

# GN Store Nord delivered 7% organic revenue growth driven by strong market share gains. Full year guidance upgraded

## GN Store Nord

# 7%

organic growth

- GN delivered 9% revenue growth, of which 7% was organic revenue growth, leading to revenue of DKK 4,214 million reflecting strong execution in challenging market conditions
- Adj. EBITA was DKK 251 million and free cash flow excl. M&A was DKK -578 million driven by non-recurring items as well as seasonality in cash flow due to, among other, payment of corporate tax
- New financing plan will be announced in the short-term with the aim to clear the 2024 and 2025 debt maturities
- The financial guidance on organic revenue growth is upgraded from “-6% to +6%” to “-5% to +7%” following a stronger than expected start to the year in GN Hearing

## GN Hearing

# 15%

organic growth

- GN Hearing delivered strong revenue growth of 21%, of which organic revenue growth was 15%, driven by the launch of the ReSound OMNIA family resulting in significant market share gains
- Adj. EBITA margin was 9.9% in the Core business driven by traditional seasonality with lower absolute revenue as well as investments in launch activities to fuel the strong momentum of ReSound OMNIA.
- The Emerging business delivered strong organic revenue growth of 46% and EBITA of DKK -41 million, driven by continued investments in growth
- Free cash flow excl. M&A was DKK -132 million due to traditional seasonality including payment of corporate tax
- Following a stronger than expected start to the year, GN Hearing is upgrading its organic revenue growth guidance from “2% to 8%” to “5% to 10%”. At the same time, the adj. EBITA margin in the core business is upgraded from “13% to 16%” to “14% to 16%”

## GN Audio

# 2%

organic growth

- GN Audio delivered revenue growth of 3%, of which organic revenue growth was 2%, driven by continued strong market share gains despite challenging market conditions. Organic revenue growth was driven by 22% growth in SteelSeries and 9% growth in Consumer, partly offset by a 3% decline in Enterprise
- Adj. EBITA margin was 7.0%, negatively impacted by FX, business mix and promotional activities in the consumer-oriented businesses to reduce inventories in line with the rest of the industry
- Free cash flow excl. M&A was DKK -304 million reflecting the earnings level and traditional seasonality including payment of corporate tax, but partly offset by reduction in inventories
- Full year guidance confirmed

## Financial overview Q1 2023

DKK million – Q1 2023	GN Hearing			GN Audio			
	Core	Emerging	GN Hearing	Enterprise	Consumer	SteelSeries	GN Audio
<b>Revenue</b>	<b>1,560</b>	<b>62</b>	<b>1,622</b>	<b>1,767</b>	<b>285</b>	<b>540</b>	<b>2,592</b>
Organic growth	14%	46%	15%	-3%	9%	22%	2%
<b>Adj. EBITA**</b>	<b>154</b>	<b>-41</b>	<b>113</b>				<b>181</b>
Adj. EBITA margin **	9.9%		7.0%				7.0%

DKK million	GN Store Nord*			GN Hearing			GN Audio		
	Q1 2023	Q1 2022	Growth	Q1 2023	Q1 2022	Growth	Q1 2023	Q1 2022	Growth
<b>Revenue</b>	<b>4,214</b>	<b>3,859</b>	<b>9%</b>	<b>1,622</b>	<b>1,337</b>	<b>21%</b>	<b>2,592</b>	<b>2,522</b>	<b>3%</b>
Organic growth	7%	-21%		15%	2%		2%	-30%	
<b>Adj. Gross profit**</b>	<b>2,058</b>	<b>1,952</b>	<b>5%</b>	<b>996</b>	<b>804</b>	<b>24%</b>	<b>1,062</b>	<b>1,148</b>	<b>-7%</b>
Adj. Gross profit margin**	48.8%	50.6%	-1.8%p	61.4%	60.1%	1.3%p	41.0%	45.5%	-4.5%p
<b>Adj. EBITA**</b>	<b>251</b>	<b>264</b>	<b>-5%</b>	<b>113</b>	<b>-41</b>	<b>NA</b>	<b>181</b>	<b>364</b>	<b>NA</b>
Adj. EBITA margin**	6.0%	6.8%	-0.8%p	7.0%	-3.1%	10.1%p	7.0%	14.4%	-7.4%p
Non-recurring items	-78	-266		-60	-29		-18	-219	
<b>Adj. Earnings per share (EPS)***</b>	<b>0.66</b>	<b>0.77</b>	<b>-15%</b>						
Free cash flow excl. M&A	-578	-557	-21	-132	-175	43	-304	-140	-164

\* Including "Other", \*\* Excluding non-recurring items (DKK -18 million in OPEX in GN Audio, DKK -17 million in COGS in GN Hearing and DKK -43 million in OPEX in GN Hearing), \*\*\* Excluding non-recurring items (DKK -78 million OPEX and COGS) and amortization of acquired intangible assets

