



Remuneration report 2022

GN Store Nord A/S



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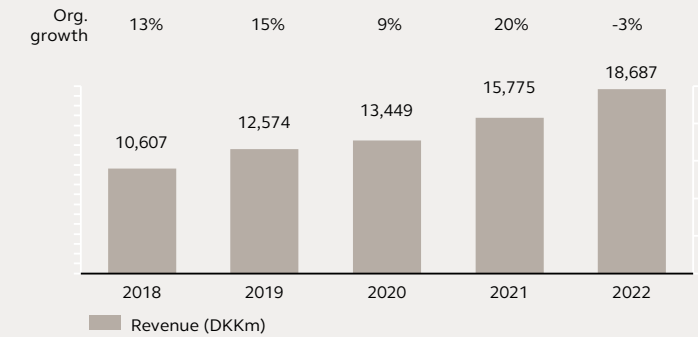
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GN Store Nord A/S Remuneration Report

This Remuneration Report has been prepared in accordance with section 139 (b) of the Danish Companies Act.

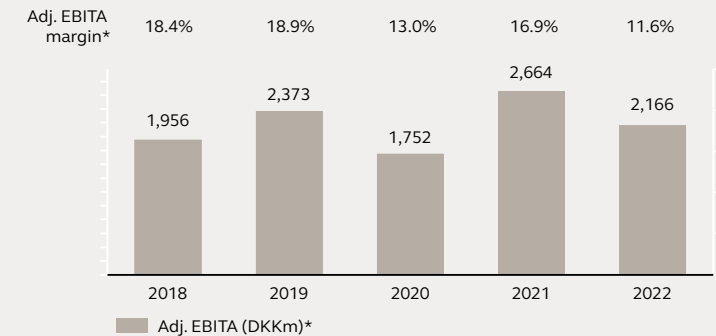
Revenue (DKKm) and organic revenue growth

GN Store Nord



Adj. EBITA (DKKm) and adj. EBITA margin

GN Store Nord



* Excluding non-recurring items in 2019, 2020, 2021, and 2022



Financial summary 2022

- 18% revenue growth
- -3% organic revenue growth
- Adj. EBITA margin at 11.6%
- -31% adj. EPS growth
- DKK 214 million in shareholder distribution

Revenue

In 2022, like in 2021, GN was significantly impacted by external factors outside of Management's control: War in Ukraine, soaring inflation, declining consumer confidence, looming recession, supply chain challenges, foreign exchange headwinds, and continued COVID market disturbances. Despite this, GN increased revenue by 18% to DKK 18,687 million compared to DKK 15,775 million in 2021. Organic revenue growth was -3%, compared to 20% in 2021.

The impact from M&A was around 16%, primarily reflecting SteelSeries and JabraEnhance.com (formerly Lively), while the impact of the development in foreign exchange rates was around 5%.

The revenue growth reflects strong execution and market share gains across business segments in challenged markets.

Earnings

GN Store Nord's adj. EBITA was DKK 2,166 million in 2022 compared to DKK 2,664 million in 2021. The decline was primarily driven by the constrained supply situation particularly in the beginning of the year, reduced consumer sentiment, the consolidation of JabraEnhance.com

and SteelSeries, as well as unfavorable development in foreign exchange rates and increased freight cost.

EBITA in Other amounted to DKK -192 million in 2022, compared to DKK -188 million in 2021 due to prudent cost management. 2022 earnings correspond to an adj. EBITA margin of 11.6% compared to 16.9% in 2021. Reported EBITA was DKK 1,560 million, reflecting non-recurring items of DKK -606 million due to supply chain initiatives in GN Hearing and the non-recurring items related to SteelSeries as well as cost reduction measures.

Adj. earnings per share (Adj. EPS) was DKK 10.54 in 2022 compared to DKK 15.29 in 2021, translating into a growth of -31%, in line with the updated financial guidance. The reported EPS ended at DKK 4.0. The return on invested capital (ROIC) was 9% in 2022 compared to 25% in 2021.

By the end of 2022, equity in GN Store Nord amounted to DKK 6,800 million, compared to DKK 6,229 million in 2021. The increase was primarily driven by the net profit generated in the year.

Financial overview 2022

DKK million - 2022	GN Hearing			GN Audio		
	GN Hearing	Core business	Emerging business	GN Audio	GN Audio organic	Steel-Series
Revenue	6,227	6,022	205	12,460	10,143	2,317
Organic growth	5%	5%	73%	-7%	-7%	-19%
Adj. EBITA**	599	786	-187	1,759		
Adj. EBITA margin**	9.6%	13.1%		14.1%		

DKK million	Group total*			GN Hearing			GN Audio		
	2022	2021	Growth	2022	2021	Growth	2022	2021	Growth
Revenue	18,687	15,775	18%	6,227	5,332	17%	12,460	10,443	19%
Organic growth	-3%	20%		5%	16%		-7%	22%	
Adj. Gross profit**	9,384	8,682	8%	3,963	3,400	17%	5,421	5,282	3%
Adj. Gross profit margin**	50.2%	55.0%	-4.8%p	63.6%	63.8%	-0.2%p	43.5%	50.6%	-7.1%p
Adj. EBITA**	2,166	2,664	-19%	599	643	-7%	1,759	2,209	-20%
Adj. EBITA margin**	11.6%	16.9%	-5.3%p	9.6%	12.1%	-2.5%p	14.1%	21.2%	-7.1%p
Adj. Earnings per share (EPS)***	10.54	15.29	-31%						
Free cash flow excl. M&A	-1,291	702	NA	-377	198	NA	-91	1,288	NA

* Including "Other"

** Excluding non-recurring items (DKK -196 million in COGS in GN Audio, DKK -264 million in OPEX in GN Audio, DKK -56 million in COGS in GN Hearing and DKK -90 million in OPEX in GN Hearing) in 2022. Excluding non-recurring items (DKK -45 million in OPEX in GN Audio) in 2021

*** Excluding non-recurring items (DKK -624 million in 2022 and DKK -45 million in 2021) and amortization of acquired intangible assets



Remuneration principles and framework

Purpose of remuneration

GN's Remuneration Policy and structure is aligned with the company's strategy of being an innovation-driven, high-growth company with attractive earnings margins. The various components of the remuneration offered at GN are set to balance the sustainable management of GN's strategy and long-term ambitions with the achievement of short-term results.

