



Deal announcement: GN Store Nord to acquire SteelSeries – a global pioneer in premium gaming gear

October 6, 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).

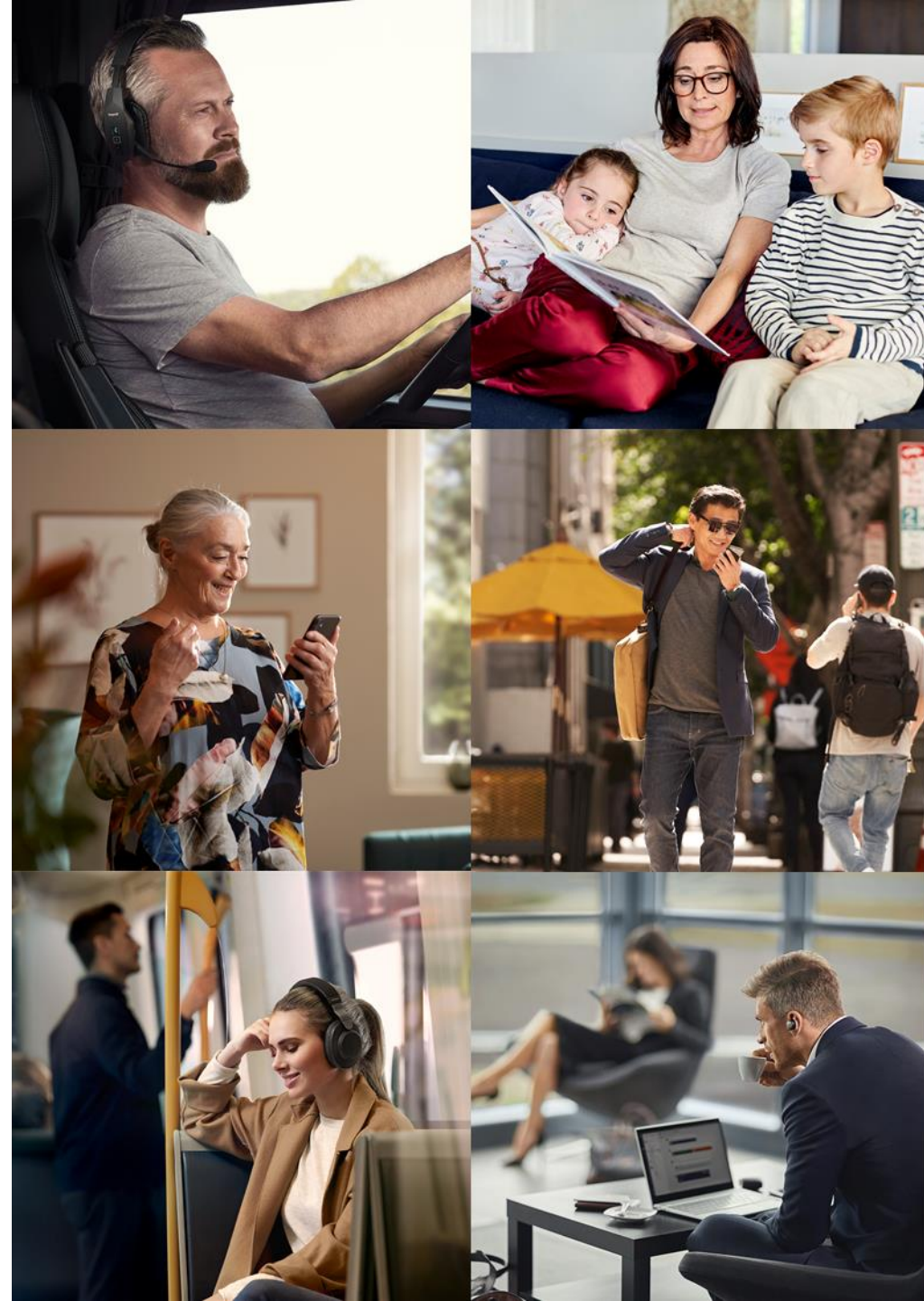
This presentation should not be considered an offer to sell or buy securities in GN Store Nord.

