providing the information needed in order to explain how the remuneration is linked to the overall strategy of Demant. This information is provided annually in the Remuneration Report, which is presented to the shareholders at the annual general meeting.

The Remuneration Report for 2021 was approved without comments at the annual general meeting held on 10 March 2022.

## Main activities in 2022

A new Remuneration Policy applying to remuneration in 2022 was approved at the annual general meeting held on 10 March 2022.

The Policy was updated to further link remuneration of the Executive Board to the performance of the Group and includes a redesign of the variable remuneration of the Executive Board. Specifically, it includes:

- Introduction of a short-term cash-based incentive programme with performance targets.
- Introduction of performance targets in the long-term share-based incentive programme.
- Allocation of restricted stock units instead of "shadow shares" in the long-term share-based incentive programme.

In addition to its normal tasks pursuant to the committee charter, the remuneration committee has worked on implementing the new Remuneration Policy in the past year.

## Overall remuneration principles

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 and long-term interests of the company.

The key objectives of the Remuneration Policy is to support a straightforward, well-governed, competitive and transparent remuneration structure for the Board of Directors and the Executive Board and to ensure that the members of the Board of Directors and Executive Board are rewarded for their commitment to and achieved results for the company. Another objective is to attract qualified potential members to the Board of Directors and Executive Board and – once a member – to motivate and retain them.

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

## Overall Group performance in 2022

Demant entered 2022 with optimism and an ambitious plan, and once again, we experienced first-hand how our ability to adapt to global changes is crucial for the continuous operation and development of our company.

At the beginning of the year, the good momentum lost pace. Global stability suffered further under the war in Ukraine and under the macroeconomic uncertainty and declining consumer confidence that followed. Unfortunately, this uncertainty had an impact on our results, as both industries in which we operate – hearing healthcare and audio technology – were negatively impacted, albeit to varying degrees.

Given the difficult hearing healthcare market, we did well. In overall terms, our core Hearing Healthcare segment grew, and our Diagnostics and Hearing Aids business areas both gained market shares and performed well, whereas performance in Hearing Care was weaker than expected.

Our Communications segment was impacted by a challenging supply chain situation and a highly challenged gaming market, which is why this part of our business did not live up to our growth expectations.

We had to adjust our financial expectations during the year. However, despite headwind from a challenging macroeconomic environment, we delivered top-line growth of 10%. In view of these tough conditions, we consider this a solid performance and indeed a testament to the strength of our organisation, people and culture. EBIT in 2022 was DKK 3.2 billion, and the EBIT margin was 16,3% driven by organic sales growth of 4% for the year.

The remuneration of the Board of Directors and Executive Board is in accordance with the Remuneration Policy, and when taking the overall Group performance in 2022 into account, the Board of Directors considers the remuneration to be fair.





# Remuneration of the Board of Directors

At the annual general meeting held on 10 March 2022, all the members of the Board of Directors were re-elected. As per 31 December 2022, the Board consists of:

Niels B. Christiansen, Chair  
 Niels Jacobsen, Vice Chair  
 Thomas Duer (employee representative)  
 Casper Jensen (employee representative)  
 Anja Madsen  
 Jørgen Møller Nielsen (employee representative)  
 Sisse Fjelsted Rasmussen  
 Kristian Villumsen

The members of the Board of Directors receive a fixed base fee. In addition, the Chair and the Vice Chair of the Board and 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 10 March 2022, the Board fees for 2022, which remain unchanged from 2021, appear from Table 1.

**Table 1: Annual fees to the Board of Directors**

(DKK thousand)	Board	Audit committee
Member	DKK 400 (base fee)	DKK 50 (base fee)
Vice Chair	DKK 800 (2x base fee)	N/A
Chair	DKK 1,200 (3x base fee)	DKK 150 (3x base fee)

**Table 2: Remuneration of the Board of Directors**

(DKK thousand)	2022			2021			2020		
	Base fee	Audit committee fee	Total	Base fee	Audit committee fee	Total	Base fee	Audit committee fee	Total
Niels B. Christiansen	1,200	50	1,250	1,200	50	1,250	910	43	953
Niels Jacobsen	800	50	850	800	50	850	607	43	650
Thomas Duer	400	-	400	400	-	400	303	-	303
Casper Jensen	400	-	400	400	-	400	303	-	303
Anja Madsen	400	50	450	400	50	450	216	31	247
Jørgen Møller Nielsen	400	-	400	400	-	400	303	-	303
Sisse Fjelsted Rasmussen	400	150	550	300	113	413	-	-	-
Kristian Villumsen	400	50	450	300	38	338	-	-	-
Peter Foss	-	-	-	-	-	-	87	13	100
Benedikte Leroy	-	-	-	100	13	113	303	43	346
Lars Rasmussen	-	-	-	100	38	138	303	130	433
<b>Total</b>	<b>4,400</b>	<b>350</b>	<b>4,750</b>	<b>4,400</b>	<b>352</b>	<b>4,752</b>	<b>3,335</b>	<b>303</b>	<b>3,638</b>

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.