It also reflects the practice and benchmarks in the markets in which we operate and from where we recruit. The remuneration structure ensures that the company's Executive Management is rewarded according to market practice and with a clear link between performance, the value generated for shareholders and pay.

Remuneration Policy

GN's Remuneration Policy and remuneration structure ensures:

1. that GN is able to attract, motivate and retain qualified members to GN's Board of Directors and Executive Management that possess the right competencies, qualifications, and mindset to drive GN's innovation and growth agenda
2. that the interests of the Board of Directors and the Executive Management are aligned with the interests of the shareholders

GN's full Remuneration Policy is available on www.gn.com/remunerationpolicy

Remuneration Committee

The Remuneration Policy is governed by the Board of Directors' Remuneration Committee and is approved by the Board of Directors and at the Annual General Meeting.

GN's Remuneration Committee supports the Board of Directors in matters and decisions concerning remuneration of Executive Management and senior employees to ensure that the remuneration is in line with market practice.

The charter of the Committee can be reviewed on www.gn.com/remunerationcommitteecharter. In 2022, the Remuneration Committee held 11 meetings.

Advisory vote on 2021 Remuneration Report

At the Annual General Meeting on March 9, 2022, the Remuneration Report for 2021 was presented for an advisory vote, where it did not carry a majority.

Subsequently, we have listened to investors' feedback, consulted with several key investors, and have in the present Remuneration Report increased the transparency on how we set targets for our incentives.

When setting the specific and measurable targets for the incentive plans, GN's Remuneration Committee and Board of Directors factor in expectations of performance such as those that are communicated externally via our financial guidance.

Further, consideration is also given to other expectations such as the effect that our strategic plans could have on our performance, both financial and non-financial, which the Board has assessed as commercially sensitive.

Finally, truly exceptional external circumstances (e.g., war or global pandemic) that are outside of management's control can also be factored in when the assessment of performance outcomes relative to targets deemed to be appropriate by the Board and in the interests of our shareholders. This includes the principle of treating executives fairly relative to the targets that were agreed upfront and the assumptions behind these targets.

Remuneration for the Board of Directors

Members of the Board of Directors receive a fixed remuneration as approved by the shareholders at the Annual General Meeting. According to GN's Remuneration Policy, the annual fee for Board members shall be at the level of remuneration paid in other comparable, innovative, and high-growth companies with a global focus, including foreign based competitors. This is ensured by regularly consulting market benchmarks for comparable companies.

In accordance with the recommendations by the Danish Committee on Corporate Governance, the members of the Board of Directors do not receive any incentive pay. Employee-elected members of the Board of Directors may in their capacity as employees be covered by general incentive schemes applicable to employees in GN.



Remuneration for Executive Management

GN uses the Mercer IPE methodology to establish the correct market benchmarks. This applies to Executive Management and salaried employees alike, and remuneration is normally placed within the range of 80 - 120% of the market median.

The remuneration of the members of the Executive Management consists of:

- a fixed annual base salary
- a short-term cash-based incentive program linked to the company's short term objectives defined as both financial and personal objectives in line with the company's strategy
- a long-term share option-based incentive program linked to GN Store Nord's performance relative to a peer group and to the GN share price development
- other benefits such as company car, insurances and in certain circumstances housing and other customary benefits for foreigners relocating to Denmark

GN does not provide any pension benefits to the Executive Management, and there is a cap for termination and severance payments.

The remuneration principles for the Executive Management are summarized in the table on page 8 and the actual remuneration of the Remuneration of the members of the Executive Management is shown on pages 14-17 and described in more detail in the following paragraphs.

Fixed annual base salary

The fixed annual salary level for Executive Management is based on market level compensation for comparable positions in comparable companies and is reviewed annually by the Board of Directors. The members of the Executive Management receive remuneration in GN Store Nord, GN Hearing and GN Audio, respectively, and receive no other remuneration for positions or directorships held in GN's other subsidiaries or associated companies. All Executive Management remuneration is disclosed in this report.

Short-term cash-based incentive plan

The purpose of the short-term cash-based incentive plan is to provide Executive Management with an annual variable remuneration dependent on performance against specific short-term objectives as defined by the Board of Directors.

70% of Executive Management's bonus is related to financial targets, half of which is tied to revenue targets and the other half to EBITA targets. The Executive Management member who is CEO of GN Hearing has targets related to GN Hearing. The Executive Management member who is CEO of GN Audio has targets related to GN Audio. The Executive Management member who is Group CFO has targets related to GN Store Nord. The remaining 30% of Executive Management's bonus targets are related to clearly defined and measurable goals closely linked to the implementation of the company's strategy.

In 2022, the target bonus for Executive Management was set at 50% of the fixed base salary with a cap at 100% of the annual base salary for the position in question.

Long-term share option-based incentive program

In 2019, a long-term share option-based incentive program was established by the Board of Directors. This program is applicable for the

members of the Executive Management and other employees in key positions.

The purpose of the long-term incentive program is to drive growth, innovation, and performance relative to peers, leading to sustainable long-term value creation. Thus, the program aligns the interests of the Executive Management, and other employees in key positions, with the interests of the shareholders.

The value of the long-term incentive program is directly linked to two elements: (i) GN's revenue and EBITDA performance relative to a broad peer group of comparable companies within the med-tech and high tech industries, and (ii) the performance of GN's share price.

The peer group has been formed based on a recommendation from GN's independent remuneration advisor. The companies in the peer group were selected as they:

- are innovation driven and competing through innovation
- operate in the same or similar industries/segments to GN
- have a similar size to GN measured by their revenue, EBITDA, market capitalization and number of employees; and
- form a peer group where the overall average of the peer group represents a similar growth journey to GN

Grant of share options

Ordinary grants of share options are typically made each year after the release of GN's Annual Report.

Vesting and exercise of share options

The program is based on cliff vesting with a three-year vesting period. If a grant does not meet the vesting criteria at the end of the vesting period, it cannot vest at a later point in time.

