Announcement no. 1 **February 6, 2025**

GN Annual Report 2024: Strong growth in Hearing and Gaming offset by slight decline in Enterprise leading to 1% Group organic revenue growth, 12% reported EBITA margin, and free cash flow excl. M&A of DKK 1.1 billion

2024 highlights

- GN delivered revenue of DKK 18.0 billion with organic revenue growth of 1%, as a result of 10% organic revenue growth in Hearing, -3% organic revenue growth in Enterprise, 7% organic revenue growth in Gaming, and -31% organic revenue growth in Consumer due to the wind-down
- Excluding the wind-down, Group organic revenue growth was 4%
- Reported EBITA of DKK 2.2 billion and a margin of 12%
- Free cash flow excluding M&A ended at DKK 1.1 billion leading to an adj. leverage of 3.5x
- The strong financial performance is supported by the one-GN transformation, which is progressing well driving simplicity, efficiency, and better utilization of shared capabilities and joint innovation

GN's financial performance in 2024 demonstrates that GN is on track to deliver the intended results from the transformation into a simpler and more efficient one-company setup, driving profitable growth in attractive markets.

In the Hearing division, GN performed strongly leading to market share gains as a result of 10% organic revenue growth. The performance was broad-based across regions and channels supported by the successful ReSound Nexia product family. Revenue reached DKK 7,104 million, compared to DKK 6,802 million in 2023, including M&A impact of -4% while impact from foreign exchange rates was -2%.

In the Enterprise division, GN executed well and maintained its global market leadership position in a challenging but improving enterprise market. The performance during the year was based on flat organic revenue growth in headsets, double-digit organic revenue growth in video, while the speakerphone category experienced high double-digit decline as a result of the structurally declining market and a demanding comparison base from 2023. Consequently, the Enterprise division delivered -3% organic revenue growth. Revenue in 2024 reached DKK 7,205 million, compared to DKK 7,463 million in 2023.

In the Gaming and Consumer division, GN continued to gain market share in a slightly growing gaming gear market while successfully completing the wind-down of the Elite and Talk product lines. Consequently, GN delivered 7% organic revenue growth in Gaming and -31% organic revenue growth in Consumer, translating into total organic revenue growth of -5% for the Gaming & Consumer division. Revenue in 2024 reached DKK 3,676 million, compared to DKK 3,855 million in 2023. The division is now renamed to Gaming.

The performance across the divisions led to group revenue of DKK 17,985 million, translating into organic revenue growth excluding the wind-down of 4%, while the reported organic revenue growth was 1%.

The Group reported a strong EBITA improvement ending at DKK 2,153 million, which included DKK -202 million in extraordinary costs related to the wind-down. The increase was primarily driven by strong profit growth across the divisions, supported by group-wide synergies of DKK ~430 million, strong pricing discipline, and less extraordinary costs. The EBITA-margin increased by 5.4 percentage points compared to 2023 and ended at 12.0% in line with revised financial guidance following the wind-down. The strong focus on cash flow led to free cash flow excl. M&A of DKK 1,081 million, leading to a DKK 0.9 billion reduction in net interest-bearing debt. As a consequence of the strong improvement in earnings and the strong cash flow level, the adj. leverage ended at 3.5x (reported leverage of 3.8x) compared to 4.5x in 2023.

Financial highlights Q4 2024

- GN Store Nord delivered revenue of DKK 5.0 billion in Q4 2024, driven by organic revenue growth of 4% (excluding the wind-down effect). Group wide synergies and substantially less non-recurring costs led to an increase in reported EBITA of 159% to DKK 688 million, equal to a reported EBITA margin of 13.7%. The improved profitability and continued strong focus on working capital resulted in free cash flow excl. M&A ending at DKK 94 million
- The Hearing division delivered organic revenue growth of 7% in Q4 2024 driven by continued strong performance of ReSound Nexia. Divisional profit was DKK 667 million, equal to a divisional profit margin of 36.1%
- The Enterprise division delivered -2% organic revenue growth in Q4 2024 reflecting double-digit growth in video, flat development in headsets, while the decline in speakerphones was significant although improving sequentially. Divisional profit was DKK 745 million, equal to a divisional profit margin of 37.5%
- The Gaming & Consumer division delivered -8% organic revenue growth in Q4 2024 driven by continued market share gains and 16% organic revenue growth in Gaming, off-set by -66% organic revenue growth in Consumer due to the successful completion of the wind-down during the quarter. Revenue in Gaming was DKK 1,053 million making it the best quarter ever in the history of SteelSeries, while revenue in Consumer was DKK 127 million. Divisional profit was DKK 109 million, equal to a divisional profit margin of 9.2%, which included DKK -24 million in extraordinary costs related to the wind-down

Shareholder returns – dividend and share buybacks

During 2024, GN's net interest-bearing debt decreased by DKK 0.9 billion to DKK 9.7 billion, driven by the strong operational free cash flow. Consequently, the adj. leverage was reduced from 4.5x to 3.5x. GN remain focused on delivering shareholder value and will consider doing shareholder distribution again, once the leverage is closer to the long-term target of 2.0x. GN will not pay out dividend in respect of the financial year 2024 and share buyback programs have been paused for the time being.