# Remuneration of the Executive Board

## Executive Board

On 1 April 2022, the Executive Board was extended with two members: Arne Boye Nielsen, President of Diagnostics and Communications, and Niels Wagner, President of Hearing Care. Before being appointed to the Executive Board, they had been part of Demant's leadership.

As per 31 December 2022, the Executive Board consists of:

- Søren Nielsen, President & CEO
- René Schneider, CFO
- Arne Boye Nielsen, President Diagnostics and Communications
- Niels Wagner, President Hearing Care

## Remuneration structure

At the annual general meeting held on 10 March 2022, a new Remuneration Policy for the Executive Board was adopted to take a step further in realising Demant's overall strategy and at the same time to attract, retain and motivate the members of the Executive Board.

Based on the new Remuneration Policy, members of the Executive Board are entitled to remuneration, consisting of the following fixed and variable remuneration components:

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

The objective is to compose a remuneration package that attracts qualified potential members to the Executive Board and – once a member – to motivate and retain them and to align their interests with the interests of the company's shareholders and other stakeholders.

To further support value creation for the shareholders, part of the remuneration is performance-based. The components are structured in such a way that there is a strong link between the interests of the Executive Board and those of the shareholders with focus on Demant's key strategic objectives.

The combination of fixed remuneration and short- and long-term variable components 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 to engage in reasonable risk-taking with a view to creating value, long-term growth and healthy development in the company without promoting unreasonable risky behaviour. We strive to have a balanced mix of fixed and variable compensation components.

Table 3: Remuneration elements

Element	Description	Level 2022
Base salary	Fixed annual cash salary adjusted on a yearly basis.	Reflecting market standards and individual performance.
Short-term cash-based incentive	Annual cash bonus based on Group financial targets and financial targets for the business areas, where relevant. Cannot exceed 20% of the annual fixed base salary.	Upon achievement of the targets set, the target payout will be 10% of the fixed base salary.
Long-term share-based incentive	Restricted stock units (RSUs) based on Group financial, business and sustainability targets as well as on retention. Vesting 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.	Upon achievement of the targets set, the target payout will be 50% of the fixed base salary.
Customary non-monetary benefits	Typical benefits like company car, telephone, internet access etc.	Market competitive level.

The Executive Board's remuneration is proposed by the remuneration committee and subsequently approved by the Board of Directors. The Executive Board's remuneration, including the nature and level of incentive pay, is benchmarked against remuneration levels in primarily other Danish listed OMXC25 companies.

Table 4: Remuneration of the Executive Board

2022

(DKK million)	Fixed remuneration		Variable remuneration		Total	IFRS value <sup>4</sup>	Fixed %	Variable %
	Fixed salary	Other benefits <sup>1</sup>	Cash bonus <sup>2</sup>	RSU <sup>3</sup>				
Søren Nielsen, President & CEO	12.3	-	0.6	4.7	17.6	17.1	69.9%	30.1%
René Schneider, CFO	5.6	0.3	0.3	2.2	8.4	7.9	70.2%	29.8%
Arne Boye Nielsen, President Diagnostics and Communications <sup>5</sup>	4.2	-	0.7	2.1	7.0	6.5	60.0%	40.0%
Niels Wagner, President Hearing Care <sup>5</sup>	3.5	-	0.1	1.8	5.4	4.8	64.8%	35.2%
<b>Executive Board in total</b>	<b>25.6</b>	<b>0.3</b>	<b>1.7</b>	<b>10.8</b>	<b>38.4</b>	<b>36.3</b>	<b>67.4%</b>	<b>32.6%</b>

<sup>1</sup> Other benefits: Company car, telephone, health insurance.

<sup>2</sup> Cash bonus: Earned cash value of bonus based on 2022 performance to be paid out in 2023.

<sup>3</sup> RSU programme: Earned RSU value based on 2022 performance, granted in April 2022, re-evaluated in January 2023, vesting in March 2025. Granted RSU value before adjusting for 2022 performance is total DKK 21.1 million.

<sup>4</sup> IFRS value: Stated value in the annual report (note 1.3). In the Annual Report 2022, DKK 8.7 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 KPIs. 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.

