



Interim Report Q2 2021 – Conference call presentation

August 19, 2021

Safe harbor statement

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.

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, 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).

This presentation should not be considered an offer to sell or buy securities in GN Store Nord.

Agenda



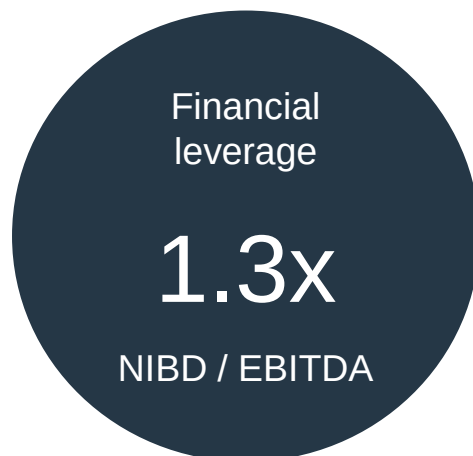
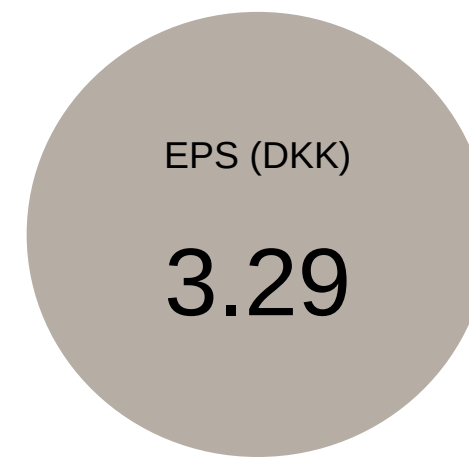
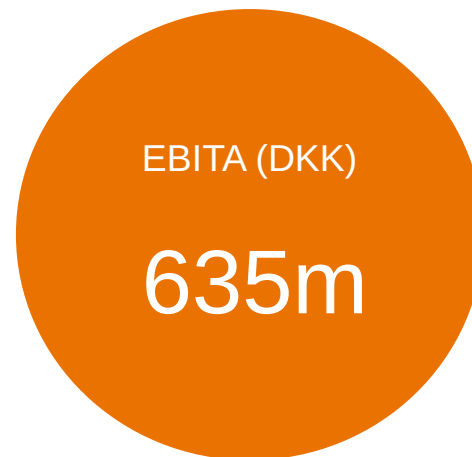
Group highlights

GN Hearing update

GN Audio update

Financial update and guidance

Group highlights Q2 2021



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GN Hearing financial highlights Q2 2021

In Q2 2021, GN Hearing delivered strong organic revenue growth of 95% in a market continuously impacted by the pandemic

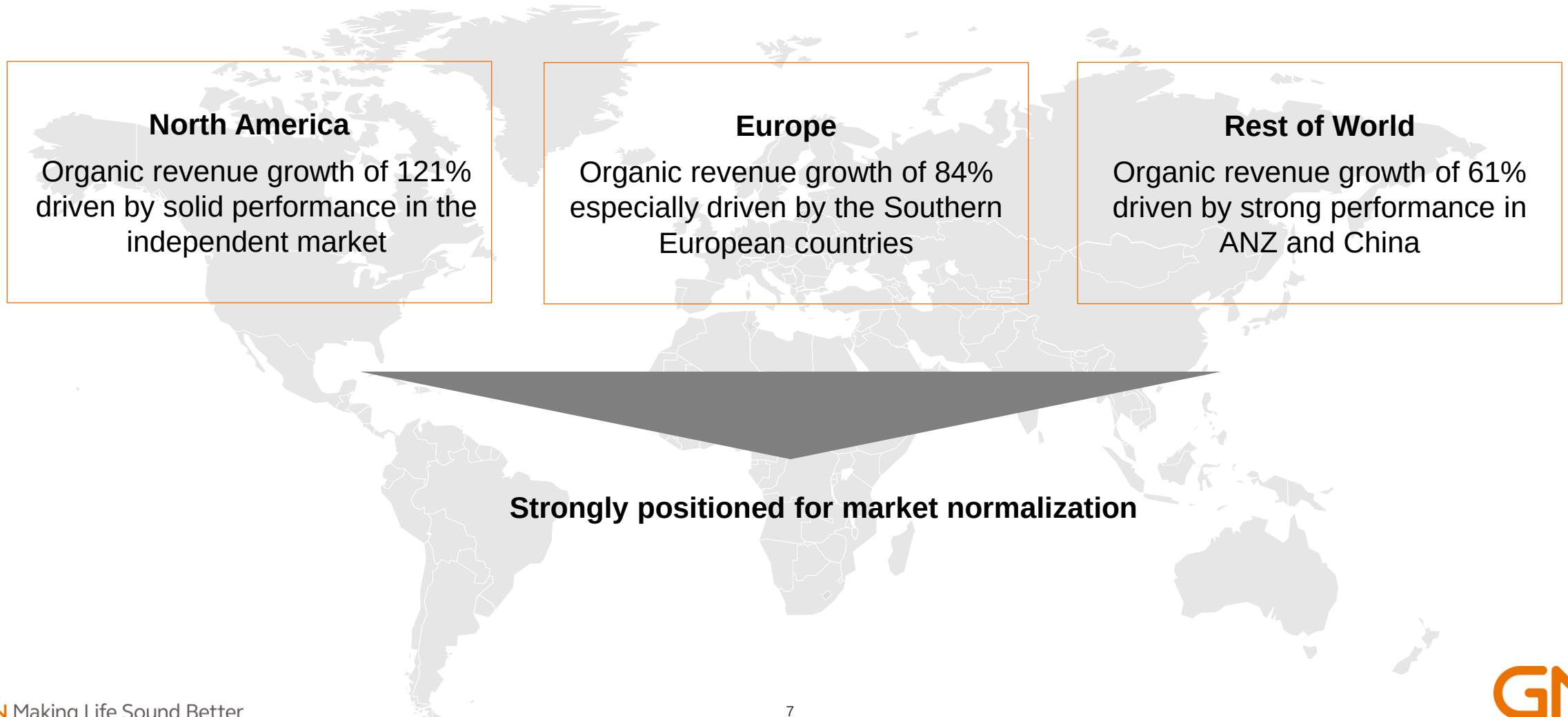
- Organic revenue growth of 95% in Q2 2021. Revenue growth of 85%, including impact of around -10% from FX
- The market recovery continues to vary significantly across regions and countries
- Gross margin impacted by mix effects and fixed part of production costs
- Strong improvement in EBITA and EBITA margin driven by the revenue growth, supported by prudent cost management, while continuing to invest in R&D and IT infrastructure
- Free cash flow excl. M&A of DKK 123 million driven by the recovery in revenue and earnings