**GN connects people through the
power of sound and vision
– letting you**

***Hear More,
Do More and
Be More***

**in life and at work than you ever
thought possible**

GN Making Life Sound Better



Ideal strategic fit between GN and SteelSeries



Access to attractive and growing gaming gear market



Global pioneer in premium software-enabled gaming gear known for superior quality, innovative design and strong brand

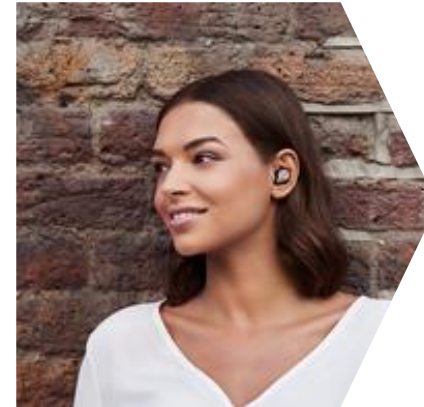


Significant scale opportunities across value chain leveraging industry leading capabilities and track record of GN Audio

GN



steelseries



Strong brands



World class designs



Innovation powerhouses



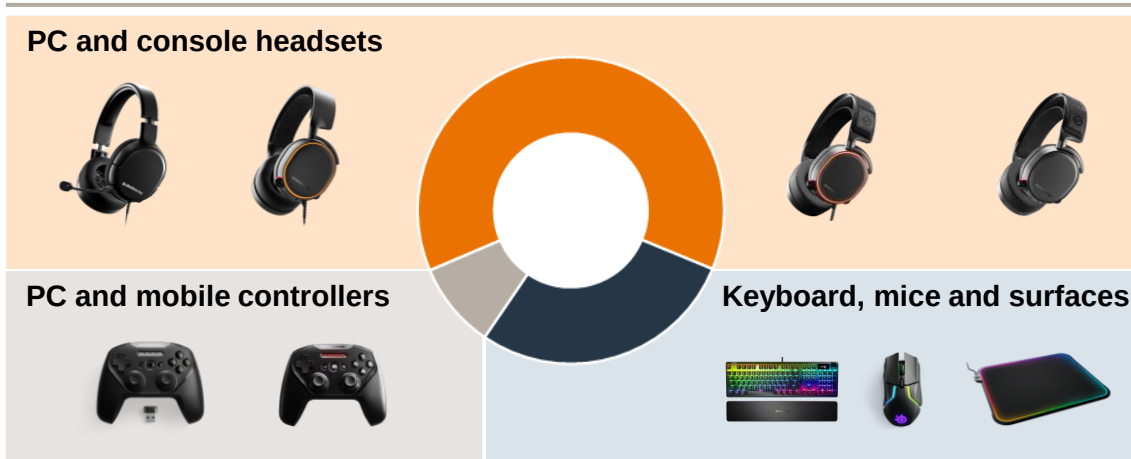
Established go-to-market channels

SteelSeries at a glance

Global pioneer in premium software-enabled gaming gear

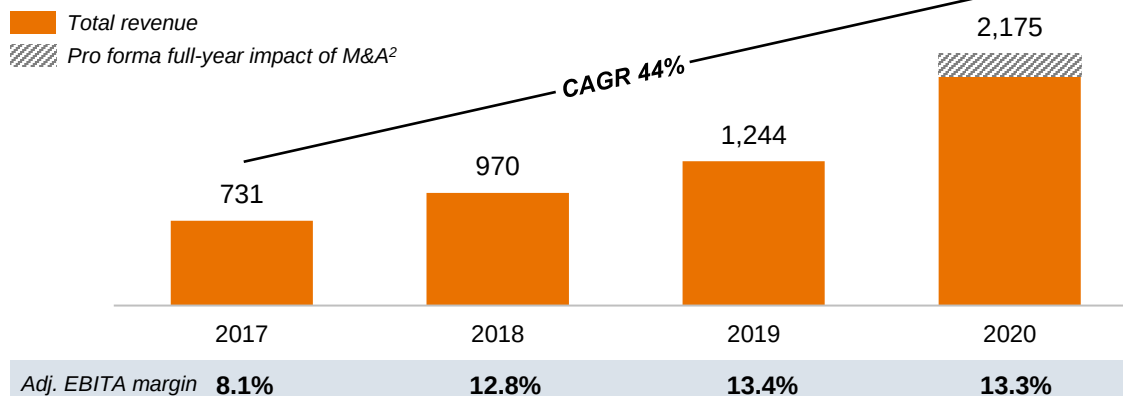
- **Founded in 2001** with corporate HQ in Chicago, USA and offices in Denmark, France, Taiwan and China
- **Technology-driven** company providing premium software-enabled gaming gear including headsets, mice, keyboards, mousepads, accessories and software for PC, console and mobile devices
- **Innovation pioneer with a global market share** of around 7%²
- **Unique portfolio** of premium gaming gear driving high revenue growth and increasing profitability
- Strong track record of **strategic partnerships** with elite esports teams, influencers and content creators
- **Strong cash conversion** and asset light business model