<sup>5</sup> Arne Boye Nielsen and Niels Wagner joined the Executive Board on 1 April 2022, so the table only shows their fixed salary and other benefits after 1 April 2022 but the variable remuneration for the full period.



Table 4: Remuneration of the Executive Board (continued)

2021									
(DKK million)	Fixed remuneration		Variable remuneration			Total	IFRS value <sup>3</sup>	Fixed %	Variable %
	Fixed salary	Other benefits <sup>1</sup>	Cash bonus	Shadow shares <sup>2</sup>	RSU				
Søren Nielsen, President & CEO	12.7	-	-	5.2	-	17.9	16.4	70.9%	29.1%
René Schneider, CFO	5.4	0.3	-	2.3	-	8.0	7.3	71.3%	28.7%
<b>Executive Board in total</b>	<b>18.1</b>	<b>0.3</b>	<b>-</b>	<b>7.5</b>	<b>-</b>	<b>25.9</b>	<b>23.7</b>	<b>71.0%</b>	<b>29.0%</b>

<sup>1</sup> Other benefits: Company car, telephone, health insurance.

<sup>2</sup> Shadow shares: Earned shadow share value, granted in April 2021, vesting in March 2024.

<sup>3</sup> IFRS value: Stated value in the annual report (note 1.3). In the Annual Report 2021, DKK 5.3 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 KPIs. The IFRS value represents the value presented in the annual report and includes both the shadow share 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.

2020									
(DKK million)	Fixed remuneration		Variable remuneration			Total	IFRS value <sup>3</sup>	Fixed %	Variable %
	Fixed salary	Other benefits <sup>1</sup>	Cash bonus	Shadow shares <sup>2</sup>	RSU				
Søren Nielsen, President & CEO	11.7	-	-	4.2	-	15.9	14.6	73.6%	26.4%
René Schneider, CFO	5.0	0.2	-	1.8	-	7.0	6.5	74.3%	25.7%
<b>Executive Board in total</b>	<b>16.7</b>	<b>0.2</b>	<b>-</b>	<b>6.0</b>	<b>-</b>	<b>22.9</b>	<b>21.1</b>	<b>73.8%</b>	<b>26.2%</b>

<sup>1</sup> Other benefits: Company car, telephone, health insurance.

<sup>2</sup> Shadow shares: Earned shadow share value, granted in April 2020, vesting in March 2023

<sup>3</sup> IFRS value: Stated value in the annual report (note 1.3). In the Annual Report 2020, DKK 4.2 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 KPIs. The IFRS value represents the value presented in the annual report and includes both the shadow share 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. In 2020, when the hearing healthcare business was severely impacted by coronavirus, the Executive Board made a voluntary reduction of 10% of their fixed salary from 1 April 2020 until the end of the year.



Table 5: RSU programmes for the Executive Board

(number of shares)	Programme	Grant	Vesting	Grant	Adjusted	Exercised	Deposit as of 31 Dec. 2022	Market value as of 31 Dec. 2022 (DKK million)	Value of exercised RSUs this year (DKK million)
Søren Nielsen, President & CEO	2022/2025	April 2022	March 2025	33,964	-16,529	-	17,435	3.4	-
René Schneider, CFO	2022/2025	April 2022	March 2025	15,420	-7,504	-	7,915	1.5	-
Arne Boye Nielsen, President Diagnostics and Communications	2022/2025	April 2022	March 2025	15,403	-7,496	-	7,906	1.5	-
Niels Wagner, President Hearing Care	2022/2025	April 2022	March 2025	12,918	-6,287	-	6,631	1.3	-
<b>Executive Board in total</b>				<b>77,705</b>	<b>-37,816</b>	<b>-</b>	<b>39,887</b>	<b>7.7</b>	<b>-</b>