DKK million	Q2 2021	Q2 2020	Growth
Revenue	1,322	715	+85%
<i>Organic growth</i>	95%	-54%	
Gross profit	832	332	+151%
<i>Gross margin</i>	62.9%	46.4%	+16.5%p
EBITA	153	-336	NA
<i>EBITA margin</i>	11.6%	-47.0%	+58.6%p
ROIC*	9%	6%	+3%p
Free cash flow excl. M&A	123	-117	+240
<i>Cash conversion</i>	80%	NA	NA
Number of employees**	4,483	4,255	+5%

* EBITA (rolling four quarters) / avg. invested capital

** Number of employees, end of period

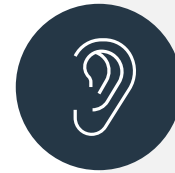
Regions continued to be impacted differently by the pandemic throughout the quarter



Jabra Enhance Pro launched into Costco with strong initial uptake



Jabra Enhance Pro



- **Jabra Enhance Pro** – a new, premium line-up featuring M&RIE



- **Leveraging GN's advanced medical grade hearing technology and Jabra's consumer audio expertise** through a well-known audio brand



- **Strong initial uptake of Jabra Enhance Pro** following launch June 7th

Worldwide: 80% of people with a hearing loss currently live without hearing aids

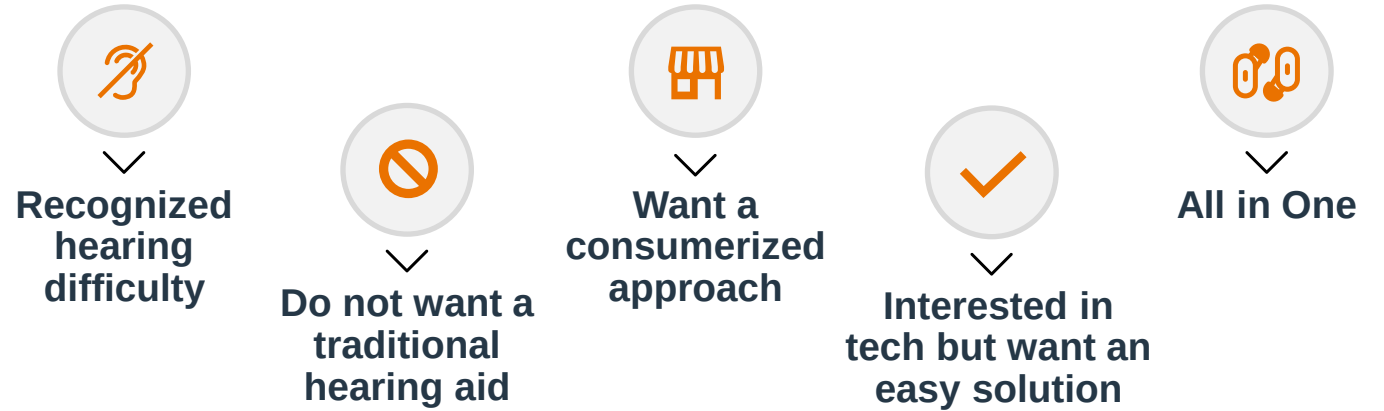
Penetration of hearing aids



20% Penetrated

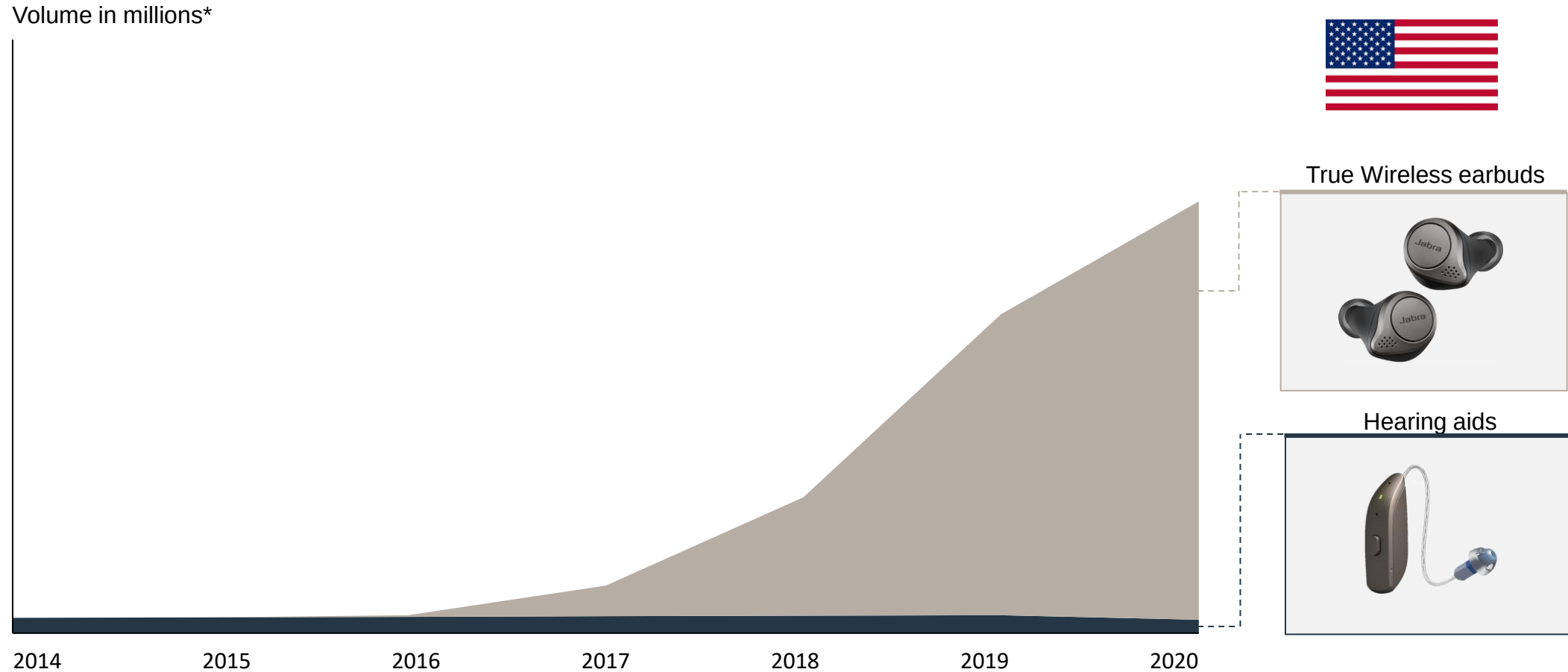
80% Not penetrated

What are the 80% non-users looking for?



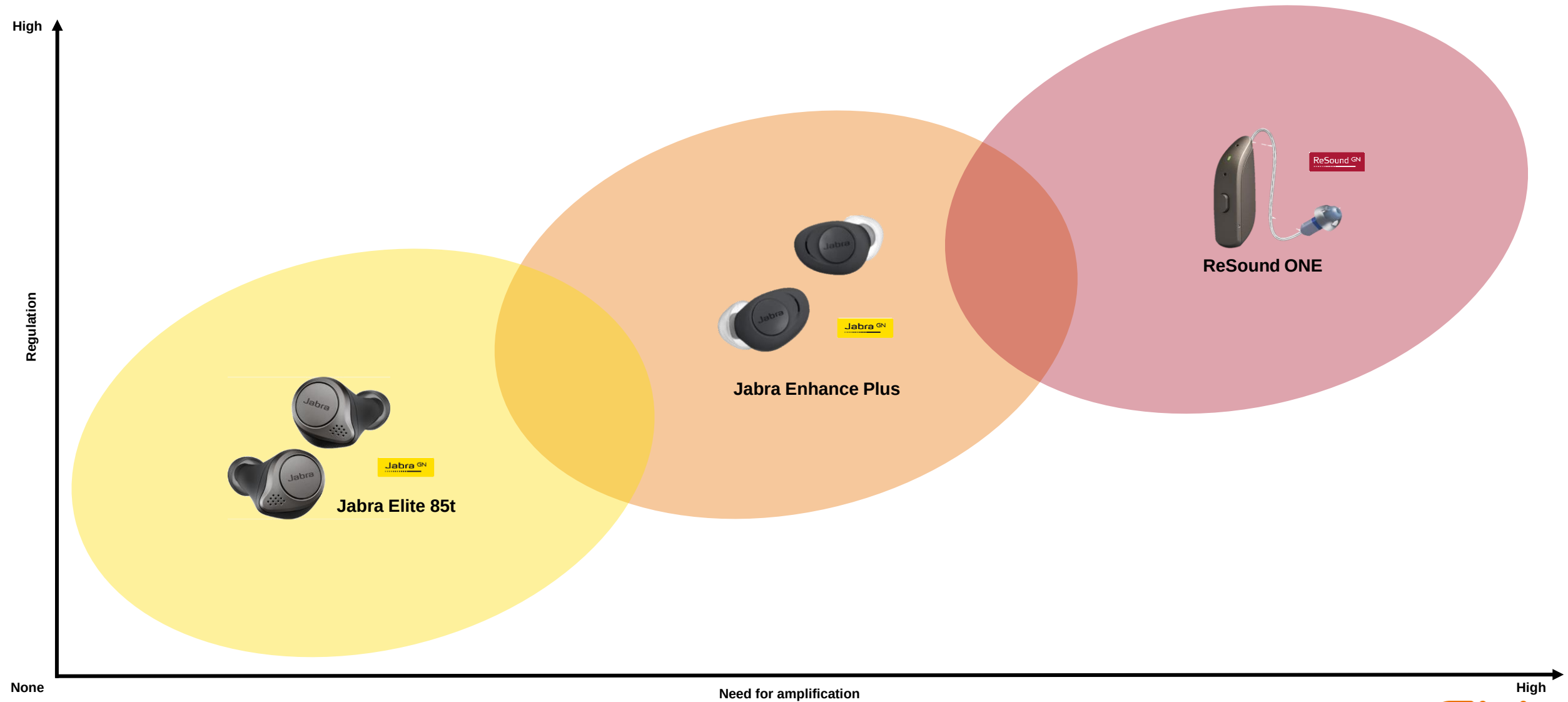
People have become increasingly comfortable having something in the ear