Product verticals (% of total revenue)¹

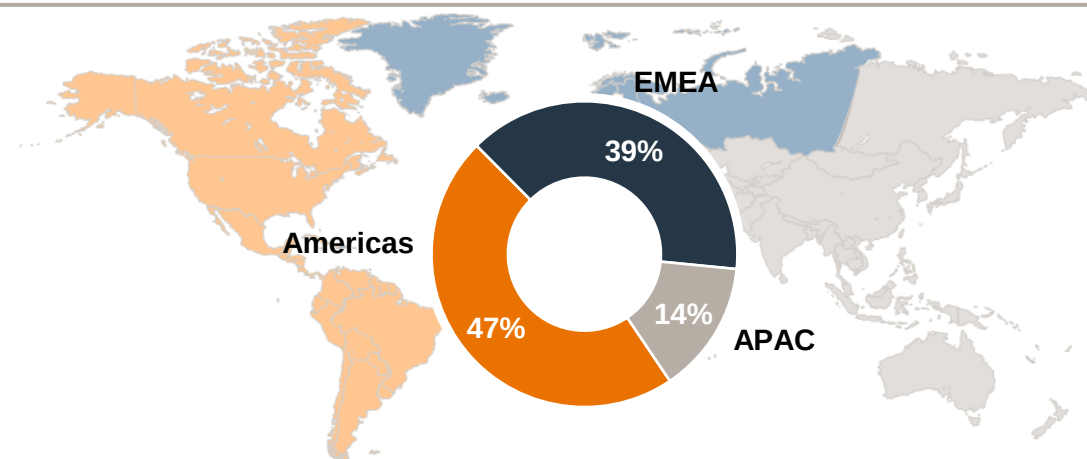


Financial development (2017 – 2020)²