Table 6: Shadow share programmes for the Executive Board

(number of shares)	Programme	Grant	Vesting	Grant	Forfeited	Exercised	Deposit as of 31 Dec. 2022	Market value as of 31 Dec. 2022 (DKK million)	Value of exercised shadow shares this year (DKK million)
Søren Nielsen, President & CEO	2019/2022	April 2019	March 2022	15,705	-	-15,705	-	-	4.3
Søren Nielsen, President & CEO	2020/2023	April 2020	March 2023	18,371	-	-	18,371	3.5	-
Søren Nielsen, President & CEO	2021/2024	April 2021	March 2024	19,797	-	-	19,797	3.8	-
René Schneider, CFO	2019/2022	April 2019	March 2022	6,784	-	-6,784	-	-	1.8
René Schneider, CFO	2020/2023	April 2020	March 2023	7,936	-	-	7,936	1.5	-
René Schneider, CFO	2021/2024	April 2021	March 2024	8,552	-	-	8,552	1.6	-
Arne Boye Nielsen, President Diagnostics and Communications	2019/2022	April 2019	March 2022	6,799	-	-6,799	-	-	1.8
Arne Boye Nielsen, President Diagnostics and Communications	2020/2023	April 2020	March 2023	6,150	-	-	6,150	1.2	-
Arne Boye Nielsen, President Diagnostics and Communications	2021/2024	April 2021	March 2024	7,070	-	-	7,070	1.4	-
Niels Wagner, President Hearing Care	2019/2022	April 2019	March 2022	3,588	-	-3,588	-	-	1.0
Niels Wagner, President Hearing Care	2020/2023	April 2020	March 2023	3,306	-	-	3,306	0.6	-
Niels Wagner, President Hearing Care	2021/2024	April 2021	March 2024	5,929	-	-	5,929	1.1	-
<b>Executive Board in total</b>				<b>109,987</b>	<b>-</b>	<b>-32,876</b>	<b>77,111</b>	<b>14.7</b>	<b>8.9</b>

Arne Boye Nielsen and Niels Wagner joined the Executive Board on 1 April 2022 but have participated in the retention programme prior to joining the Executive Board. 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 2021. The average share price applied is 271,7.

**Table 7: Performance criteria structure and assessment for LTI 2022**

	Target	Weight	Assessment
Group financial targets	Organic growth relative to peers in Hearing Healthcare	50%	Around target
	EBIT margin in Hearing Healthcare	30%	Below target
	Communications performance relative to peers	5%	Below target
	Discontinued operations: Hearing Implants	5%	Above target
Group sustainability targets	Employee engagement	10%	Around target

**Table 8: Performance criteria structure and assessment for STI 2022**

	Target	Weight	Assessment
Group financial targets	Organic growth relative to peers in Hearing Healthcare	50% / 25%	Around target
	EBIT margin in Hearing Healthcare	50% / 25%	Below target
Business area financial targets (if relevant)*	Organic growth relative to peers and EBIT margin in Diagnostics	50%	Above target
	Organic growth relative to peers and EBIT margin in Hearing Care	50%	Below target

\* Targets for Executive Board members, who are President of a business area.

**Table 9: Total performance assessment for STI and LTI 2022**

Name and position	LTI performance criteria achievement (target 50%)	STI performance criteria achievement (target 10%)
Søren Nielsen, President & CEO	38.5%	5.0%
René Schneider, CFO	38.5%	5.0%
Arne Boye Nielsen, President Diagnostics and Communications	38.5%	12.5%
Niels Wagner, President Hearing Care	38.5%	2.5%

Percentages are calculated based on the annual fixed base salary.

## Termination and severance payments

Executive employment contracts 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 2022, no incentive remuneration was reclaimed.

## Share salary arrangement

Members of the Executive Board may voluntarily choose to enroll in the company's share salary arrangement on the same terms as other employees. Participation in the arrangement requires the employee to set aside a percentage of his or her gross salary each month, which is converted into shares in the company at the end of the year. The shares are subsequently held in trust for a period of two years.

In 2022, 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.

The allotment of shares took place on 30 December 2022. An overview of the shareholdings of the Executive Board and the Board of Directors appears from Table 13.

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	19 months*	6 months
Arne Boye Nielsen, President Diagnostics and Communications	20 months	6 months
Niels Wagner, President Hearing Care	12 months	6 months

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





# Correlation between remuneration, strategy and goals

It is Demant's strategic ambition to be a leading global hearing healthcare company and to create value by generating long-term growth. Demant is a purpose-driven company that has provided hearing health since it was founded. Our aim is to operate a sustainable business, the purpose of which is to bring life-changing hearing health to people and in doing so to increase their quality of life.

The remuneration of the Board of Directors and the Executive Board is designed to support these strategic long-term goals and to create value for Demant. Also, our Remuneration Policy supports a straightforward and transparent remuneration structure for the Board of Directors and the Executive Board.

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 Board of Directors and the Executive Board in their pursuit to create long-term growth without promoting excessive risk-taking.

The annually revolving share-based retention programme aims partly at aligning a long-term commitment and the interests of

the Executive Board with the interests of the shareholders of the company and partly at rewarding long-term value creation for the company.