Solid growth of True Wireless earbuds in the US



*Indicative

Utilizing the power of GN Audio and GN Hearing to help more people with hearing loss



Building on years of research, innovation and engineering GN introduces **Jabra Enhance Plus**



- Lifestyle consumer proposition



- All-in-one solution; hearing enhancement, great call and music quality



- Small, discreet and stylish design – 50% smaller than Jabra Elite 75t



- 10 hours battery life on a single charge and 30 hours included with charging case



- Available exclusively through licensed HCP's



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GN Audio financial highlights Q2 2021

GN Audio delivered 32% organic revenue growth and 30% growth in EBITA in Q2 2021, reflecting another strong quarter

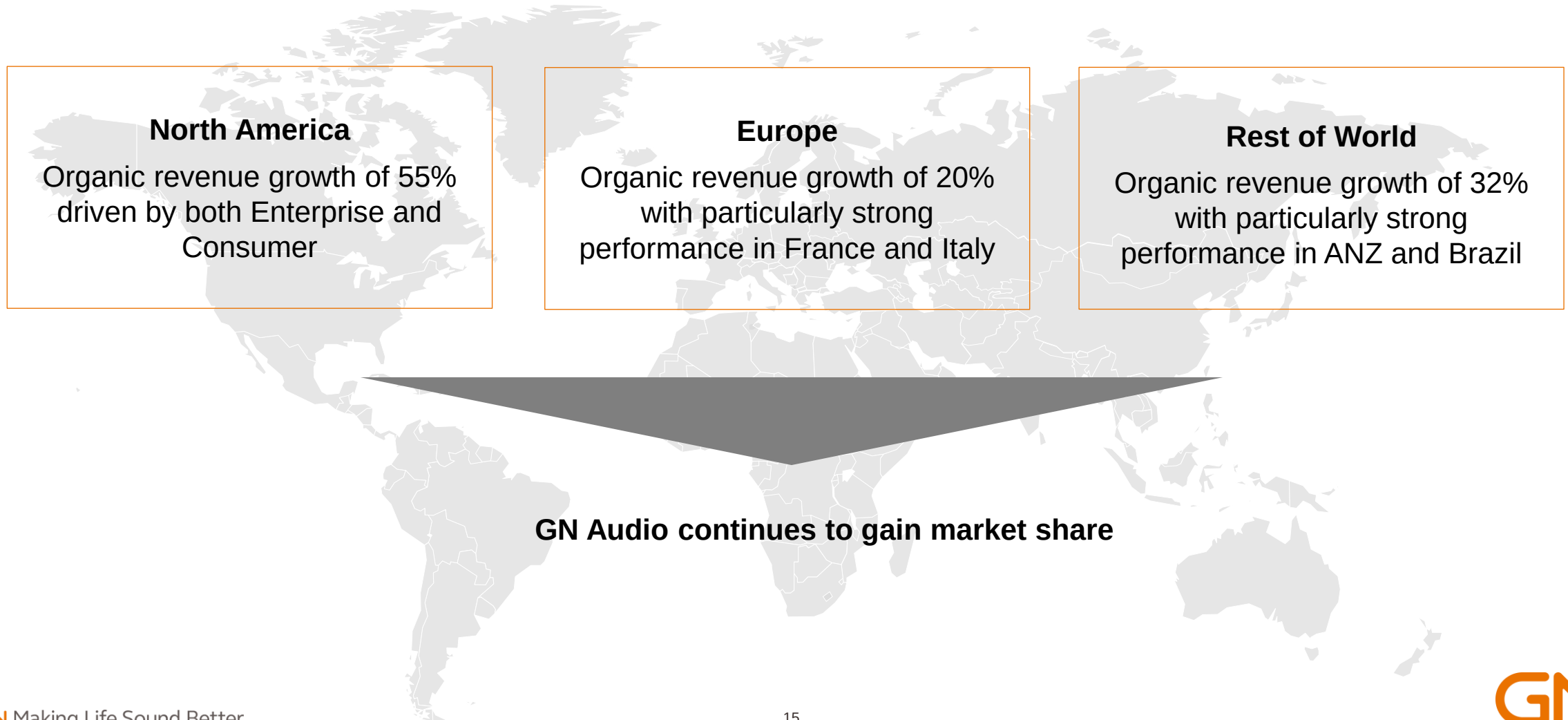
- Organic revenue growth of 32% in Q2 2021 on top of 32% organic revenue growth in Q2 2020. Revenue growth of 26%, including impact of around -6% from FX
- Gross margin positively impacted by FX offset by increased freight and production costs due to COVID-19 and mix effects
- EBITA increased 30% equaling an EBITA margin of 21.7%, reflecting strong growth on top of continued investments in future growth opportunities
- Free cash flow excl. M&A of DKK 371 million, driven by the growth in earnings
- Continued strong underlying demand. GN Audio continues to work closely with suppliers of components to address immediate and future demand

