Agenda

1. Highlights from 2017 Annual Report
2. Hearing Devices
3. Hearing Implants
4. Diagnostic Instruments
5. Q&A
Our vision is to make a life-changing difference to people living with hearing loss.
Highlights from 2017 Annual Report

- **9%** Organic growth of 9% in Group revenue exceeding the market growth rate

- **Oticon Opn** continued to drive significant market share gains and led to very strong 11% organic growth in wholesale of hearing aids

- **Hearing Implants** recorded strong organic growth of 28%

- **Organic growth of 11%** in Diagnostic Instruments with widespread market share gains

- **25%** Adjusted EBIT increased by 18% to DKK 2,504 million with underlying growth in EBIT of 25% and growth in EPS of 24%

- **2018 guidance for EBIT** of DKK 2,550-2,850 million before restructuring costs of around DKK 150 million
Hearing Devices
New Evidence on Oticon Opn™

Oticon RemoteCare

HearingFitness
Traditional directionality closes down sounds, and with them, life

OLD WORLD

NEW WORLD

New evidence on Oticon Opn™
Oticon Opn™ – the result of true product innovation

Based on the open sound paradigm, Oticon Opn™ remains clearly differentiated in the market with superior audiology combined with 2.4GHz direct streaming and rechargeability in one device.

<table>
<thead>
<tr>
<th>Audiology</th>
<th>Connectivity</th>
<th>Rechargeability</th>
<th>eHealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Audiology the key parameter</td>
<td>• 2.4GHz Bluetooth Low Energy-based connectivity</td>
<td>• High flexibility for end-users</td>
<td>• Enabling closer relationship between HCP and end-user</td>
</tr>
<tr>
<td>• Open sound paradigm vs. traditional directionality</td>
<td>• Direct streaming through Made for iPhone® interface</td>
<td>• Interchange between rechargeable and disposable batteries</td>
<td>• Tool to improve efficiency in public systems</td>
</tr>
<tr>
<td>• NFMI ear-to-ear communication</td>
<td>• Streaming in stereo from all devices</td>
<td>• Upgrade of existing install-base</td>
<td>• Real-time video integration</td>
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<td></td>
<td>• Internet-connected devices (IFTTT)</td>
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New evidence on Oticon Opn™
Open sound paradigm still being expanded

- Staged launch of Oticon Opn
  - Gradual roll-out to more styles and more price points
  - Continuous upgrade of features and accessories
- Connectivity enables roll-out of upgrades and new features to existing install-base
- Extremely powerful Velox platform to drive future enhancements
We think brain first
Hearing care is a matter of health
Consequences of an untreated hearing loss
Hearing loss is more than an audibility problem

Hearing loss

Signals to the brain have lower quality

The brain will reconstruct and compensate

Fatigue and social withdrawal

Acceleration of health problems (e.g. depression and dementia)

Campbell & Sharma, 2014
Hearing and health issues
The latest review on dementia and causes

- Potentially modifiable: 35%
- Potentially non-modifiable: 65%

Livingston et al. 2017
Life-course model of contribution of modifiable risk factors to dementia

Early life
- 58% Unexplained
- 7% Genetics
- 8% Less education

Midlife
- 9% Hearing loss
- 2% Hypertension
- 1% Obesity

Late life
- 5% Smoking
- 4% Depression
- 3% Physical inactivity
- 2% Social isolation
- 1% Diabetes

Livingston et al. 2017
Opn & BrainHearing: Ever-increasing evidence-base

Research with independent partners

- 4th year of dedicated work across Eriksholm and Centre for Applied Hearing Research

- 7 “world’s first” hearing aid discoveries
  - Closing a gap to normal hearing!