The exercise price of the share options will be determined as the simple average of the closing price of the GN share on Nasdaq Copenhagen for a period of five trading days following the release of the annual report (ordinary grants).

In order to avoid excessive pay-outs in case GN's share price increases dramatically, the gross return on the share options for each annual grant is capped at a value equal to four times the annual base salary of the relevant member of the Executive Management at the time of the grant.

GN reserves the right to settle the share options in cash.

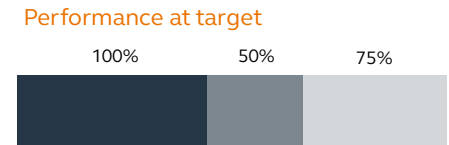
Pay mix aligned to shareholders' interest

The variable pay elements are deliberately in place as part the total remuneration to ensure that Executive Management are clearly incentivized to drive both short and long term performance, creating shareholder value.

The chosen pay mix ensures that Executive Management has a large part of their pay at risk. On the one hand this means that Executive Management can lose out on a substantial part of their target pay if performance is not delivered. On the other hand it means that great performance is incentivized with a potential substantial upside aligned with the interests of our shareholders.

Total reward – pay elements as % annual base salary

■ Fixed annual base salary ■ STIP ■ LTIP



Performance below threshold

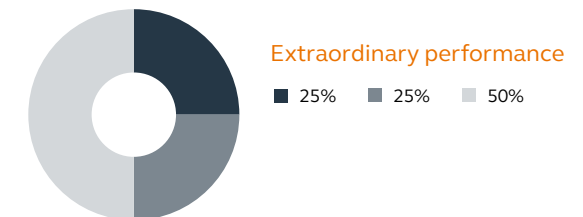
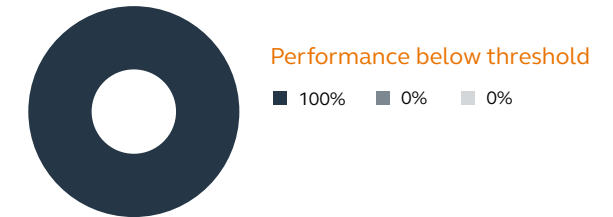
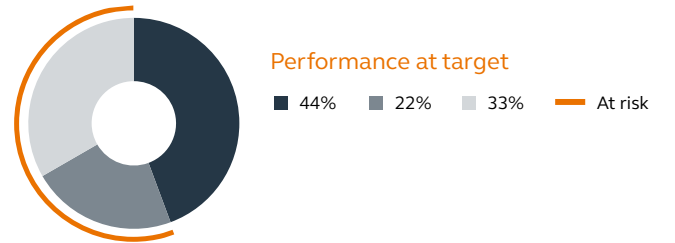


Extraordinary performance



Pay mix as % total reward

■ Fixed annual base salary ■ STIP ■ LTIP





The philosophy of aligning interest of shareholders and Executive Management is also clearly thought into the Long Term Incentive plan. As long term incentives are granted in share options, Executive Management will only realize a gain if shareholders have had a return on their investment through an increase in the share price.

The pay mix for 2022 can be seen on page 14.

Malus and claw back

Malus and claw back provisions apply to both the cash bonus and the long-term share-based incentive program if, in the opinion of the Board of Directors, a malus or claw back event has occurred. This would include, but is not limited to (i) a material misstatement in GN's financial statements or (ii) cases where the relevant member of the Executive Management, or a person in such member of the Executive Management's organization, is deemed to have caused a material loss to GN. There has been no reason to apply the malus and claw back provisions in 2022.

Termination, severance, and retention arrangements

GN may terminate members of the Executive Management by giving 12 months' notice. Members of the Executive Management may resign by giving six months' notice. The total remuneration for the notice period, including any severance pay, may not exceed two years' total remuneration, unless special circumstances warrant otherwise.

Deviation from the Remuneration Policy

In 2022, there have been no deviations from the Remuneration Policy.



Remuneration principles

Pay element	Purpose	Award level	Performance criteria	Performance period
<i>Fixed annual base salary</i>	Ensure the ability to attract, motivate and retain high-performing executives.	The fixed annual base salary is normally set in the range between 80% and 120% of the market median. This is based on the level for comparable positions in comparable companies using the Mercer IPE methodology.	The annual review and potential adjustment of the executives' base salaries take the individual's performance and market practice into consideration.	Reviewed once a year
<i>Short-term cash-based incentive program</i>	Drive and reward specific short-term objectives for GN Store Nord, GN Audio and GN Hearing, respectively.	The target payout for executives equals 50% of the executives' base salary whereas the maximum payout cannot exceed 100% of the executives' annual base salary.	Revenue, EBITA and specific individual business objectives	GN's financial year
<i>Long-term share-based incentive program</i>	Reward executives for achieving and supporting the company's long-term objectives, focusing on long-term shareholder value.	The value of the annual individual grant is set by the Board and is between 50 and 100% of the executives' annual base salary at the time of grant (calculated by using the Black-Scholes method).	Revenue growth, EBITDA improvement relative to a broad peer group of comparable companies, and GN's share price.	6-year program with a vesting period of three years (ordinary grants). The 2022 grant can be exercised in 2025 from six working days after the release of GN's Annual Report.
<i>Benefits</i>	Support the attraction, motivation, and retention of executives, through offering of benefits that are aligned with market practice.	Benefits are offered according to market practice. Pension contribution is not part of Executive Management's remuneration.	n/a	n/a