DKK million	Q2 2021	Q2 2020	Growth
Revenue	2,456	1,944	+26%
<i>Organic growth</i>	32%	32%	
Gross profit	1,264	1,009	+25%
<i>Gross margin</i>	51.5%	51.9%	-0.4%p
EBITA	532	408	+30%
<i>EBITA margin</i>	21.7%	21.0%	+0.7%p
ROIC*	94%	54%	+40%p
Free cash flow excl. M&A	371	579	-208
<i>Cash conversion</i>	70%	142%	-72%p
Number of employees**	2,163	1,726	+25%

* EBITA (rolling four quarters) / avg. invested capital

** Number of employees, end of period

Strong broad-based organic growth across Enterprise and Consumer



UC platform growth has significantly outpaced the professional headset market

Unified communication platforms have experienced massive growth*



Microsoft Teams

6x

Up ~6x in daily active users

"Teams usage has never been higher. We have nearly 250 million monthly active users as people use Teams each day to communicate, collaborate, and co-author content across work, life, and learning"

- Satya Nadella, Chairman and CEO of Microsoft. July 27, 2021



30x

Up ~30x in daily active participants

"In a recent survey we conducted, 80% of US respondents agreed that all interactions will continue to have a virtual element post-pandemic, and that figure was even higher in many of the other markets we surveyed"

- Eric Yuan, President and CEO of Zoom. June 1, 2021

Professional headset market accelerated with ~25% growth in 2020

Established segment

Office workers

~525 million

With ~17% penetration



New opportunities: Public sector

Government workers

~150 million

Low penetration



Education and healthcare personas

~260 million

Low penetration



New opportunities - GN Audio strongly positioned in fast growing public sector

Large untapped potential in public sector



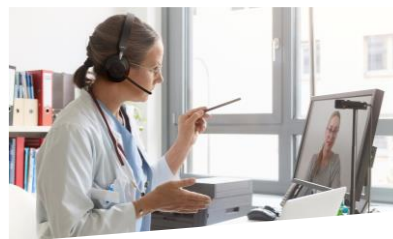
Government

> 150 million government workers



Education

> 200 million students
> 2 million classrooms in the US*



Healthcare

> 60 million healthcare workers

Public sector is characterized by:



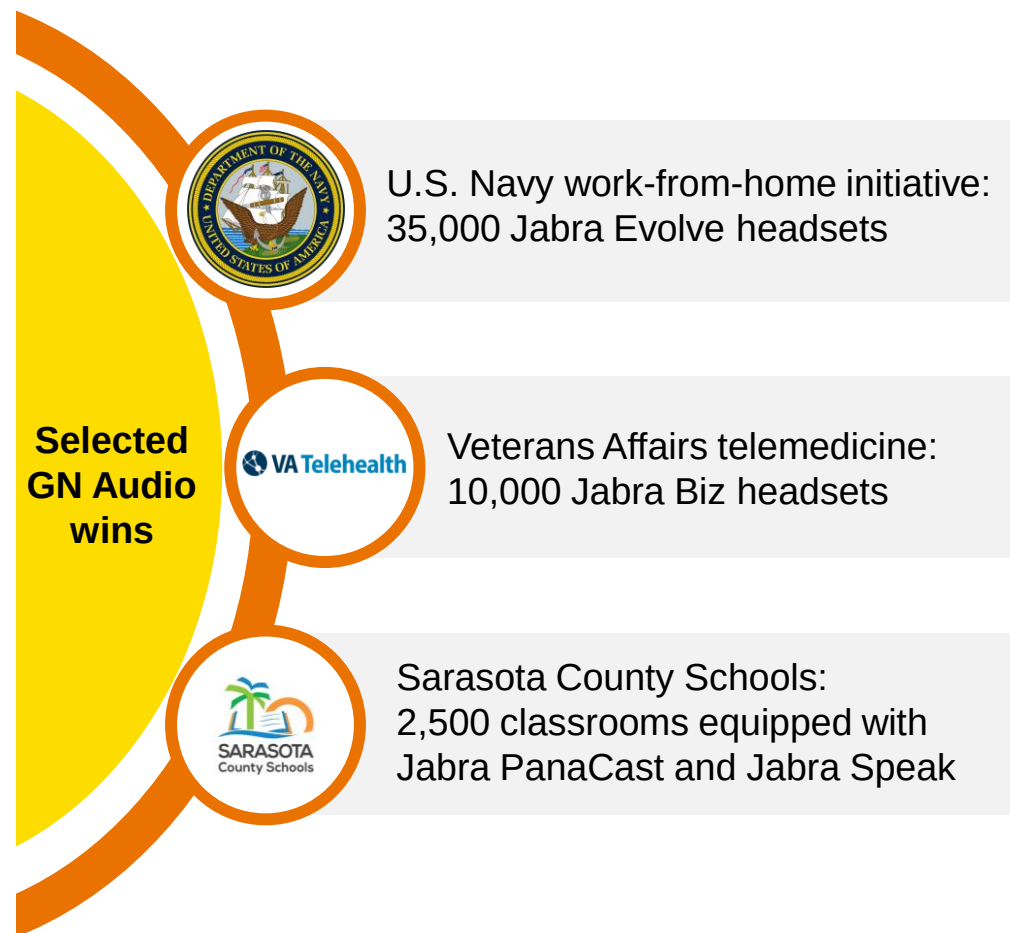
Accelerated UC adoption



Higher requirements for certifications and security



Tender driven contracts



High quality technology and trust in our brand



Unique products features



Marketing leading security



Dedicated public sector sales teams



Strong focus from our key alliance partners incl. Microsoft and Zoom

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GN Audio update



Financial update and guidance

Group financial highlights Q2 2021

Strong performance with 49% organic revenue growth

- Organic revenue growth of 49% driven by strong growth in both GN Hearing and GN Audio
- EBITA reached DKK 635 million corresponding to an EBITA margin of 16.8%, while EPS reached DKK 3.29
- Strong free cash flow while continuing to invest in future growth opportunities

