



Announcement NO. 33

May 15, 2016

GN ReSound has signed a supply agreement with Audigy Group and entered into a contingent agreement to acquire the company

Today, GN ReSound has signed a long-term supply agreement with Audigy Group (hereafter “Audigy”). GN ReSound has also entered into a contingent agreement to acquire the company.

The supply agreement comes into effect as of today. The agreement to acquire Audigy is contingent on approval from the US competition authorities and certain other closing conditions.

The total purchase consideration is made up of two components: an up-front payment of USD 91 million and earn-out payments of up to USD 60 million, which depends on the company’s financial success going forward.

Audigy is a preeminent US based provider of business and performance management solutions to independent hearing care, otolaryngology, otology and neurotology practices and leading University programs in North America. Audigy’s management and solutions are considered best-in-class as evidenced by consistent double-digit growth.

The company is headquartered in Vancouver, Washington, USA, and was founded in 2004 by current CEO Brandon Dawson. Audigy is a leading channel to independent hearing care professionals in North America with more than 250 network members. In 2015, members of the Audigy network sold more than 80,000 units through 600 points of sales across North America.

The potential acquisition of Audigy will further GN ReSound’s commitment to independent hearing health care professionals, including audiology and otolaryngology practices, as well as universities, medical centers and others.

“Combining GN ReSound’s superior technology and Audigy’s unique business model, with best-in-class business and performance management solutions, will provide an exceptional value proposition to independent hearing care and medical professionals. It is our plan to preserve Audigy’s unique business model and strong management team by keeping Audigy as a separate company and subsidiary of GN ReSound’s US business entity,” said Anders Hedegaard, CEO of GN ReSound.

“Partnering with GN ReSound, a leading, innovative hearing technologies company, willing to invest in and support the independent channel in North America, is a significant compliment for our members and the professionals we serve, and will help us to continue to achieve our mission of



impacting independent business owners' ability to thrive in a consolidating industry," said Brandon Dawson, CEO Audigy Group.

The potential acquisition will not affect GN's financial guidance for 2016.

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