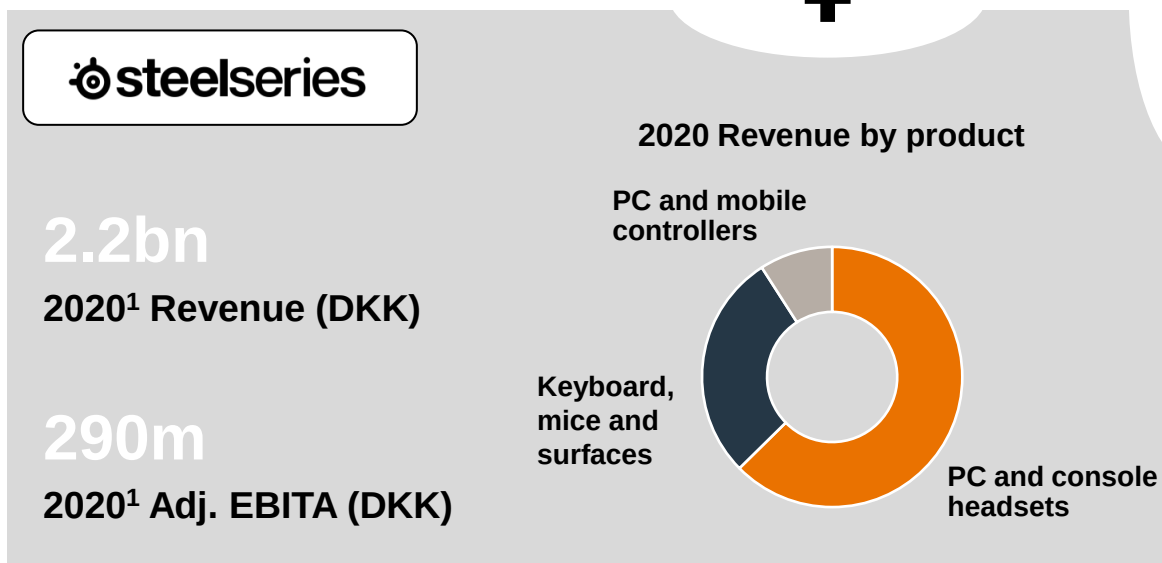
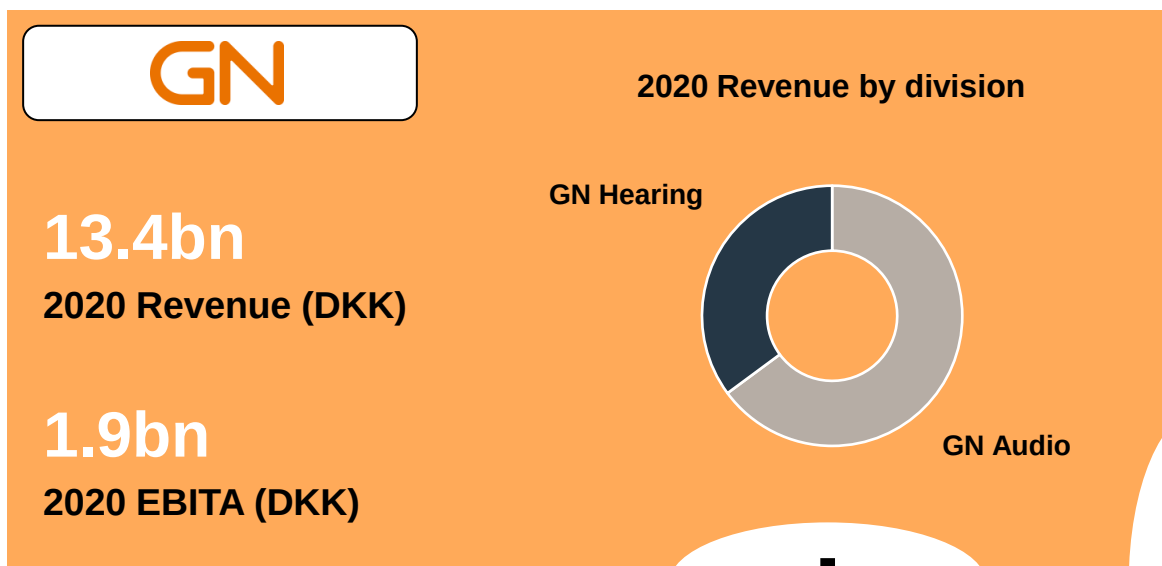
(DKK in millions)