Long-term share-based incentives – Performance criteria for the 2022 plan

Measurement	Performance criteria for the 2022 plan	GN performance vs peer group	Performance multiplier
<p>Revenue growth and EBITDA improvement relative to a broad peer group of comparable companies.</p> <p>GN's performance on the financial metrics is measured against the latest available audited results for the companies in the peer group after the three-year vesting period for the ordinary grants.</p> <p>GN's relative performance against the peer group results in a multiplier of the allocated share options.</p>	<p>The long-term incentive program includes a performance multiplier. This means that after the three-year vesting period, the initial share option grant can either increase, decrease or stay the same, depending on GN's performance relative to the peer group.</p> <p>GN's Board of Directors sets the performance targets relative to the selected peer group. The targets consist of a minimum, an on target and a maximum level of relative performance, which can be achieved over the three-year vesting period and is the average of GN's relative performance against the peer group results in both of the financial metrics used in the long-term incentive program.</p> <p>GN has to perform on par with the 25th percentile of the peer group on both revenue and EBITDA improvement in order for the share options to vest. The Performance multiplier is a combination of the performance on the two metrics that have equal weight and is set as follows:</p> <ul style="list-style-type: none"> The minimum performance level is set at the 25th percentile of the peer group = Grant x 0 The target performance level is set at 10% above average of the peer group = Grant x 1 The maximum performance level is set at the 75th percentile of the peer group = Grant x 2 	<p>< 25th Percentile</p> <p>25th Percentile</p> <p>Average + 10%</p> <p>≥ 75th Percentile</p>	<p><i>Share options will not vest</i></p> <p>Initial share option grant x 0</p> <p>Initial share option grant x 1</p> <p>Initial share option grant x 2</p>
<p>GN's share price development</p>	<p>The exercise price for the ordinary yearly grant is set at the simple average of the closing price of the GN share on Nasdaq Copenhagen for a period of (i) the five trading days following the publication of the Annual report of GN. For extraordinary grants, the exercise price is the simple average of the five trading days prior to the date of the extraordinary grant.</p>		
<p>Potential value of the GN Share options</p>	<p>The value of the Share options will be a result of 1) the development in the GN Share price where the Share price has to increase relative to the Share price at the time of grant, for the Share options to have any value and 2) GN's performance relative to the Peer group and thereby the performance multiplier as described above.</p> <p>The value of the Share options granted can be calculated as follows: Number of Share options granted * the multiplier * (GN Share price at the time of exercise minus the exercise price).</p>		



Conditions and terms for exercising share options from current program and warrants from previous programs

	GN Store Nord A/S				GN Hear- ing A/S	GN Audio A/S
	2022	2021	2020	2019	2018	2018
Exercise price at ordinary grant date	368	550	381	313	31,792	33,913
Vesting period (February)	3 years	3 years	3 years	3 years	3 years	3 years
Life of option / warrant	6 years	6 years	6 years	6 years	6 years	6 years
Volatility*	34%	32%	29%	27%	19%	23%
Expected dividend**	0.3%	0.3%	0.4%	0.4%	0.0%	0.0%
Risk-free interest rate***	0.12%	0.00%	0.00%	0.00%	0.30%	0.30%
Fair value per option / warrant at ordinary grant (DKK)	81	127	83	61	5,000	5,743
Total market value at grant (DKK million)****	12	12	13	15	5	4
Amortization period of the program	2022 - 2025	2021 - 2024	2020 - 2023	2019 - 2022	2018 - 2021	2018 - 2021

From 2019 the grants are based on options. Up until 2018, the grants are based on warrants. The fair value includes any market vesting conditions.

* Volatility is estimated by external experts, and is calculated based on data from a historical period matching the expected time to expiry of the warrants and options

** No dividends are expected to be paid out through GN Hearing A/S or GN Audio A/S during the life of the warrants. All dividends are paid out through GN Store Nord A/S

*** Risk-free interest rate is estimated by external experts and based on the zero yield curve derived from Danish government bonds with maturity equal to the expiry of the warrants and options

**** For 2019, the total market value for executive management have been impacted by grants to both Jakob Gudbrand and Gitte Pugholm Aabo, of which 77,200 options have been forfeited. Executive management have been granted a number of options with a value equal to the same percentage of their base salary as was granted in the previous program.



Remuneration of the Board of Directors

The 2022 base fee for serving on the Board of Directors of GN was DKK 305,000, with two times the base fee to the Deputy Chairman and three times the base fee to the Chairman. The base fee for serving on the Audit Committee, the Remuneration Committee, and the Strategy Committee, respectively, is DKK 185,000, with two times the base fee to the Chairman. The base fee for serving on the Nomination Committee amounts to DKK 90,000 with two times the base fee to the Chairman.

A member of the Board of Directors may in exceptional circumstances receive additional pay/compensation on market terms for extraordinary ad hoc work going beyond the normal scope of the Board of Director's responsibility areas.

In addition to reimbursement of travel expenses, a member of the Board of Directors is entitled to receive a fixed allowance per journey to a board meeting and/or per committee related meeting, if such meeting takes place outside the member's country of residence. The allowance is EUR 3,000 (DKK 22,500) per journey to meetings held on the same continent as the Board member resides, and EUR 6,000 (DKK 45,000) per journey to meetings held on a continent other than the continent on which the Board member resides.

In addition to the above-mentioned fees, GN pays statutory contributions to social security and similar taxes and charges within the EU/EEA that GN is obligated to pay according to applicable law in relation to some members of the Board of Directors' directorship with GN.

The Board members of GN elected at the General Meeting also serve on the Boards of GN Hearing A/S and GN Audio A/S. The base fee for serving on the Board of Directors of GN Audio and GN Hearing, respectively, is DKK 120,000, with 1.75 times the base fee to the Deputy Chairman and 2.5 times the base fee to the Chairman.

Total remuneration of the Board of Directors

GN Store Nord A/S	DKK thousands	GN Hearing A/S	
Chairman	915	Chairman	300
Deputy Chairman	610	Deputy Chairman	210
Other Board members	305	Other Board members	120
Remuneration Committee, Chairman	370		
Remuneration Committee, other members	185		
Audit Committee, Chairman	370		
Audit Committee, other members	185		
Strategy Committee, Chairman	370		
Strategy Committee, other members	185		
Nomination Committee, Chairman	180		
Nomination Committee, other members	90		
		GN Audio A/S	
		Chairman	300
		Deputy Chairman	210
		Other Board members	120



Remuneration to the Board of Directors split by Board and Committee memberships

The remuneration to the Board of Directors comprises all remuneration received by the Board of Directors, i.e. from GN Store Nord as well as from GN Audio and GN Hearing, including travel allowances, social security and similar taxes and charges.