- Externally validated studies support a clear evidence-based conclusion:
  - BrainHearing care delivers a broad range of significant healthcare benefits

<table>
<thead>
<tr>
<th>#</th>
<th>Study Description</th>
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<tbody>
<tr>
<td>1</td>
<td>OSN Improved Recall</td>
</tr>
<tr>
<td>2</td>
<td>OSN Less Brain Load (Pupillometry 2016)</td>
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<tr>
<td>3</td>
<td>Opn Less Brain Load than Alta2 (Pupillometry 2016)</td>
</tr>
<tr>
<td>4</td>
<td>Opn Speech Understanding Better than Alta2</td>
</tr>
<tr>
<td>5</td>
<td>OSN Less Brain Load Many Situations (Pupillometry 2017)</td>
</tr>
<tr>
<td>6</td>
<td>OSN Better Understanding Many Situations (Move Tipping Point)</td>
</tr>
<tr>
<td>7</td>
<td>OSN Multiple Speaker Access re DIR &amp; Narrow DIR</td>
</tr>
<tr>
<td>8</td>
<td>OSN Speech Understanding &amp; Incidental Learning for Kids/Teens</td>
</tr>
<tr>
<td>9</td>
<td>Opn &amp; Music: Better Sound Quality and Less Effort</td>
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<tr>
<td>10</td>
<td>Opn &amp; Loud Sounds, ANL</td>
</tr>
<tr>
<td>11</td>
<td>OSN Tinnitus Pupillometry: Less brain Load in Noise</td>
</tr>
<tr>
<td>12</td>
<td>Closing a Gap to Normal Hearing</td>
</tr>
</tbody>
</table>

OSN: Open Sound Navigator
Already shown to reduce listening effort...

The effect of OpenSound Navigator

Hearing loss with amplification

Hearing loss with OpenSound Navigator

15 10 5 0 -5

dB SNR*

Give up without OSN

Give up with OSN

Quiet environments

Noisy environments

Home

Family dinner

Restaurant

* Signal-to-Noise Ratio indicates the difference between the level of a sound source and background noise

Le Goff and Beck 2017, Oticon whitepaper
Closing a gap to normal hearing – Juul Jensen 2018, Oticon whitepaper
... Oticon Opn™ closes another gap to normal hearing

The effect of OpenSound Navigator

- Hearing loss with amplification
- Hearing loss with OpenSound Navigator
- Normal hearing

dB SNR*

Quiet environments

- Home
- Family dinner

Noisy environments

- Restaurant

Give up without OSN

Give up with OSN AND normal hearing

Le Goff and Beck 2017, Oticon whitepaper
Closing a gap to normal hearing – Juul Jensen 2018, Oticon whitepaper

* Signal-to-Noise Ratio indicates the difference between the level of a sound source and background noise
Normal hearing listeners as the benchmark

Wendt et al., (submitted to Hearing Research) ”Speech perception and effort across a large range of SNRs for normal hearing listeners”

Purpose:
Investigate the listening effort and speech understanding in normal hearing listeners

Participants:
- 24 participants with normal hearing

Conditions:
- Speech in babble-noise
- Range of speech understanding from 0% - 100%
How to test listening effort: Pupillometry

Pupil changes are controlled by muscle activity in the iris which, in turn, are controlled by the sympathetic nervous system.

Larger pupil size (PPD) indicates high effort.

e.g. Kramer et al. 1997, Zekveld et al., 2011; Wendt et al., 2017
Normal hearing listeners as the benchmark

- Maximum dilation at 50% recognition
- After this, the peak starts to decrease
- Around -7 – -8 dB SNR, we see evidence that the listeners start to “give up”

New evidence on Oticon Opn™
Closing another gap to normal hearing
Oticon Opn overcomes barriers to social participation

Improved speech understanding
even in the noisiest environments

Reduced listening effort
over a broad range of environments

Motivation and empowerment
to participate and engage in the same environments as people with normal hearing

Le Goff and Beck 2017, Oticon whitepaper
Closing a gap to normal hearing – Juul Jensen 2018, Oticon whitepaper
Oticon RemoteCare: Better Hearing Care Delivered
A movement to e-health in hearing care

- Growing number of patients & aging population
  - Calls for new strategies to reduce healthcare costs

- Time and cost reduction
  - Clinic visits time-consuming for patient & family
  - Some customers travel great distances to visit audiologist, traveling is costly
  - Long waiting lists in some public systems

- Personalised, on-demand support
  - Involved patients demand participatory healthcare
Introducing Oticon RemoteCare
A remote supplement to the in-clinic visit

An e-health service that will enable hearing care professionals to use their PCs to conduct follow-up-fitting with patients who are connected via an app on their mobile phones

- Focuses on the core of hearing healthcare
- Prioritises the dialogue between the HCP and end-user
- Provides greater flexibility and convenience for clients
- Meets demands of the “future” client
- Pilot studies have been initiated in selected clinical settings and an introduction is planned later in 2018
Who is Oticon RemoteCare for?