Revenue by geography (2020)²

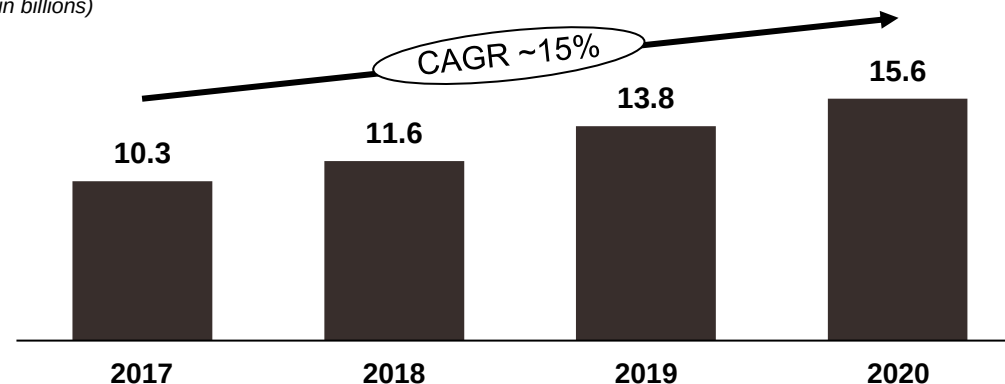


GN and SteelSeries will serve the global audio market as a leading unified force

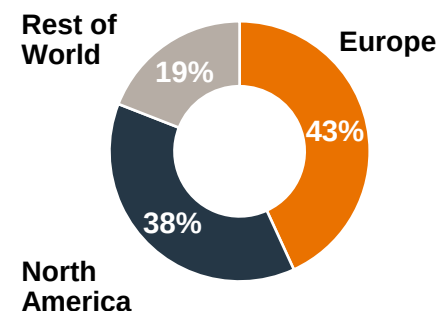


Pro forma revenue development:

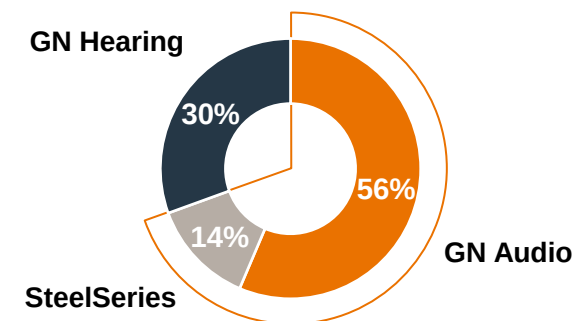
(DKK in billions)



Revenue (2020)
by geography¹



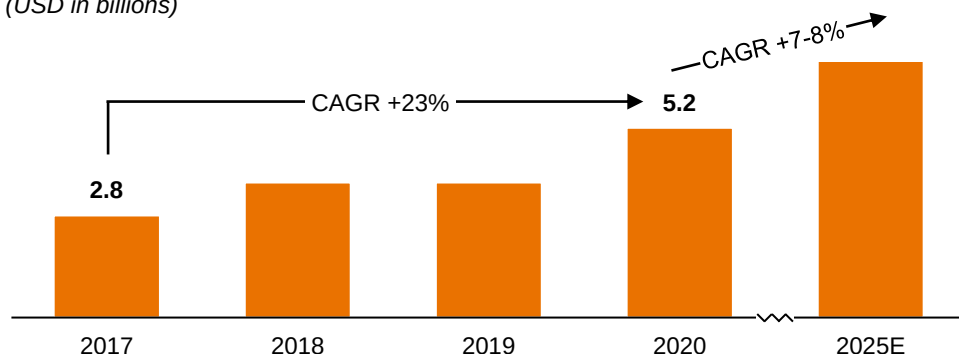
Revenue (2020)
by division¹



Large, growing and attractive gaming gear market

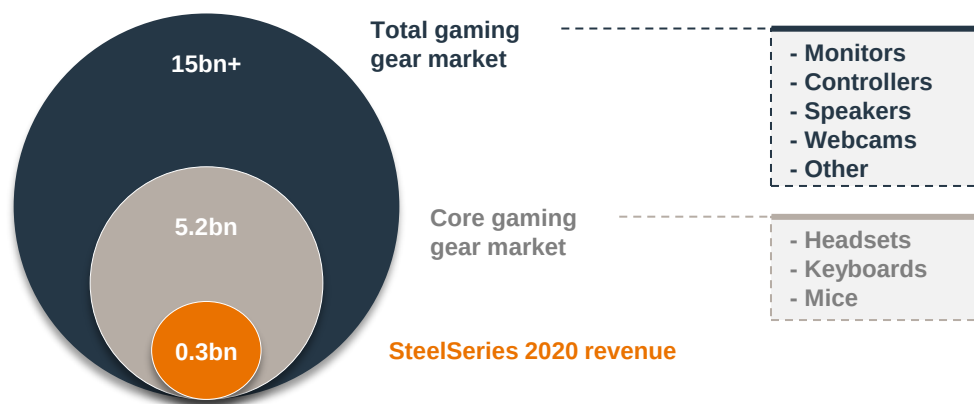
1 Growing addressable gaming gear market¹

(USD in billions)



2 Supported by massive market share opportunity

(2020 spend in USD)