DKK thousand	2022	2021	2020	2019	2018
Board of Directors					
Per Wold-Olsen (Chairman)	1,515	1,445	1,373	1,375	1,375
Jukka Pertola (Deputy chairman from Q2 2020)	1,030	983	688	-	-
Helene Barnekow	545	520	494	495	495
Montserrat Pascual (from Q2 2020)	545	520	364	-	-
Wolfgang Reim (until Q1 2022)	136	520	494	495	495
Ronica Wang	545	520	494	495	495
Anette Weber (from Q2 2020)	545	520	364	-	-
William E. Hoover, Jr. (Deputy chairman until Q1 2020)	-	-	246	935	935
Gitte Pugholm Aabo, (from Q2 2018 until Q3 2019)	-	-	-	371	371
Carsten Krosgaard Thomsen (until Q1 2018)	-	-	-	-	124
Leo Larsen*	305	290	276	275	275
Cathrin Inge Hansen (from Q2 2022)*	259	-	-	-	-
Claus Holmbeck-Madsen (from Q2 2022)*	229	-	-	-	-
Morten Andersen (until Q1 2022)*	76	290	276	275	275
Marcus Stuhr Perathoner (from Q2 2018 until Q1 2022)*	76	290	276	275	206
Nikolai Bisgaard, (Until March 2018)*	-	-	-	-	69
Audit committee					
Anette Weber, Chairman (from Q2 2020)	370	350	245	-	-
Wolfgang Reim, Chairman (from Q4 2019 until Q1 2020)	-	-	88	82	165
Wolfgang Reim (until Q1 2022)	46	175	122	124	-
Ronica Wang	185	175	166	165	165
Hélène Barnekow (from Q2 2022 and from Q4 2019 until Q1 2020)	139	-	44	41	-
Gitte Pugholm Aabo, Chairman (from Q2 2018 until Q3 2019)	-	-	-	248	248
Carsten Krosgaard Thomsen, Chairman (until Q1 2018)	-	-	-	-	82

* Employee elected members

DKK thousand	2022	2021	2020	2019	2018
Strategy committee					
Jukka Pertola, Chairman (from Q2 2022 and member from Q2 2020)	324	175	122	-	-
Wolfgang Reim, Chairman (until Q1 2022)	93	350	333	330	330
Per Wold-Olsen	185	175	166	165	165
Montserrat Pascual (from Q2 2020)	185	175	122	-	-
William E. Hoover, Jr. (until Q1 2020)	-	-	44	165	165
Remuneration committee					
Per Wold-Olsen, Chairman	370	350	333	330	330
Jukka Pertola (from Q2 2020)	185	175	122	-	-
Montserrat Pascual (from Q2 2020)	185	175	122	-	-
William E. Hoover, Jr. (until Q1 2020)	-	-	44	165	165
Helene Barnekow (until Q1 2020)	-	-	44	165	165
Nomination committee					
Jukka Pertola, Chairman (from Q2 2022, member from Q2 2020)	157	85	59	-	-
Per Wold-Olsen, Chairman (until Q1 2022, member from Q2 2022)	113	170	162	165	165
Hélène Barnekow (from Q2 2020)	90	85	59	-	-
Wolfgang Reim (from Q4 2019 until Q1 2020)	-	-	21	21	-
William E. Hoover, Jr. (until Q1 2019)	-	-	-	21	83
Gitte Pugholm Aabo (from Q2 2019 until Q3 2019)	-	-	-	41	-
Total Board of Directors remuneration	8,433	8,513	7,763	7,219	7,343
Fixed travel allowance & social security					
Per Wold-Olsen	158	113	112	203	203
Helene Barnekow	434	206	175	298	331
Montserrat Pascual (from Q2 2020)	476	285	152	-	-
Wolfgang Reim	45	90	89	203	203
Ronica Wang	315	135	45	405	405
Anette Weber (from Q2 2020)	113	45	-	-	-
Total Board of Directors travel allowance and social security	1,541	874	573	1,109	1,142

NOTE: The base fee for the Board of Directors remained unchanged from 2020 to 2021. The increase in 2021 was due to the fact that the Board in April 2020 decided to temporarily reduce their fee by 10% from May onwards (reinstated in October 2020) because of the negative financial impact on the company of the COVID-19 pandemic



Total Remuneration to the Board of Directors

DKK thousand	2022	2021	2020	2019	2018
Board of Directors					
Per Wold-Olsen (Chairman)	2,341	2,253	2,145	2,238	2,238
Jukka Pertola (Deputy chairman from April 2020))	1,696	1,418	992	-	-
Helene Barnekow	1,208	811	816	999	991
Montserrat Pascual	1,391	1,155	761	-	-
Wolfgang Reim (until Q1 2022)	320	1,135	1,147	1,255	1,193
Ronica Wang	1,045	830	705	1,065	1,065
Anette Weber	1,028	915	609	-	-
Leo Larsen*	305	290	276	275	275
Cathrin Inge Hansen (from Q2 2022)*	259	-	-	-	-
Claus Holmbeck-Madsen (from Q2 2022)*	229	-	-	-	-
Morten Andersen (until Q1 2022)*	76	290	276	275	275
Marcus Stuhr Perathoner (until Q1 2022)*	76	290	276	275	206
William E. Hoover, Jr. (Deputy chairman until March 2020)	-	-	333	1,286	1,348
Gitte Pugholm Aabo (from April 2018 until September 2019)	-	-	-	660	619
Carsten Krogsgaard Thomsen (until March 2018)	-	-	-	-	206
Nikolai Bisgaard (Until March 2018)*	-	-	-	-	69
Total Board of Directors remuneration	9,974	9,387	8,336	8,328	8,485

* Employee elected members

Shares held by members of the Board of Directors

Members of GN's Board of Directors are encouraged to hold shares in GN. According to GN's internal rules, persons recorded in the permanent section of GN's Insider List, which includes the Board of Directors, may (subject to applicable rules and regulations in relation to trading in financial instruments) purchase and sell company shares at any time except during the black-out period commencing three trading days prior to the end of a quarter and ending on the day of the release of the financial report.