Sound balance sheet

- Leverage decreased from 1.6x by the end of Q1 2021 to 1.3x in Q2 2021, on top of the ongoing share buyback program
- Balance sheet remains sound with ample sources of liquidity

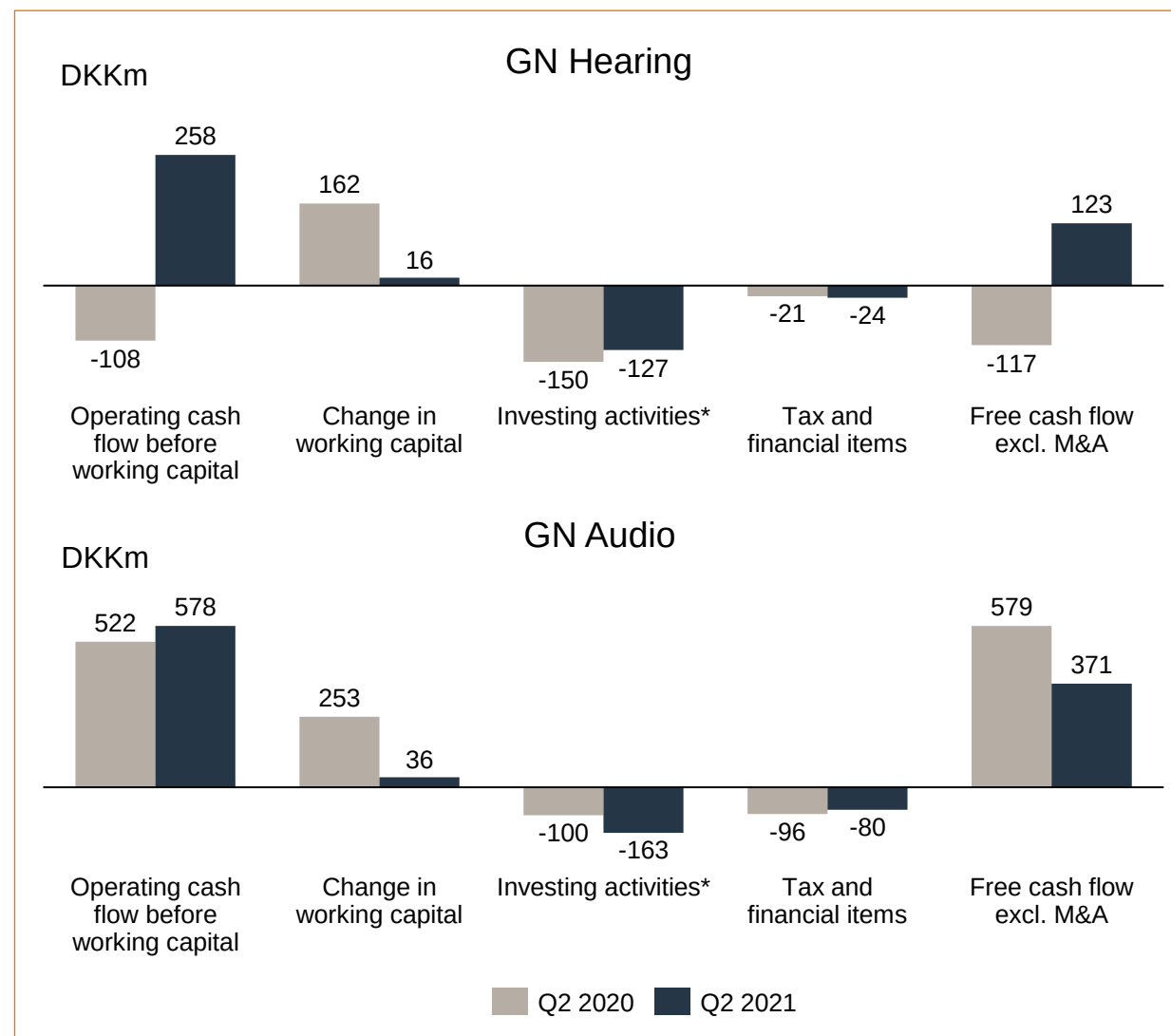
DKK million	Q2 2021	Q2 2020	Growth
Revenue	3,778	2,659	+42%
Organic growth	49%	-13%	
Gross profit	2,096	1,341	+56%
Gross margin	55.5%	50.4%	+5.1%p
EBITA	635	25	
EBITA margin	16.8%	0.9%	+15.9%p
Profit before tax	552	15	
Net profit	434	13	
EPS	3.29	0.06	
ROIC*	29%	17%	+12%p
Free cash flow excl. M&A	510	517	-7
Cash conversion	80%	2,068%	
NIBD/EBITDA	1.3x	2.7x	
Number of employees**	6,936	6,205	+12%