3 Attractive structural trends

- 2.8 billion gamers² across the world, which is expected to increase with a 5% CAGR in the coming years driven by demographics and easier access to gaming
- The penetration of purpose-built gaming gear is still very low (10% penetration in gaming headsets) and is expected to increase going forward due to continued innovation
- High replacement rates with a one- to two-year upgrade cycle

4 Important market dynamics



Differentiated products

- Manufacturers apply dedicated software integrations and settings
- Learning curve associated with switching to new products



Technology

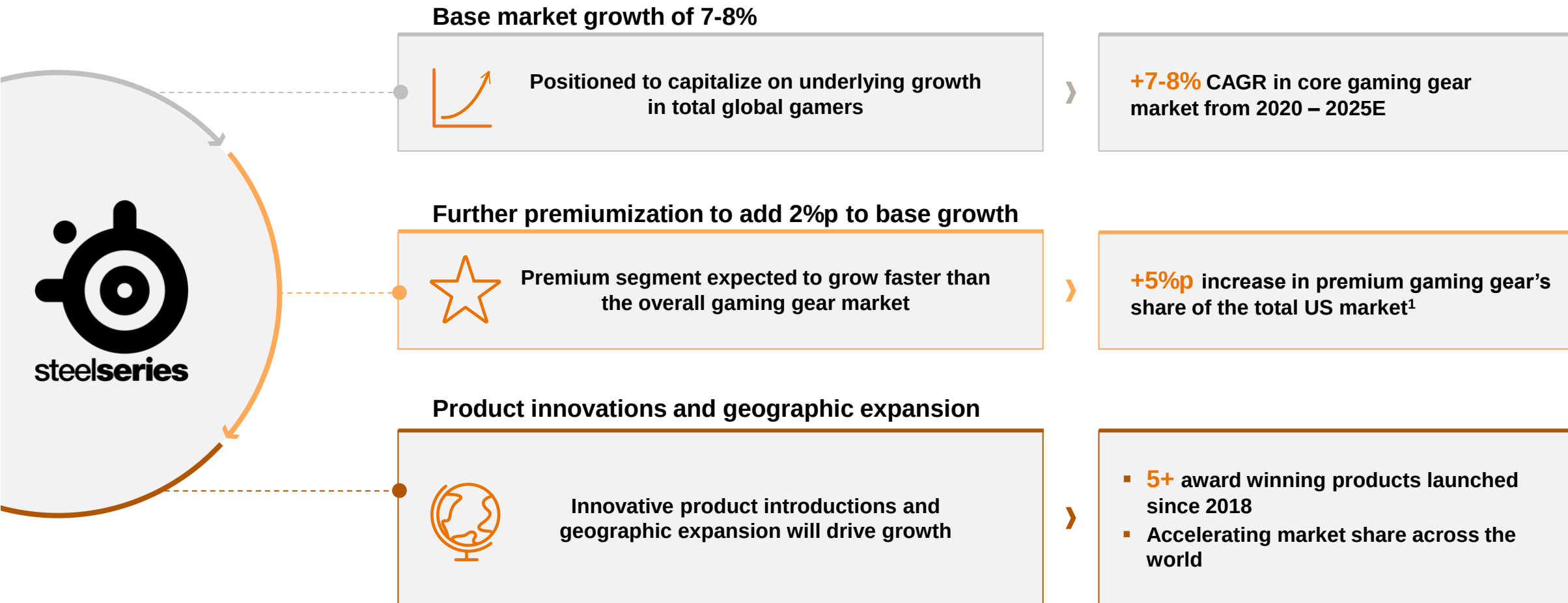
- Proprietary engineering expertise developing noise cancellation and adaptive AI functionalities
- New products require extensive testing to achieve product market fit



Brand & community

- Network effects from a strong community of gaming and hardware enthusiasts
- High brand concentration amongst leading esports teams

SteelSeries is positioned to continue outgrowing the global gaming gear market



Deal summary

Structure & valuation considerations

- GN acquires SteelSeries from the Nordic private equity company Axcel for an enterprise value of 8.0bn DKK on a cash and debt free basis
- The acquisition will be structured as 100% cash payment financed through the existing cash balance and a bridge-loan, which is expected to be replaced with other debt instruments at a later point in time
- GN Store Nord's current share buyback program is paused with immediate effect. GN Store Nord's long term leverage target of 1-2x NIBD/EBITDA is confirmed, with de-leverage within a couple of years
- Financial guidance for 2021 - excluding transaction related costs – is confirmed