	2022	2021	2020	2019	2018
Per Wold-Olsen (Chairman)	55,126	34,626	224,884	224,884	224,884
Jukka Pertola (Deputy chairman from Q2 2020)	3,000	3,000	2,000	-	-
Hélène Barnekow	10,000	10,000	10,000	10,000	8,900
Montserrat Pascual (from Q2 2020)	1,400	1,400	700	-	-
Ronica Wang	11,195	9,850	9,050	4,850	4,850
Anette Weber (from Q2 2020)	2,250	1,450	600	-	-
Wolfgang Reim (until Q1 2022)	-	30,000	51,000	51,000	51,000
William E. Hoover, Jr. (Deputy chairman until Q1 2020)	-	-	-	156,500	156,500
Leo Larsen*	1,387	1,137	1,137	1,137	1,137
Cathrin Inge Hansen (from Q2 2022)*	-	-	-	-	-
Claus Holmbeck-Madsen (from Q2 2022)*	-	-	-	-	-
Morten Andersen* (until Q1 2022)	-	854	854	454	1,230
Total, Board of Directors	84,358	92,317	300,225	448,825	448,501

* Employee elected members



Remuneration of Executive Management

Remuneration of members of Executive Management for 2022 totals DKK 43.7 million (2021: 44.9 million)

DKK million	2022			Total
	Fixed pay*	Short-term incentives	Long-term incentives**	
Executive Management:				
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	9.1	3.6	5.1	17.8
Gitte Pugholm Aabo, CEO, GN Hearing	7.8	6.2	4.6	18.6
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio	4.1	1.1	2.1	7.3
Total	21.0	10.9	11.8	43.7
Expensed in the annual report 2022***	21.0	10.9	10.4	42.3
Separation agreement, René Svendsen-Tune				28.3
Separation agreement, Peter la Cour Gormsen				8.9
Total expensed in the annual report 2022 re. Executive Management				79.5

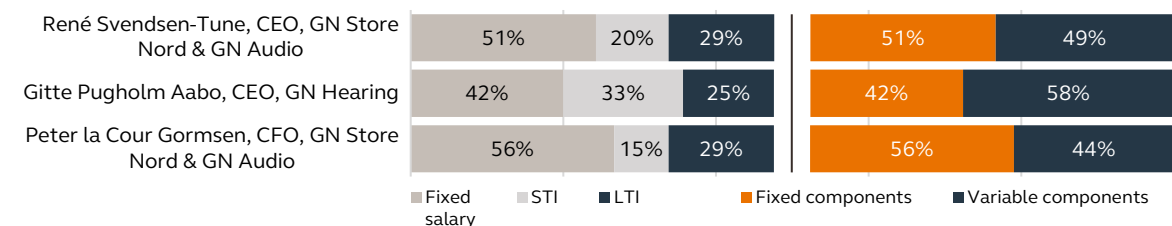
* Fixed pay includes Base salary and Other benefits. Other benefits include car allowances and company paid telephone & internet.

** Comprises the fair value of share options at the time of grant awarded in the current financial year. The fair value includes any market vesting conditions and assumes a performance multiplier of 1.

*** Remuneration of members of Executive Management included in total staff costs in the Annual Report (see note 5.2). At grant date the calculated fair values of share options include any market vesting conditions and assume a performance multiplier of 1. The amount expensed in the Annual Report comprises share options awarded in the current and in prior years in accordance with the accounting policies applied. Consequently, it does not represent the fair value of share options awarded or exercised in the current financial year.

The comparative figures do not include remuneration to former members of Executive Management. Former members are considered to be those who did not receive any remuneration in the reported year (2022) in their capacity as members of Executive Management. For information on remuneration to former members of Executive Management, please refer to the remuneration reports and annual reports from previous years, which are available on gn.com.

Proportion of fixed and variable remuneration of Executive Management by category – 2022



DKK million	2021			Total
	Fixed pay*	Short-term incentives	Long-term incentives**	
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	8.3	7.5	5.1	20.9
Gitte Pugholm Aabo, CEO, GN Hearing	7.7	2.1	4.9	14.7
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio	3.8	3.2	2.3	9.3

DKK million	2020			Total
	Fixed pay*	Short-term incentives	Long-term incentives**	
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	7.2	7.3	4.9	19.4
Gitte Pugholm Aabo, CEO, GN Hearing	7.1	4.1	5.0	16.2

DKK million	2019			Total
	Fixed pay*	Short-term incentives	Long-term incentives**	
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	6.9	6.5	4.9	18.3
Gitte Pugholm Aabo, CEO, GN Hearing (from Sept. 20, 2019) 1)	2.0	1.7	2.4	6.1

1) 2019 include a sign-on grant to Gitte Pugholm Aabo, appointed CEO on September 20, 2020

DKK million	2018			Total
	Fixed pay*	Short-term incentives	Long-term incentives**	
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	6.4	5.9	4.2	16.5



Short-term cash-based incentive plan (STI)

As described in the introductory section, GN have addressed the concerns raised by our shareholders and their request for additional transparency and revised this section accordingly. Our focus has been to:

- Make this section more transparent
- Elaborate on the performance mechanisms that the Remuneration Committee has implemented to ensure that GN's measurement approach serves the interests of our shareholders while being fair towards our executives
- Provide more structure and easier overview with visual support

The purpose of the short-term cash-based incentive plan is to provide Executive Management with an annual variable remuneration dependent on performance towards specific short-term objectives as defined by the Board of Directors.

The specific metrics for 2022 are shown in the table on page 16, together with the relative weights for each metric, and with the achieved score relative to the targets that were set at the end of 2021 for financial and non-financial metrics, respectively.

When setting the specific and measurable targets for the incentive plans, GN's Remuneration Committee and Board of Directors factor in expectations of performance such as those that are communicated externally via our financial guidance in the annual report at the start of the financial year.

Further, consideration is also given to other expectations such as the effect that our strategic plans could have on performance, both

financial and non-financial (e.g. factoring in any acquisitions or divestments, new product launches and similar that are known before the beginning of the financial year), which the Board has assessed as commercially sensitive.

Bonus targets are based on objective and verifiable criteria. If fundamental assumptions used for setting the targets have proven to be wrong, it is the responsibility and at the discretion of the Board of Directors to assess and decide on a potential adjustment of the final bonus pay-out relative to agreed targets. This can only happen based on objective and verifiable criteria related to truly exceptional circumstances. If this should happen, it will be further explained in the Remuneration Report.