Healthcare consumers
• “On” and engaged in their healthcare
• Like to have control
• Like to collaborate
• Used to online service/on demand
• Tech savvy

Immobile users and their caregivers
• Need assistance to travel
• Physical mobility deseases
• Elderly less mobile

People having to travel
• Living in traffic-congested areas
• Living in remote areas with limited access to hearing healthcare
• Living in areas with rough weather
How does it work?
An online meeting with your hearing care provider
The Oticon RemoteCare setup and flow

Fitting in the client
- Client setup

Follow-up visit - RemoteCare
- Preparation
- Counseling – Fine tuning session

Next step
- Daily use

Note: Flow is simplified
Hearing care is healthcare

A smarter future of hearing healthcare
HearingFitness™ announced & awarded at CES 2018

HearingFitness™: The world's first hearing fitness tracking technology
More and more evidence documents that better hearing improves overall health, and even prevents dementia. The more you use your hearing aids the better.

HearingFitness uses advanced data to help users get the most out of their hearing.
Data collated by the HearingFitness™ app:

- Data on surrounding sound environment – as analysed by the hearing aids
- Hearing aid data such as usage time
- Other relevant healthcare data such as heart rate, fatigue and sleep
Hearing data
Use time, sound environment etc.

Health data
Sleep, pulse, exercise etc.

Insights
Hearing progress versus personal goal

Nudging
Helps users progress

Data analysis
Data mining, clustering, correlation estimates

Combining subjective and objective data
Oticon is linking hearing aid users to the world of digital opportunities

- **Wireless BLE-based streaming** from all modern smartphones to both ears
- **IFTTT** linking your hearing aids with internet connected services
- **Oticon RemoteCare** - a remote supplement to the in-clinic visit
- **HearingFitness™** - the world’s first hearing fitness tracking technology
Bernafon and Sonic showing good momentum

- The Zerena and Enchant product lines from Bernafon and Sonic have been well received and launch activities completed

- Good momentum for Bernafon Zerena in Costco

- Full connectivity and streaming capabilities
  - Made-for-iPhone
  - Now also for Android phones thanks to the newly launched multi-application device SoundClip-A
Hearing Implants
Strongest offerings ever from Oticon Medical

A better way to the optimal hearing experience

- Oticon Medical Streamer: Wireless connectivity that does not compromise on power
- Ponto 3: The most powerful family of abutment-level processors
- Ponto BHX Implant: Bone bonding – fast & strong osseointegration
- Ponto Abutments: A unique geometry designed for Direct Sound Transmission

Designed for a future of sounds

- Neuro Zti: Ultra compact and powerful
- Bimodal Solutions: The perfect partner with Oticon hearing aids
- Neuro 2: Where sound meets design
- Genie Medical CI: A breakthrough in fitting software
Neuro 2 launch status

- +100 Neuro 2 fitted in key European markets
  - First users fitted by end of February
- Focus on upgrading Neuro One exchange-program users:
  - Excellent feedback from users on Neuro 2: Sound quality, usability, battery life, rechargeable batteries and the comfortable physical fit of BTE on their ear
  - Professionals are very excited about the easy fitting process and the general quality of the new Genie Medical CI
- Significant interest for the system
- Focus on roll-out to remaining markets
A complete and fully competitive Neuro System

Atraumatic Surgery
MRI Safety
Reliability

Aesthetic

Unique brainhearing-inspired signal processing for maximum hearing outcomes

New state-of-the-art fitting suite

Because sound matters
Neuro 2 – Dimensions
The world’s smallest sound CI processor
Volume scans confirm Oticon Medical’s ability to deliver great performance in a very small device

Size (Volume in cm³)

Battery capacity (mWh)

Smallest ever!
Neuro 2 - Winner of multiple design awards

- Danish Design Award Finalist 2018 in the category "Daily Life"
- iF Design Award 2018 winner for Product design in the category "Medical Device"
- Red Dot Award 2018 winner for Product Design in the category "Healthcare"
- Red Dot Award 2017 winner for Design Concept in the category "Bionics"
- German Design Award winner 2018 for Excellent Product Design in the category "Medical, Rehabilitation and Health Care"
- Good Design 2017 winner in the category "personal"
Customer journey

Where to put our energy

Upgrade sales
How can we ensure users have the best and latest technology?