Scale opportunities & synergies

- Utilizing the industry leading capabilities and track record of GN Audio, while significant revenue synergies are also expected
- Annual run-rate operational synergies of around DKK 150 million by 2022 are expected
- Transaction related costs are expected to equal around DKK 150 million in 2021

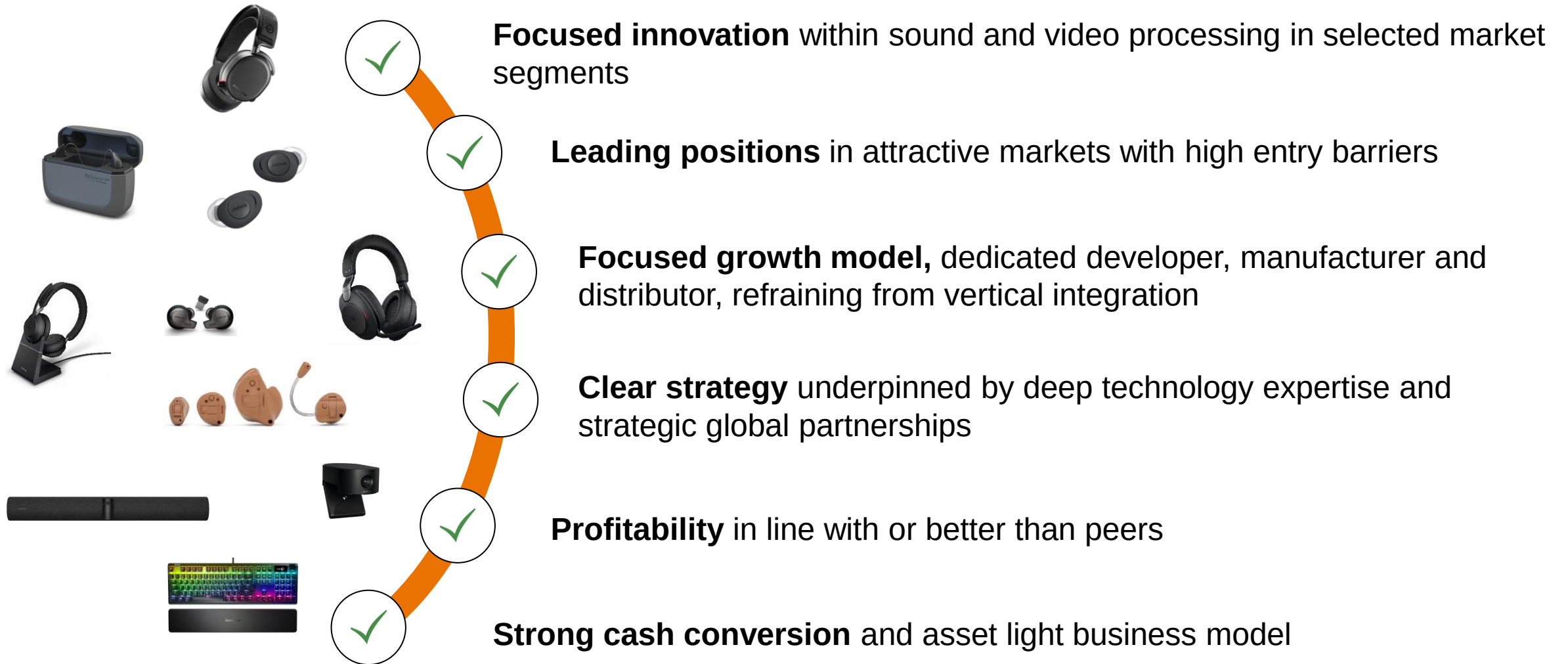
Deal certainty

- Funding fully secured
- Subject to regulatory approvals and other customary closing conditions

Timing

- Closing of the transaction is anticipated by the beginning of 2022
- Transaction related costs for 2022 and beyond will be disclosed in connection with closing of the transaction

GN's investment case is intact





Q&A

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