In the opinion of the Board of Directors, 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

	2022	2021	2020	2019	2018
<b>Executive Board</b>					
Søren Nielsen, President & CEO <sup>1</sup>	-1.7%	12.6%	8.9%	25.9%	14.9%
René Schneider, CFO <sup>1</sup>	5.0%	14.3%	2.9%	28.3%	6.0%
Arne Boye Nielsen, President Diagnostics and Communications	N/A	N/A	N/A	N/A	N/A
Niels Wagner, President Hearing Care	N/A	N/A	N/A	N/A	N/A
<b>Parent company</b>					
Profit before tax, DKK million	1,410	1,983	776	968	1,398
Profit before tax, annual change in %	-28.9%	156.0%	-20.0%	-31.0%	3.0%
Number of full-time employees (FTE)	32	29	27	27	20
Change in average salary per FTE	-10.6%	-1.8%	22.7%	-30.7%	31.9%
<b>Group</b>					
EBIT, DKK million <sup>3</sup>	3,207	3,663	1,530	2,151	2,532
EBIT, annual change in % <sup>3</sup>	-12.4%	139.4%	-28.9%	-15.0%	20.0%
Number of full-time employees (FTE)	19,814	17,500	16,155	15,352	14,250
Change in average salary per FTE	1.1%	4.7%	-2.4%	4.1%	-1.2%
CEO remuneration ratio <sup>2</sup>	39	38	35	34	32

<sup>1</sup> In 2019, 2020 and 2021, the shadow shares granted under the retention programme to the Executive Board in 2016, 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.

<sup>2</sup> The CEO remuneration ratio is calculated as the CEO's total remuneration/the average employee's total remuneration in the Demant Group.

<sup>3</sup> Has been changed in 2021 due to the reclassification of Medical to discontinued operations

Table 12: Annual changes, Board of Directors

	2022	2021	2020 <sup>3</sup>	2019	2018
<b>Board of Directors</b>					
Niels B. Christiansen	0%	31.0%	-13.0%	0%	16.0%
Niels Jacobsen	0%	31.0%	-13.0%	0%	0%
Thomas Duer	0%	32.0%	-13.0%	0%	0%
Casper Jensen <sup>1</sup>	0%	32.0%	-13.0%	-	-
Anja Madsen <sup>2</sup>	0%	30.0%	-	-	-
Jørgen Møller Nielsen	0%	32.0%	-13.0%	0%	0%
Sisse Fjelsted Rasmussen <sup>4</sup>	0%	-	-	-	-
Kristian Villumsen <sup>4</sup>	0%	-	-	-	-
Benedikte Leroy <sup>4</sup>	-	30.0%	-13.0%	0%	0%
Peter Foss	-	-	0%	0%	-18.0%
Lars Rasmussen <sup>4</sup>	-	27.0%	-13.0%	0%	5.0%

<sup>1</sup> In 2019, Casper Jensen was elected to the Board of Directors by the employees.

<sup>2</sup> In 2020, Anja Madsen was elected to the Board of Directors at the annual general meeting, as Peter Foss did not stand for re-election.

<sup>3</sup> 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 fixed salary from 1 April 2020 until the end of the year.

<sup>4</sup> 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.

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 in the company's overall performance.

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

# Holding of Demant shares

Table 13: Holding of Demant shares (number)

	As of 31 Dec. 2022	Added or sold during the year	As of 1 January 2022
<b>Board of Directors:</b>			
Niels B. Christiansen	8,060		8,060
Niels Jacobsen	901,340		901,340
Thomas Duer	1,335		1,335
Casper Jensen	1,779	585	1,194
Anja Madsen	1,500		1,500
Jørgen Møller Nielsen	366		366
Sisse Fjelsted Rasmussen	-		-
Kristian Villumsen	4,130		4,130
<b>Executive Board:</b>			
Søren Nielsen	32,091	4,049	28,042
René Schneider	17,745	1,930	15,815
Arne Boye Nielsen	31,161	2,753	28,408
Niels Wagner	24,498	2,321	22,177

# 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 2022.

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

In our opinion, the Remuneration Report 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.

The Remuneration Report will be put to an advisory shareholder vote at the annual general meeting on 8 March 2023.

Smørum, 7 February 2023

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Niels B. Christiansen,  
Chair

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Niels Jacobsen,  
Vice Chair

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Thomas Duer

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Casper Jensen

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Anja Madsen

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Jørgen Møller Nielsen

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Sisse Fjelsted Rasmussen

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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 2022 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.

PricewaterhouseCoopers is subject to the International Standard on Quality Control, ISQC 1 and thus applies a comprehensive quality control system, including documented policies and procedures concerning compliance with ethical requirements, professional standards and current statutory requirements and other regulation.

## 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, 7 February 2023

## PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab  
Business Registration no 33 77 12 31

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Mogens Nørgaard Mogensen  
State Authorised  
Public Accountant  
MNE no 22404

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Rasmus Friis Jørgensen  
State Authorised  
Public Accountant  
MNE no 28705