* EBITA (rolling four quarters) / avg. invested capital

** Number of employees, end of period

Continued focus on cash flow generation

- GN Hearing's free cash flow excl. M&A in Q2 2021 was driven by the recovery in revenue and earnings
 - Growth in earnings and prudent cost control
 - Investment activities ongoing
- GN Audio's free cash flow excl. M&A development in Q2 2021 reflects the strong operating profit
 - Growth in earnings and continuous leverage
 - Investment activities ongoing
- Net working capital was in Q2 2020 significantly impacted by net working capital actions due to the outbreak of the pandemic
- Focused and prudent management of cash flow continues



* Excluding M&A activities

MSCI confirms GN's strong AA ESG rating



Signatory since 2010

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



GN

Financial guidance is confirmed

COVID-19 risks

Due to the ongoing COVID-19 pandemic – which impacts GN in many ways – it must be stressed that the basic assumptions behind the guidance remain significantly more uncertain than normal. The COVID-19 situation has and will not only strongly impact GN's operational performance in 2021, but is also impacting predictability and visibility across GN's markets, channels and supply chain. Certain components remain in global shortage impacting many different industries. GN has commitment from component suppliers to deliver on the guidance. This is based on an assumption that the GN suppliers will not face unexpected reductions in access to raw materials. The financial guidance is contingent on a gradual reopening of society and no major disruptions in the supply chain.

GN Hearing

The fundamental assumptions behind the financial guidance for GN Hearing are that the global hearing aid market in H1 2021 was heavily impacted by COVID-19 and the consequential volatile regional and local restrictions. As hearing care professionals and end-users in our main markets had access to the vaccine throughout H1 2021, the expectation earlier in the year was that the market would reset and normalize in H2 2021. Due to the Delta variant and consequential reinforced local restrictions the normalization has not yet materialized in all markets. GN Hearing will continuously aim to outgrow the market and invest in maintaining its innovation leadership and improving the IT infrastructure.

For full year 2021, GN Hearing expects an organic revenue growth of more than 25% and an EBITA margin of more than 16%. It is expected that the EBITA margin in a more normalized market in H2 2021 is recovering to our mid-term targets of more than 20%.

GN Audio

The fundamental assumption behind the financial guidance for GN Audio is that the demand for collaboration solutions from enterprises and organizations will continue in 2021 and beyond. It is expected that the GN Audio organic revenue growth will be significantly higher in H1 2021 than in H2 2021, mainly due to difference in comparison base. GN Audio will continuously aim to outgrow the market and invest in future growth opportunities.

For full year 2021, GN Audio expects organic revenue growth to be more than 25% and an EBITA margin of more than 21%. GN Audio expects to deliver growth in the remaining quarters of 2021, on top of the significant growth rates delivered in Q3-Q4 2020.

Other and EPS

For full year 2021, EBITA in "Other" is expected to be around DKK -185 million.

GN Store Nord expects a growth in EPS of more than 60% for full year 2021.

