



EPOS Recognized for

2021

Competitive Strategy Leadership

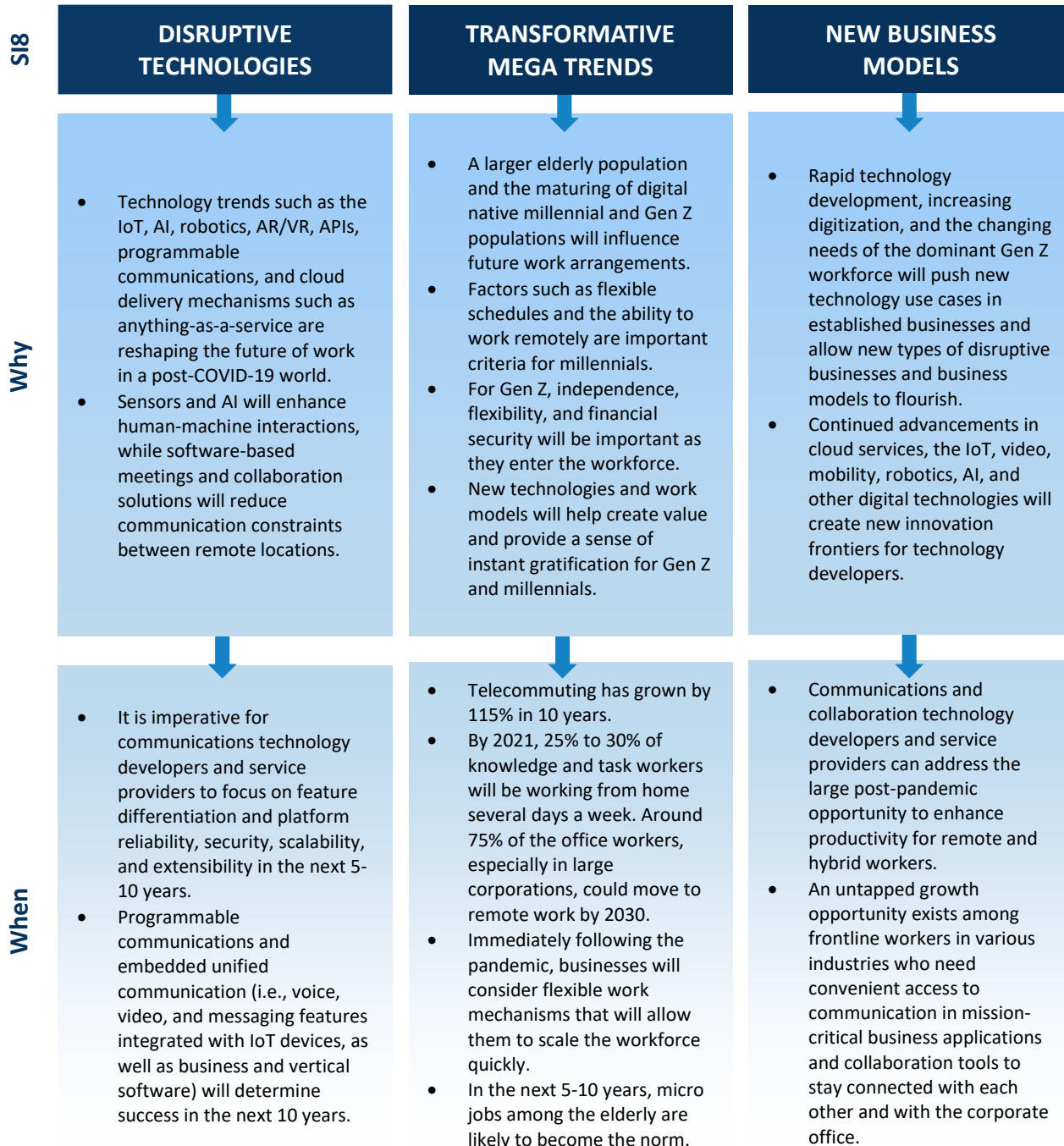
Global

Professional Headset Industry

Excellence in Best Practices

Strategic Imperatives

Frost & Sullivan identifies three key strategic imperatives that impact the connected work industry: disruptive technologies, transformative Mega Trends, and new business models. Every company that is competing in the connected work space is obligated to address these imperatives proactively; failing to do so will almost certainly lead to stagnation or decline. Successful companies overcome the challenges posed by these imperatives and leverage them to drive innovation and growth. Frost & Sullivan’s recognition of EPOS is a reflection of how well it is performing against the backdrop of these imperatives.



Best Practices Criteria for World-Class Performance

Frost & Sullivan applies a rigorous analytical process to evaluate multiple nominees for each award category before determining the final award recipient. The process involves a detailed evaluation of best practices criteria across two dimensions for each nominated company. EPOS excels in many of the criteria in the professional headset space.

AWARD CRITERIA	
<i>Strategy Innovation</i>	<i>Customer Impact</i>
Strategy Effectiveness	Price/Performance Value
Strategy Execution	Customer Purchase Experience
Competitive Differentiation	Customer Ownership Experience
Executive Team Alignment	Customer Service Experience
Stakeholder Integration	Brand Equity

Strategy Effectiveness & Execution

EPOS is the newly formed independent company established upon the former successful joint venture between audio specialist Sennheiser and the leading hearing technology group Demant.