Financial guidance for 2025

	Organic revenue growth excl. wind-down	EBITA margin	Free cash flow excl. M&A (DKK million)
GN Store Nord	**3% to 7%**	**12% to 14%**	**~800**

Key revenue assumptions for the financial guidance of 2025

Hearing division
In 2025, GN expects the hearing aid markets to grow in line with the historical growth rates supported by ongoing favorable demographic trends. As such, GN projects 4-6% market volume growth and -1% market ASP decline, equaling a market value growth of 3-5%.

Based on the attractive market fundamentals, the current sales momentum, as well as the launch of ReSound Vivia and ReSound Savi, GN in 2025 expects to continue to gain market share. Consequently, the Hearing division assumes to contribute with organic revenue growth of 5% to 9%.

Enterprise division
Following a longer period of market stabilization, GN expects the enterprise market to grow modestly in 2025. The projection is based on an expected increase in general IT budgets, as well as improving sentiment across GN's distributors, resellers, and end-customers. The market recovery is expected to be led by North America and Rest of World, as parts of Europe is currently impacted by economic growth challenges.

GN expects to be able to continue to maintain its market-leading position in enterprise grade headsets, while gaining market shares in enterprise video communication systems. The assumption is driven by the current market-leading product portfolio, launch of new customer-centric innovations across headsets and video, channel access strength, and strong partnerships with leading software vendors. Consequently, the Enterprise division assumes to contribute with organic revenue growth of 0% to 4%.

Gaming division
In 2025, GN expects the gaming gear market to grow 3-5% driven by continued increase in the number of global gamers but held back by the current consumer sentiment in Europe.

GN expects to continue to gain market shares driven by the very strong brand, innovation leadership, and category expansion. Consequently, Gaming assumes to contribute with organic revenue growth of 7% to 12% (excluding the impact from the wind-down).

Wind-down impact on Group organic revenue growth guidance
Due to the successfully executed wind-down of the Elite and Talk product lines during 2024, the revenue contribution from these product lines in 2025 is assumed to be insignificant (in 2024, the product lines generated revenue of DKK 597 million). As a result, the negative impact from the wind-down on group organic revenue growth will be 3-4 percentage points, while the impact specifically in the Gaming division will be 19-20 percentage points. The group financial guidance

on organic revenue growth is adjusted for this impact, why the group reported organic revenue growth will be 3-4 percentage points lower.

Key EBITA margin assumptions for the financial guidance of 2025
Following a strong margin improvement in 2024, GN expects further margin improvements in 2025, thereby being on a steady trajectory towards the 2028 EBITA margin target of 16-17%. The EBITA margin expansion in 2025 is supported by further one-GN synergies as earlier communicated, the non-recurring nature of the DKK 202 million extraordinary wind-down costs in 2024, as well as underlying margin improvements driven by leverage and scale across the three divisions.

To solidify the margin path towards 2028, we will in 2025 invest further into operations including supply chain, IT modernization, ERP optimization, and cybersecurity to ensure a sustainable and resilient growth platform. This will allow us to drive the targeted margin expansion while further creating flexibility and resilience against potential further geopolitical challenges.

The guidance includes certain costs linked to the wind-down for general service and warranty commitments, expected to diminish over the next couple of years.

The recently announced tariffs between China and the U.S, is expected to lead to a slight negative margin impact for the Group, mainly in Gaming and to some extent Enterprise while no impact is assumed in Hearing.

Finally, the development in foreign exchange rates, including the appreciated USD is assumed to be a headwind for the EBITA margin in 2025, primarily as a function of the tailwind to reported revenue, as the majority of the negative FX impact on absolute EBITA is hedged.

Quotes from Executive Management
Peter Karlstromer, CEO of GN Store Nord, comments: *"I would like to thank our customers and partners for the trust they place in us – and all our employees for their focus and dedication. In 2024, we made a lot of progress. We performed well across our businesses in somewhat different market conditions, thanks to great work across our company. While doing this we have also taken several steps to strengthen GN for the future, to allow us to deliver sustainable and profitable growth for the years to come. We are excited about our opportunities ahead."*

Søren Jelert, CFO of GN Store Nord, comments: *"Our financial targets towards 2028 are ambitious – in 2024, we made good progress towards delivering on these as well as strengthening our foundation for further success. During the year, we have executed well in our markets, increased margins, and delivered another good year of free cash flow. Combined with our strong focus on cost, realization of synergies, and significant reduction of net interest-bearing debt, we can direct further attention to create future profitable growth based on great product innovation and customer focus."*