Save the date – Meet the Management 2021 on December 8, 2021

Meet the Management 2021

Hybrid event

📍 Copenhagen, Denmark

December 8, 2021

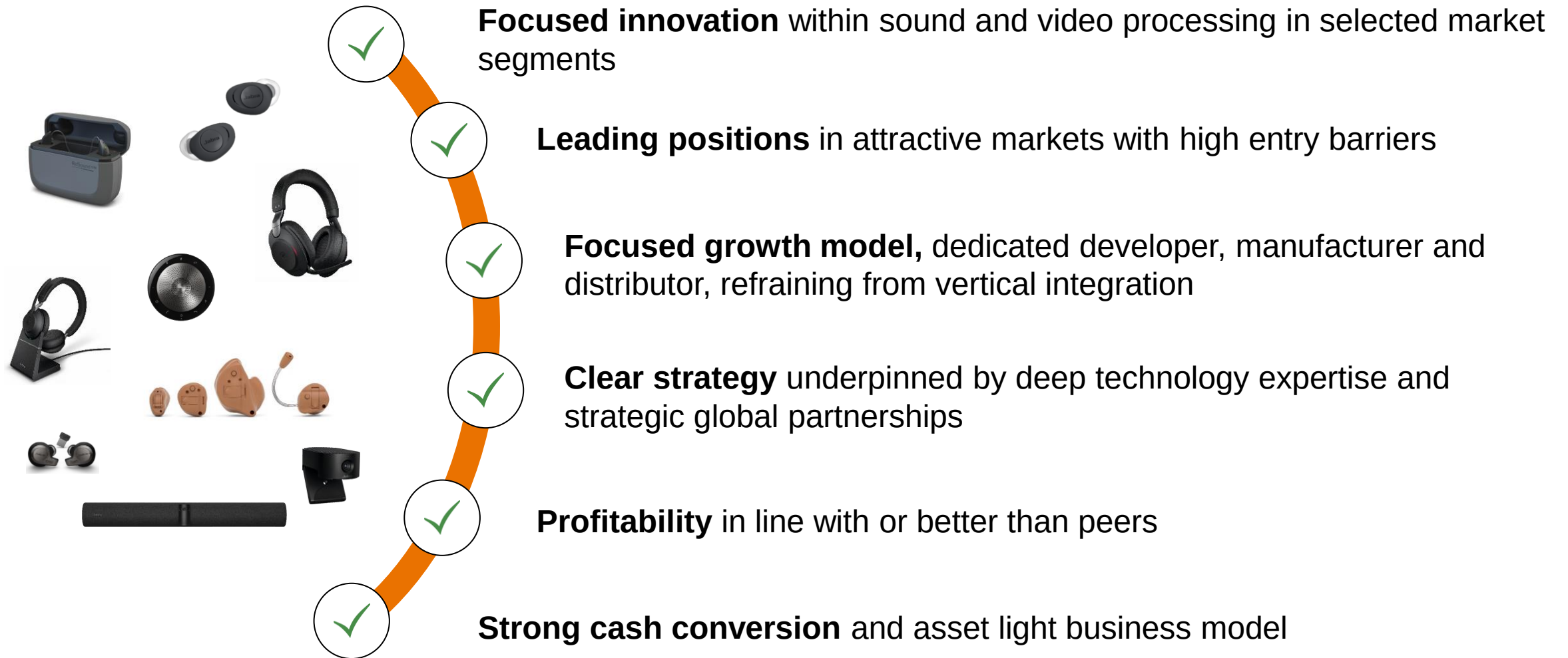




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Appendix

GN's investment case is intact



GN Store Nord – five-year performance

DKK million	2016	2017	2018	2019	2020
GN Store Nord					
Revenue	8,651	9,585	10,607	12,574	13,449
Organic growth	6%	8%	13%	15%	9%
Gross margin	62.4%	62.7%	62.0%	60.3%	54.3%
EBITA	1,583	1,744	1,956	2,321	1,866
EBITA margin	18.3%	18.2%	18.4%	18.5%	13.9%
Operating profit	1,445	1,558	1,796	2,002	1,627
Financial items	-52	-60	-203	-92	-6
Profit before tax	1,395	1,504	1,606	1,913	1,612
Effective tax rate	22%	25%	22%	23%	21%
Net profit	1,086	1,122	1,247	1,468	1,269
ROIC (EBITA/Invested capital)	20%	21%	24%	25%	19%
Free cash flow excl. M&A	1,179	1,134	1,110	1,296	1,865
Cash conversion*	74%	65%	57%	56%	100%
EPS	7.34	8.07	9.25	11.12	9.72

* Free cash flow excl. M&A / EBITA

GN Hearing – five-year performance

DKK million	2016	2017	2018	2019	2020
GN Hearing					
Revenue	5,156	5,615	5,833	6,351	4,725
Organic growth	6%	6%	7%	7%	-24%
Gross margin	69.0%	69.4%	69.2%	69.0%	61.5%
EBITA	1,062	1,153	1,194	1,284	41
EBITA margin	20.6%	20.5%	20.5%	20.2%	0.9%
ROIC (EBITA/Invested capital)	17%	18%	19%	19%	1%
Free cash flow excl. M&A	704	866	574	672	127
Cash conversion*	66%	75%	48%	52%	310%

* Free cash flow excl. M&A / EBITA

GN Audio – five-year performance

DKK million	2016	2017	2018	2019	2020
GN Audio					
Revenue	3,495	3,970	4,774	6,223	8,724
Organic growth	7%	10%	21%	26%	42%
Gross margin	52.7%	53.2%	53.2%	51.5%	50.4%
EBITA	597	721	905	1,192	2,002
EBITA margin	17.1%	18.2%	19.0%	19.2%	22.9%
ROIC (EBITA/Invested capital)	41%	46%	59%	57%	81%
Free cash flow excl. M&A	523	481	798	849	1,729
Cash conversion*	88%	67%	88%	71%	86%

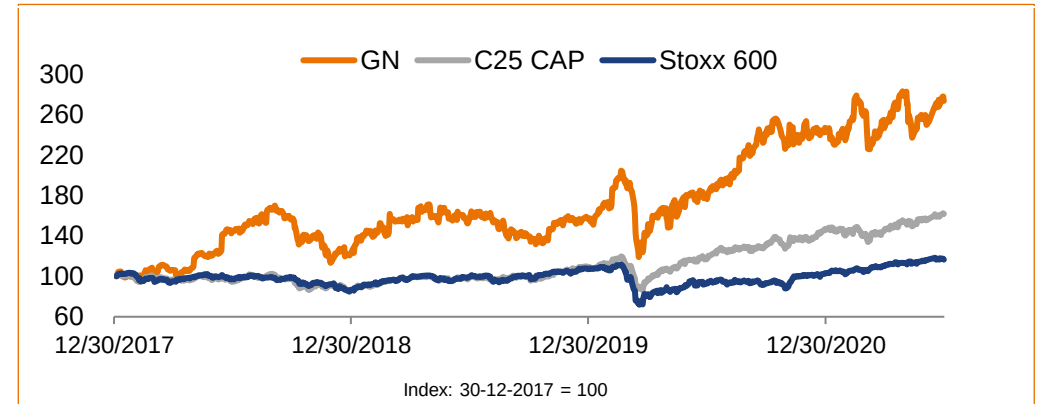
* Free cash flow excl. M&A / EBITA

GN Store Nord share overview

Share information

- GN has a share capital of DKK 552,703,928 which consists of 138,175,982 shares, each carrying four votes. GN has one share class, and there are no restrictions on ownership or voting rights
- GN is, among other indices, included in the C25 index and Large Cap index on Nasdaq Copenhagen, as well as the Stoxx Europe 600 index, the Stoxx Europe Sustainability index and the MSCI Europe mid cap index
- Ticker symbols: GN:DC (Bloomberg) and GN.CO (Reuters)
- Number of registered shareholders: Around 30,000 (End Q2 2021)
- Treasury shares: 9,062,988 - 6.6% of share capital (End Q2 2021)
- Market cap: DKK 71 billion (End Q2 2021)
- Largest shareholders:
 - APG Asset Management N.V. (>5%)

Share price development (3 years)



Financial calendar

Date	Event
October 29, 2021	Q3 2021
December 8, 2021	Meet the Management