“Far from losing focus and market timing due to the divesture of the joint venture and the creation of the new entity, EPOS (formerly Sennheiser Communications) has gotten stronger than ever before with a team centered on strategy effectiveness and execution.”

- Mohamed Alaa Saayed, ICT Industry Director

In September 2018, Demant A/S and Sennheiser electronic GmbH & Co. KG announced the end of the joint venture that existed for 15 successful years, Sennheiser Communications. The separation was announced in good faith, with both partners committing to continue their cooperation where synergies and opportunities exist. While the business segments of Enterprise Solutions and Gaming headsets was announced to evolve as an independent business as part of the William Demant

Group, the business segment of mobile music headsets was set to be part of the Sennheiser Consumer business. In order to ensure a seamless and smooth transition for employees, customers, suppliers, and partners alike, the separation was planned for January 1, 2020. Until then, the company Sennheiser Communications continued its business, while Sennheiser and William Demant gradually prepared the separation in close partnership.

During 2019, the two companies efficiently transitioned into the new set-ups, with the EPOS brand launched that year in November under Sennheiser Communications A/S. One year later, on November 30, 2020, the entity Sennheiser Communications A/S officially changed the company name to EPOS Group A/S.

Throughout the processes related to the divestiture and transition during 2019, the Sennheiser Communications team (now part of EPOS) never stopped innovating and executing on its growth plan, continuously releasing new professional audio product models in the market, and evolving its partnerships with leading technology providers such as Amazon, Microsoft, and Zoom, among others. In fact, Sennheiser Communications' revenue growth rate was almost three-times higher than total industry growth rate in 2019.

During 2020, with the new entity in place, EPOS notably invigorated the product line with the introduction of new endpoint categories, new product models, and general product enhancements. New co-branded EPOS | SENNHEISER professional headset models introduced in the market include:

- the stylish over-the-ear ADAPT 360 Bluetooth UC headset with active noise cancelling (ANC)
- the lightweight in-ear ADAPT 400 Bluetooth UC series —the company's first-ever wireless neckband UC headset (ADAPT 460/460T) — forming an integral part of the new line-up
- the on-ear ADAPT 560 wireless Bluetooth UC headset with ANC, advanced voice pick-up, and a foldable boom arm.
- the premium over-the-ear ADAPT 660 Bluetooth UC headset with new EPOS AI technology to optimize voice pick up, hybrid ANC to improve audio reception, and Alexa Voice Assistant integration.

During 2020 EPOS also significantly expanded its portfolio of Microsoft Teams certified headsets; launched new gaming headsets, including the GSX 300 Series and GSP 601/GSP 602; announced new partnerships with different technology providers; and released a new EPOS Connect App—the vendor's end user software application for firmware updates and audio control. Building on the legacy of Sennheiser Communications, EPOS continued to grow its professional headset market share in 2020 in terms of sales, earning high double-digit growth rates and market gains in almost all product categories.

With a laser focus on strategy effectiveness and execution, EPOS continued to execute on its growth strategy during the first months of 2021, revealing a new global partner program to channel partners, EPOS AMPLIFY; introducing the ADAPT 100 and ADAPT 200 corded UC series, a range of high quality headsets that use EPOS Voice™ technology with a noise-cancelling microphone to optimize the user's voice; launching the EXPAND Vision 3 and Vision 3T collaboration solutions, intelligent video bars for today's smart office; and continued to expand partnerships with technology providers, including 3CX, Alcatel-Lucent Enterprise, Dell Technologies, and Google, among others.

Far from losing focus and market timing due to the joint venture divestiture and the creation of the new entity, EPOS (formerly Sennheiser Communications) have grown stronger than ever before with a team centered on strategy effectiveness and execution. Today, EPOS' main statement is to deliver high-end audio solutions designed for enterprises and gamers.

Headquartered in Copenhagen, Denmark, EPOS builds on more than 115 years of audio technology experience and operates in a global market with offices and partners in more than 60 countries.

Executive Team Alignment:

The demerger of Sennheiser Communications was fully consented between the executive teams of William Demant and Sennheiser electronics. The technology vendors realized that, in order to be

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successful in today’s highly evolving market dynamics, full end-to-end dedication is needed to capture evolving opportunities in each audio market, with requirements of a more focused R&D approach. While Sennheiser naturally has music in its DNA, Demant has a special interest in leveraging its centennial expertise and audio know-how to empower the enterprise and gaming headset industries. With the announcement of the demerger in 2018, Demant focused its full resources in the organization transition and the creation and launch of the new EPOS brand. The transition has been also

facilitated by a co-branding agreement and trade license agreement with Sennheiser. Demant took over all office staff from the enterprise and gaming headset segments, as well as the full backend structure. Jeppe Dalberg-Larsen, former Sennheiser Communications’ president, was appointed as new EPOS president, and along with his expert team, built 15 new global subsidiaries and hired individuals for sales and marketing for the new company.