Financial overview Q4 2024

DKK million	GN Store Nord			Hearing division			Enterprise division			Gaming & Consumer division		
	Q4 2024	Q4 2023	Growth	Q4 2024	Q4 2023	Growth	Q4 2024	Q4 2023	Growth	Q4 2024	Q4 2023	Growth
Revenue	**5,019**	**5,069**	**-1%**	**1,850**	**1,808**	**2%**	**1,989**	**1,997**	**0%**	**1,180**	**1,264**	**-7%**
Organic growth	0%	0%		7%	7%		-2%	-9%		-8%	6%	
Gross profit	**2,672**	**2,458**	**9%**	**1,135**	**1,039**	**9%**	**1,143**	**1,056**	**8%**	**394**	**363**	**9%**
Gross profit margin	53.2%	48.5%	4.7%p	61.4%	57.5%	3.9%p	57.5%	52.9%	4.6%p	33.4%	28.7%	4.7%p
Divisional profit	**1,521**	**1,371**	**11%**	**667**	**522**	**28%**	**745**	**669**	**11%**	**109**	**180**	**-39%**
Divisional profit margin	30.3%	27.0%	3.3%p	36.1%	28.9%	7.2%p	37.5%	33.5%	4.0%p	9.2%	14.2%	-5.0%p
EBITA	**688**	**266**	**159%**									
EBITA margin	13.7%	5.2%	8.5%p									
Free cash flow excl. M&A	94	769	-675									

Financial overview 2024

DKK million	GN Store Nord			Hearing division			Enterprise division			Gaming & Consumer division		
	2024	2023	Growth	2024	2023	Growth	2024	2023	Growth	2024	2023	Growth
Revenue	**17,985**	**18,120**	**-1%**	**7,104**	**6,802**	**4%**	**7,205**	**7,463**	**-3%**	**3,676**	**3,855**	**-5%**
Organic growth	1%	-1%		10%	13%		-3%	-13%		-5%	5%	
Gross profit	**9,564**	**8,945**	**7%**	**4,458**	**4,076**	**9%**	**4,010**	**3,901**	**3%**	**1,096**	**968**	**13%**
Gross profit margin	53.2%	49.4%	3.8%p	62.8%	59.9%	2.9%p	55.7%	52.3%	3.4%p	29.8%	25.1%	4.7%p
Divisional profit	**5,207**	**4,548**	**14%**	**2,464**	**1,874**	**31%**	**2,544**	**2,442**	**4%**	**199**	**232**	**-14%**
Divisional profit margin	29.0%	25.1%	3.9%p	34.7%	27.6%	7.1%p	35.3%	32.7%	2.6%p	5.4%	6.0%	-0.6%p
EBITA	**2,153**	**1,200**	**79%**									
EBITA margin	12.0%	6.6%	5.4%p									
Free cash flow excl. M&A	1,081	1,092	-11									

Teleconference

GN Store Nord will host a teleconference at 11.00 a.m. CET today. Please visit www.gn.com/investor to access the teleconference. Presentation material will be available on the website before the teleconference starts.

For further information, please contact:

Investor Relations

Rune Sandager +45 45 75 92 57

Media Relations

Steen Frentz Laursen +45 20 65 34 20

Forward-looking statements

The forward-looking statements in this report reflect the management's current expectations of certain future events and financial results. Statements regarding the future are, naturally, subject to risks and uncertainties, which may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events, which may prove incorrect. Changes to such expectations and assumptions will not be disclosed on an ongoing basis, unless required pursuant to general disclosure obligations to which GN is subject.

Factors that may cause actual results to deviate materially from expectations include – but are not limited to – general economic developments and developments in the financial markets as well as foreign exchange rates, technological developments, changes and amendments to legislation and regulations governing GN's markets, changes in the demand for GN's products, competition, fluctuations in sub-contractor supplies, and developments in ongoing litigation (including but not limited to class action and patent infringement litigation in the United States).

For more information, please see the "Management's report" and "Risk management" sections in this Annual Report. This Annual Report should not be considered an offer to sell or buy securities in GN.

About GN
GN facilitates communication between people through intelligent hearing, audio, video, and gaming technology. Inspired by people and driven by our passion for innovation, we leverage technologies to deliver unique user experiences that bring people closer through the power of sound and vision.

GN was founded more than 150 years ago with a vision to connect the world. Today, we proudly honor that legacy with our world-leading expertise in the human ear, audio, video and speech, wireless technologies, software, miniaturization, and collaboration with leading technology partners. GN's solutions are marketed by the brands ReSound, SteelSeries, Jabra, Beltone, Interton, BlueParrott, Danavox and FalCom in 100 countries. Founded in 1869, the GN Group employs 7,000 people and is listed on Nasdaq Copenhagen (GN.CO).

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