Comments to company performance 2022

As was the case in 2021, the year 2022 was unusually volatile for the global economy and for GN due to a significant number of major and unforeseen external events.

GN Audio

2022 was an extraordinary year as GN Audio was severely impacted by external factors outside of management's control:

- The constrained supply chain situation led to a negative organic growth of 30% in Q1 alone and impacted especially the first half of the year
- GN stopped all business in Russia because of the war in Ukraine
- Freight costs were significantly higher than assumed when entering the year
- The consumer business and gaming market was severely impacted by the weakened consumer sentiment and destocking

- Finally, the financial results were impacted negatively by foreign exchange rate fluctuations

In these very challenging circumstances GN Audio managed to gain market share and to strengthen its position relative to competition within the critically important Enterprise market despite an unforeseen contraction in the total market.

The same is true for SteelSeries that still gained significant market share in a challenging gaming market.

While GN Audio had to revise its initial guidance to the market and overall financial performance was not satisfactory, the Board's assessment of GN Audio's performance reflects the results delivered in these challenging circumstances as they have been strong relative to peers and the competition, gaining market share.

GN Hearing

Similarly to GN Audio, GN Hearing was also impacted by significant external events:

- GN stopped all business in Russia due to the war in Ukraine
- Our business in China was severely impacted by the COVID-19 lockdowns in China
- The delayed OTC regulation in the U.S. has negatively impacted revenue for Jabra Enhance Plus

In the Board's assessment, the negative effects of the above have been partly offset by a growing managed care market, and the acquisition of Belaudicao which generated both revenue and EBITA that were not assumed when setting the financial targets.



In these challenging circumstances GN Hearing, according to plan and very successfully, launched ReSound OMNIA in August 2022 which has taken significant market share in Q4.

Looking at overall financial performance, GN Hearing has delivered on the guidance to the market, unlike a number of competitors who were similarly impacted by the softer market. In this context, the Board has assessed GN Hearing's financial performance, relative to the targets set and to the competition, as very strong.

GN Store Nord

Group CFO Peter la Cour Gormsen is measured relative to the combined financial targets for GN Audio and GN Hearing, as well as his individual business and leadership targets.

Overview of 2022 outcomes for the STI

As noted above, some of the unforeseen external events have been assessed by the Board as firmly outside of management's control, and as these were by nature unforeseen and not part of the assumptions that were factored into the setting of the financial targets for 2022, the Board has in its assessment of performance decided to partly offset the impacts of these effects.

The Remuneration Committee has assessed that disclosing the exact details of the bonus linked to individual business and leadership targets could potentially harm the competitive position of the GN Group and, therefore, the achieved score relative to target is shown for the grouped set of performance criteria and not individually.

Short-term cash-based incentives criteria and score for Executive Management 2022

Executive Management member	Performance criteria	Metric(s)	Relative weighting out of 100%	Score relative to target (0 - 200%)	
Rene Svendsen-Tune, CEO GN Audio	Financial targets for GN Audio ¹	Revenue	35%	27%	
		EBITA	35%	76%	
	Individual business and leadership targets	SteelSeries Integration			
		Video business			
		Sustainability			
Leadership	30%	142%			
Target bonus percentage			50%		
Achieved bonus percentage of base salary				39%	
Gitte Pugholm Aabo, CEO GN Hearing	Financial targets for GN Hearing ^{1,2}	Revenue	35%	200%	
		EBITA	35%	150%	
	Individual business and leadership targets	New products			
		Business excellence			
		Selective market initiatives			
Leadership	30%	133%			
Target bonus percentage			50%		
Achieved bonus percentage of base salary				81%	
Peter la Cour Gormsen, CFO GN Store Nord	Financial targets for GN Store Nord	Revenue	35%	36%	
		EBITA	35%	85%	
	Individual business and leadership targets ³	SteelSeries integration			
		Market communication			
		IT			
Business excellence					
Sustainability					
Leadership	30%	50%			
Target bonus percentage			50%		
Achieved bonus percentage of base salary				29%	

Note 1: As noted above the table, the performance score on the financial targets for GN Audio and GN Hearing for 2022 includes a discretionary adjustment made by the Board to offset truly exceptional circumstances that were firmly outside of management's control.

Note 2: The performance score on the financial targets for GN Hearing for 2022 was 200% of target for both revenue and EBITA performance. As GN Hearing will deliver in the lower end of guidance towards investors, and the CEO is responsible for reaching the guidance, the Board has decided to discretionarily adjust the performance score downwards from 200% to 150% on EBITA.

Note 3: For Peter la Cour Gormsen, due to elements of his job that are not covered by the personal objectives in the bonus plan, the Board has discretionarily decided to make a downwards adjustment to the achieved score on individual business and leadership targets from 133% to 50%.



Share options and warrants held by members of the Executive Management

Each grant under GN's current long-term share option-based incentive program will be made within a range of 50% to 100% of the annual base salary calculated in accordance with the Black-Scholes method at the time of grant.

In 2022, René Svendsen-Tune, Gitte Pugholm Aabo and Peter la Cour Gormsen were awarded a grant of 75% of their annual base salary at the time of grant.

	2022	2021	2020	2019	2018
René Svendsen-Tune, CEO, GN Store Nord & GN Audio					
Outstanding warrants at January 1	1,052	1,398	2,286	2,286	1,728
Warrants granted during the year	-	-	-	-	558
Warrants exercised during the year	-494	-346	-888	-	-
Outstanding warrants at December 31	558	1,052	1,398	2,286	2,286
Outstanding options at January 1	174,464	134,464	75,528	-	-
Options granted during the year	62,500	40,000	58,936	75,528	-
Impact from performance multiplier upon vesting	53,625	-	-	-	-
Options exercised during the year	-	-	-	-	-
Outstanding options at December 31	290,589	174,464	134,464	75,528	-
Gitte Pugholm Aabo, CEO, GN Hearing					
Outstanding options at January 1	142,884	104,634	44,393	-	-
Options granted during the year	56,500	38,250	60,241	44,393	-
Impact from performance multiplier upon vesting	31,520	-	-	-	-
Options exercised during the year	-	-	-	-	-
Outstanding options at December 31	230,904	142,884	104,634	44,393	-