Shortly after EPOS was launched, the COVID-19 crisis took place. This was a major test for the newly-formed entity. However, EPOS reacted accordingly not only announcing new innovations and partnerships in the market, but efficiently responding to market demands and growing its professional headset revenue to a 9-digit figure. The executive team alignment is one of the key reasons for EPOS success.

Customer Ownership and Purchase Experience

Prior to EPOS’s existence, Sennheiser Communications was well-regarded for its superb audio quality and background noise cancellation; superior product design and style; ergonomic comfort and long-lasting operation; and device integration through different multi-connectivity options.

Building on Sennheiser Communications’ heritage, EPOS has quickly established itself as a premium provider of high quality headsets for business professionals and gamers. The new company is already referenced in an increasing number of positive media reviews and success stories from customers worldwide. Examples of proud customers include ABN AMRO, Austin Fraser, Delaware Environment Agency, Knight Frank, Leicestershire Police, NATS, Nottinghamshire County Council, OKQ8, SIEMENS, Toppan Travel Service Corp, Transcom, and WEKA FACHMEDIEN GmbH, among others.

In just over one year, the company built new subsidiaries, ERP and CRM systems, new websites, and new e-commerce from scratch, responding to a 180 degree change in market dynamics and efficiently

supplying its professional headsets to all types of businesses and industries in need of top-notch solutions that address both their unique requirements and specific constraints.

In terms of customer support experience, EPOS has also built on top of Sennheiser Communications' superior customer service. Today, EPOS offers multiple tools for support, inquiries, and problem solving. For product information, the EPOS website offers users different content choices to learn about the company's wide range of professional headsets, including product data sheet downloads, how-to-videos, software downloads, and headset compatibility guides. In order to ensure the right fit for customer sales and support EPOS also offers service training for regional partners and dealers. Partners can choose from a wide variety of training to enhance their knowledge of the products and solutions. EPOS' partners and customers highly appreciate the company's proactive approach, which addresses their needs and challenges effectively and in a timely manner.

Conclusion

Since its creation, EPOS has overcome the natural challenges related to a demerger and the setup of a new company, and also surpassed the acid test of a complete change in market conditions during 2020. With a rock-solid strategy effectiveness and execution, executive team alignment, and a superior customer ownership and purchase experience, EPOS has not only stepped strongly into a highly competitive market, it has also grown its headset market above industry average.

For its strong overall performance, EPOS earns Frost & Sullivan's 2021 Competitive Strategy Leadership Award.

What You Need to Know about the Competitive Strategy Leadership Recognition

Frost & Sullivan's Competitive Strategy Leadership Award recognizes the company with a stand-out approach to achieving top-line growth and a superior customer experience.

Best Practices Award Analysis

For the Competitive Strategy Leadership Award, Frost & Sullivan analysts independently evaluated the criteria listed below.

Strategy Innovation

Strategy Effectiveness: Effective strategy balances short-term performance needs with long-term aspirations and overall company vision

Strategy Execution: Company strategy utilizes Best Practices to support consistent and efficient processes

Competitive Differentiation: Solutions or products articulate and display unique competitive advantages

Executive Team Alignment: Executive team focuses on staying ahead of key competitors via a unified execution of its organization's mission, vision, and strategy

Stakeholder Integration: Company strategy reflects the needs or circumstances of all industry stakeholders, including competitors, customers, investors, and employees

Customer Impact

Price/Performance Value: Products or services provide the best value for the price compared to similar market offerings

Customer Purchase Experience: Quality of the purchase experience assures customers that they are buying the optimal solution for addressing their unique needs and constraints

Customer Ownership Experience: Customers proudly own the company's product or service and have a positive experience throughout the life of the product or service

Customer Service Experience: Customer service is accessible, fast, stress-free, and high quality

Brand Equity: Customers perceive the brand positively and exhibit high brand loyalty

About Frost & Sullivan

Frost & Sullivan is the Growth Pipeline Company™. We power our clients to a future shaped by growth. Our Growth Pipeline as a Service™ provides the CEO and the CEO's growth team with a continuous and rigorous platform of growth opportunities, ensuring long-term success. To achieve positive outcomes, our team leverages over 60 years of experience, coaching organizations of all types and sizes across 6 continents with our proven best practices. To power your Growth Pipeline future, visit Frost & Sullivan at <http://www.frost.com>.

The Growth Pipeline Engine™

Frost & Sullivan's proprietary model to systematically create on-going growth opportunities and strategies for our clients is fuelled by the Innovation Generator™. [Learn more.](#)

Key Impacts:

- **Growth Pipeline:** Continuous flow of Growth opportunities
- **Growth Strategies:** Proven Best Practices
- **Innovation Culture:** Optimized Customer Experience
- **ROI & Margin:** Implementation Excellence
- **Transformational Growth:** Industry Leadership



The Innovation Generator™

Our six analytical perspectives are crucial in capturing the broadest range of innovative growth opportunities, most of which occur at the points of these perspectives.

Analytical Perspectives:

- **Mega Trend (MT)**
- **Business Model (BM)**
- **Technology (TE)**
- **Industries (IN)**
- **Customer (CU)**
- **Geographies (GE)**