Advocacy
How can we keep contact and support our users? And guide candidates?

Lead generation/Retail
How can we help people get the right solution in an effortless way?

1. Awareness

2. Diagnosis

3. Decision

4. Surgery

5. Optimization

6. Empowerment

Services
Follow-Up
Rehab
Check-Up
Upgrades
Clinical practice
BAHS candidacy
Selection of product
BAHS trial
Medical evaluation
Screening
Testing
Surgery
Fitting
Softband fitting
Optimization
FDA Update – macro planning

<table>
<thead>
<tr>
<th>Year</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>2018</td>
<td>Last surgery</td>
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<td></td>
<td>M3 - Clinical: 6m. efficacy</td>
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<tr>
<td></td>
<td>PMA review</td>
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<tr>
<td>2019</td>
<td>Report 6m efficacy</td>
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<td></td>
<td>PMA Final submission</td>
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<tr>
<td>2020</td>
<td>PMA review</td>
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<td></td>
<td>Minimum of 6 months (beyond own control)</td>
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- **M1 - Design**
- **M2 - Manufacturing**
- **Inclusion**
- **Inspection readiness**
- **Mock audit 1**
- **Inspection**
Building on successful growth strategy

<table>
<thead>
<tr>
<th>Multi-brand strategy</th>
<th>Innovative product portfolio</th>
<th>Strong distribution set-up</th>
<th>New business areas</th>
</tr>
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<tbody>
<tr>
<td>AMTAS: Patient-directed diagnostic or screening audiometry</td>
<td>Innovation power driving continuous new product launches across all brands</td>
<td>Full range of solutions including ongoing service and supplies driving close relationships with customers</td>
<td>Leveraging innovation and distribution capabilities to grow new business areas</td>
</tr>
<tr>
<td>e3 Diagnostics: US-based network of Special Instrument Distributors</td>
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<td>Newborn hearing screening service business</td>
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Automated Method for Testing Auditory Sensitivity

The only patient-directed evaluation tool that uses patented test methods and accuracy algorithms to perform a screening and/or threshold test

- Quality indicators
- Classification of audiometric findings
- Two separate reports for HCP and patient
- Numerous peer-reviewed, comprehensive studies validate this reliable method of testing
AMTAS freeing up more time for HCPs for

Walk-Ins
AMTAS allows you to have one patient working through their audiogram, while you can attend to walk-ins and other patients.

Cleans and Checks
When your patient returns for an annual evaluation, you get them started on AMTAS while you clean and check their hearing aids.

Counselling
One patient can work on AMTAS, while you meet with another patient to counsel them on test results or adjust their hearing aids.
News from Interacoustics

- **Viot™** video otoscope for sharp and high-resolution image and video capturing
- **Virtual SVV™** VR goggle-based solution for improved balance testing
- **Distribution agreement** with Bertec complementing the *Micromedical by Interacoustics* range of balance diagnostic solutions

*SVV: Subjective Visual Vertical is an assessment tool to identify abnormalities within the otolith organ (utriculus) which can contribute to a head tilt reaction in patients*
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FINANCIAL CALENDAR 2018:

- 8 May  | Interim Management Statement
- 15 August  | Interim Report 2018
- 6 November  | Interim Management Statement

MEET US:

- 19-20 April  | Nashville (AAA 2018 Conference)
- 6-7 June  | New York (Jefferies Global Healthcare Conference)
- 12 June  | London (Capital Markets Day)
- 14 June  | Los Angeles (Goldman Sachs Global Healthcare Conference)
- 15 June  | San Francisco (Goldman Sachs)
- 19 June  | London (Citi European Healthcare Conference)
- 27 June  | Zurich (Credit Suisse Swiss Healthcare Day)
Thank you