	2022	2021	2020	2019	2018
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio					
Outstanding warrants at January 1	98	98	-	-	-
Warrants granted during the year	-	-	-	-	-
Warrants exercised during the year	-	-	-	-	-
Outstanding warrants at December 31	98	98	-	-	-
Outstanding options at January 1	41,708	23,458	-	-	-
Options granted during the year	26,500	18,250	-	-	-
Impact from performance multiplier upon vesting	9,355	-	-	-	-
Options exercised during the year	-	-	-	-	-
Outstanding options at December 31	77,563	41,708	-	-	-

Shares held by members of the Executive Management

Members of the Executive Management are expected to hold shares in GN. According to GN's internal rules, persons recorded in the permanent section of GN's Insider List, which includes the Executive Management, may (subject to applicable rules and regulations in relation to trading in financial instruments) purchase and sell company shares at any time except during the black-out period commencing three trading days prior to the end of a quarter and ending on the day of the release of the financial report.

	2022	2021	2020	2019	2018
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	116,998	116,998	90,670	73,000	73,000
Gitte Pugholm Aabo, CEO, GN Hearing (from September 20, 2019)	6,823	6,823	6,823	1,940	-
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio (from January 1, 2021)	7,918	7,918	-	-	-
Total, Executive Management	131,739	131,739	97,493	74,940	73,000



Changes in remuneration

The tables below show changes in company performance and received remuneration. The percentage-wise development is based solely on published financial information and, for this reason, they are not adjusted for promotions, changes in responsibilities, etc.

Changes in company performance key figures (GN Store Nord)

(% change from previous year)

	2022	2021	2020	2019	2018
Revenue	18%	17%	7%	19%	11%
Organic revenue growth	-23%p	+11%p	-6%p	+2%p	+5%p
EBITDA	-33%	33%	-15%	26%	12%
EBITA	-40%	40%	-20%	19%	12%
Average base salary per FTE - GN Store Nord A/S	0%	1%	1%	4%	3%
Average total remuneration per FTE, - GN Store Nord A/S	2%	0%	-5%	4%	-4%

Development for GN Store Nord A/S: Revenue 2022 21% (2021: 23%), Profit (loss) for the year 2022 -71% (2021: 40%)

Changes in Executive Management remuneration

(% change from previous year)

DKK million	2022	2021	2020	2019	2018
René Svendsen-Tune, CEO, GN Store Nord & GN Audio (from April 1, 2015)	-15%	8%	6%	11%	7%
Gitte Pugholm Aabo, CEO, GN Hearing (from September 20, 2019)*	27%	-9%	1%	NA	NA
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio (from January 1, 2021)	-22%	NA	NA	NA	NA

* In accordance with regulations, the 2019 remuneration for Gitte Pugholm Aabo has been annualized based on the 2019 base salary, a 50% target bonus and a 75% share-based incentive grant

Changes in total remuneration to the Board of Directors

(% change from previous year)

DKK million	2022	2021	2020	2019	2018
Per Wold-Olsen (Chairman)	4%	5%	-4%	0%	9%
Jukka Pertola (Deputy chairman from April 2020)	20%	12%	NA	NA	NA
Helene Barnekow	49%	-1%	-18%	1%	3%
Montserrat Pascual	20%	12%	NA	NA	NA
Wolfgang Reim	13%	-1%	-9%	5%	10%
Ronica Wang	26%	18%	-34%	0%	16%
Anette Weber	12%	11%	NA	NA	NA
Leo Larsen*	5%	5%	0%	0%	10%
Cathrin Inge Hansen (from Q2 2022)*	NA	NA	NA	NA	NA
Claus Holmbeck-Madsen (from Q2 2022)*	NA	NA	NA	NA	NA
Morten Andersen (until Q1 2022)*	5%	5%	0%	0%	10%
Marcus Stuhr Perathoner (until Q1 2022)*	5%	5%	0%	0%	NA
William E. Hoover, Jr. (Deputy chairman until March 2020)	NA	NA	-2%	-5%	10%
Gitte Pugholm Aabo (from April 2018 until September 2019)	NA	NA	NA	7%	NA
Carsten Krogsgaard Thomsen (until March 2018)	NA	NA	NA	NA	10%
Nikolai Bisgaard (Until March 2018)*	NA	NA	NA	NA	10%

* Employee elected members

NOTE: Development in total remuneration including travel allowance and social security costs. Changes in remuneration are based on annualized numbers where applicable. The base fee for the Board of Directors remained unchanged from 2020 to 2021. The increase in percentages in 2021 was mainly due to the fact that the Board in April 2020 decided to temporarily reduce their fee by 10% from May onwards (reinstated in October 2020) because of the negative financial impact on the company of the COVID-19 pandemic



Statement by the Executive Management and the Board of Directors

The Board of Directors have today considered and adopted the Remuneration Report of GN Store Nord A/S for the financial year 2022.

The Remuneration Report is prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report will be presented to the Annual General Meeting for an advisory vote.

Ballerup, February 9, 2023

Executive Management

Gitte Pugholm Aabo
CEO, GN Hearing & GN Store Nord

Peter Karlstromer
CEO, GN Audio

Peter la Cour Gormsen
CFO, GN Store Nord & GN Audio

Board of Directors

Per Wold-Olsen
Chairman

Jukka Pekka Pertola
Deputy chairman

Hélène Barnekow

Montserrat Maresch Pascual

Anette Weber

Ronica Wang

Leo Larsen

Cathrin Inge Hansen

Claus Holmbeck-Madsen



Independent Auditor's Statement on the Remuneration report

To the shareholders of GN Store Nord A/S

According to section 139 b of the Danish Companies Act, Management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted at the General Meeting.

Our opinion on the audit of the Consolidated Financial Statements and the Parent Company Financial Statements does not include the remuneration report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements for 2022, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139 b(3) of the Danish Companies Act are included in the Company's remuneration report for 2022.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2022.

Hellerup, 9 February 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Mads Melgaard
State Authorised Public Accountant
mne34354

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226



GN Store Nord A/S
Lautrupbjerg 7
2750 Ballerup
Denmark

+45 45 75 00 00
info@gn.com
gn.com
Co.reg. no 24257843

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