

Media Release

Expanding our offering and entering new growth markets – Sonova to acquire Sennheiser Consumer Division

Stäfa (Switzerland), May 7, 2021 – Sonova Holding AG, a leading provider of hearing solutions, has signed an agreement to acquire the Consumer Division from Sennheiser electronic GmbH & Co. KG (Sennheiser). The Sennheiser Consumer Division, which concentrates on the business of headphones and hearables for private customers, is an excellent fit with Sonova's strategy to lead innovation in hearing experience and to engage consumers early on their hearing journey. The strength of the brand and the well-established complementary distribution network of the Sennheiser Consumer Division represent strong assets to further the strategy of Sonova. The transaction is subject to regulatory approval and expected to close in the second half of calendar year 2021.

Highlights:

- The deal will allow Sonova to further expand its attractive portfolio of products; to capture growth opportunities, in particular in the fast-growing market for true wireless headsets and the emerging segment of speech enhanced hearables; and to further expand its channel presence and customer base
- Sonova will leverage the combination of its audiological expertise together with the strong Sennheiser brand and competence in delivering a high-quality sound experience
- The Sennheiser Consumer Division, with currently around 600 employees contributing to this business area worldwide, generates sales of around EUR 250 million annually through a broad online and in-store distribution network

Arnd Kaldowski, CEO of Sonova, says: "I am very pleased that Sennheiser has chosen Sonova to further develop the well-renowned Consumer Division. We look forward to welcoming our new colleagues and to building on the combined strengths of both organizations to successfully shape our joint future. The fast-growing market for personal audio devices is rapidly evolving. Combining our audiological expertise with Sennheiser's know-how in sound delivery, their great reputation as well as their high-quality products will allow us to expand our offering and to create important touchpoints with consumers earlier in their hearing journey. Combining our market-leading technology with the strong brand and well-established distribution network of Sennheiser creates a strong foundation for future growth."

"We couldn't have asked for a better partner than Sonova for our Consumer Division," says Daniel Sennheiser, co-CEO at Sennheiser. "Sonova is a strong, well-positioned company. Not only do we share a passion for unique audio experiences, we also share very similar corporate values. This gives us an excellent foundation for a successful future together." Co-CEO Dr. Andreas Sennheiser adds: "The combination of our strengths provides a very good starting point for future growth. We are convinced that

Sonova will strengthen the Sennheiser Consumer Division in the long term and capture the major growth opportunities."

Sennheiser's portfolio of personal audio devices fits well with Sonova's vision to foster a world where everyone can enjoy the delight of hearing. Sennheiser stands for extraordinary sound and a unique audio experience – always tailored to the needs of its customers. The strong product offering of its Consumer Division includes premium headphones – especially in the True Wireless segment – as well as audiophile headphones, enhanced hearing solutions and soundbars. They are sold through a well-established complementary distribution network by Sennheiser's own subsidiaries and long-established trading partners in more than 50 countries, both online and in-store, further expanding Sonova's channel presence and customer base.

This acquisition supports an important element of Sonova's strategy – to reach ever more consumers, wherever their journey towards better hearing begins. Personal audio devices have become an integral part of everyday life as people interact with their digital devices increasingly through sound. As hearing loss occurs in most cases as a normal part of ageing, first remedial steps may include non-medical solutions to enhance hearing in specific situations. Sonova believes that such complementary solutions will ultimately expand the traditional hearing aid market by increasing adoption rates. The acquisition significantly accelerates Sonova's own efforts in this area.

The purchase price for the Sennheiser Consumer Division amounts to EUR 200 million, which will be financed through the existing cash balance. A licensing agreement on customary terms for the Sennheiser brand will be in place in perpetuity. The deal is expected to be EPS accretive immediately. Closing is foreseen in the second half of 2021 after obtaining the relevant regulatory approvals.

Sonova was advised by Goldman Sachs International, Fieldfisher, and KPMG.

About Sennheiser

Founded in 1945, Sennheiser is one of the world's leading manufacturers of headphones, microphones and wireless transmission systems. With 21 sales subsidiaries and long-established trading partners, the company is active in more than 50 countries and operates its own production facilities in Germany, Ireland, Romania and the USA. Since 2013, Sennheiser has been managed by Daniel Sennheiser and Dr. Andreas Sennheiser, the third generation of the family to run the company.

Media conference call

Sonova and Sennheiser will host a joint conference call for members of the media, today, May 7, 2021, at 10.00 AM CEST to discuss today's announcement.

The conference call can be accessed at:

+41 (0) 58 310 50 00 (Europa)

+44 (0) 207 107 06 13 (UK)

+1 (1) 631 570 56 13 (USA)

Other international numbers available [HERE](#)

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About Sonova

Sonova, headquartered in Stäfa, Switzerland, is a leading provider of innovative hearing care solutions. The Group operates through its core business brands Phonak, Unitron, Hansaton, Advanced Bionics and the brands of the Audiological Care business, e.g. AudioNova, Geers, Boots Hearing Care, Connect Hearing and Lapperre. Sonova offers its customers one of the most comprehensive product portfolios in the industry – from hearing instruments to cochlear implants to wireless communication solutions.

Pursuing a unique vertically integrated business strategy, the Group operates through three core businesses – Hearing Instruments, Audiological Care and Cochlear Implants – along the entire value chain of the hearing care market. The Group's sales and distribution network, the widest in the industry, comprises over 50 own wholesale companies and more than 100 independent distributors. This is complemented by Sonova's Audiological Care business, which offers professional audiological services through a network of around 3,300 locations in 20 key markets.

Founded in 1947, the Group has a workforce of over 14,000 dedicated employees and generated sales of CHF 2.92 billion in the financial year 2019/20 as well as a net profit of CHF 490 million. Across all businesses, and by supporting the Hear the World Foundation, Sonova pursues its vision of a world where everyone enjoys the delight of hearing and therefore lives a life without limitations.

For more information please visit www.sonova.com and www.hear-the-world.com.

Sonova shares (ticker symbol: SOON, Security no: 1254978, ISIN: CH0012549785) have been listed on the SIX Swiss Exchange since 1994. **The securities of Sonova have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the applicable securities laws of any state of the United States of America, and may not be offered or sold in the United States of America except pursuant to an exemption from the registration requirements under the U.S. Securities Act and in compliance with applicable state securities laws, or outside the United States of America to non-U.S. Persons in reliance on Regulation S under the U.S. Securities Act.**