# Financial highlights

DKK million	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Full year 2022 (aud.)
<b>GN Hearing</b>			
Revenue	1,622	1,337	6,227
Revenue growth	21%	8%	17%
Organic growth	15%	2%	5%
Gross profit margin	60.4%	59.9%	62.7%
EBITA*	53	-70	453
EBITA margin*	3.3%	-5.2%	7.3%
ROIC (EBITA*/Average invested capital)	7%	7%	5%
Free cash flow excl. M&A	-132	-175	-377
Cash conversion (Free cash flow excl. M&A/EBITA*)	NA	NA	-83%
<b>GN Audio</b>			
Revenue	2,592	2,522	12,460
Revenue growth	3%	-12%	19%
Organic growth	2%	-30%	-7%
Gross profit margin	41.0%	39.9%	41.9%
EBITA*	163	145	1,299
EBITA margin*	6.3%	5.7%	10.4%
ROIC (EBITA*/Average invested capital)	11%	22%	17%
Free cash flow excl. M&A	-304	-140	-91
Cash conversion (Free cash flow excl. M&A/EBITA*)	NA	NA	-7%
<b>GN Store Nord</b>			
Revenue	4,214	3,859	18,687
Revenue growth	9%	-6%	18%
Organic growth	7%	-21%	-3%
Gross profit margin	48.4%	46.8%	48.9%
EBITA*	173	16	1,560
EBITA margin*	4.1%	0.4%	8.3%
Profit (loss) before tax	-56	-227	725
Effective tax rate	23.2%	21.6%	21.4%
ROIC (EBITA*/Average invested capital)	8%	12%	9%
Earnings per share, basic (EPS)	-0.42	-1.50	4.00
Earnings per share, fully diluted (EPS diluted)	-0.42	-1.49	3.99
Free cash flow excl. M&A	-578	-557	-1,291
Cash conversion (Free cash flow excl. M&A/EBITA*)	NA	NA	-83%
Equity ratio	22.2%	21.9%	22.2%
Net interest-bearing debt**	15,275	13,694	14,561
Net interest-bearing debt (period-end)/EBITDA**	7.0	5.9	7.1
Payout ratio	-	-	-
Share buybacks***	-	-	-
Outstanding shares, end of period (thousand)	127,976	127,750	127,973
Average number of outstanding shares (thousand)	127,974	127,723	127,823
Average number of outstanding shares, fully diluted (thousand)	128,122	128,357	128,126
Treasury shares, end of period (thousand)	9,218	10,426	9,220
Share price at the end of the period	153.9	332.7	159.8
Market capitalization	19,696	42,502	20,444

ROIC and NIBD/EBITDA are calculated based on EBITA and EBITDA for the latest four quarters

\* Excluding gain (loss) on investments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

\*\* NIBD including Loans to dispensers

\*\*\* Incl. buybacks as part of share based incentive programs

# GN Hearing

15% organic revenue growth driven by market share gains as a result of the continued strong momentum of the ReSound OMNIA family. Financial guidance upgraded

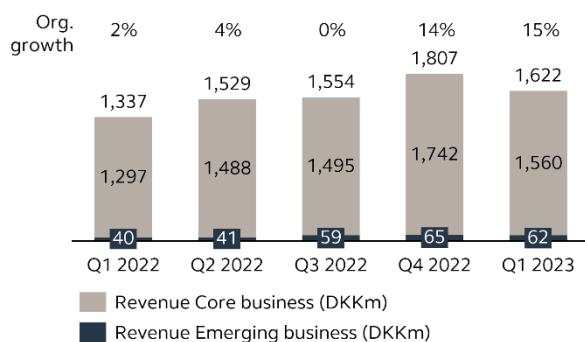
## Highlights Q1 2023

- GN Hearing delivered strong revenue growth of 21%, of which organic revenue growth was 15%, driven by the launch of the ReSound OMNIA family resulting in significant market share gains
- Adj. EBITA margin was 9.9% in the Core business driven by traditional seasonality with lower absolute revenue as well as investments in launch activities to fuel the strong momentum of ReSound OMNIA
- The Emerging business delivered strong organic revenue growth of 46% and EBITA of DKK -41 million, driven by continued investments in growth
- Free cash flow excl. M&A was DKK -132 million due to traditional seasonality including payment of corporate tax
- Following a stronger than expected start to the year, GN Hearing is upgrading its organic revenue growth guidance from “2% to 8%” to “5% to 10%”. At the same time, the adj. EBITA margin in the core business is upgraded from “13% to 16%” to “14% to 16%”

## Revenue

Strong revenue growth of 21% as a result of 15% organic revenue growth, around 2% impact from the development in foreign exchange rates and around 4% impact from M&A. The Emerging business delivered 46% organic revenue growth, while the Core business delivered 14%. The strong performance was a result of the continued strong momentum from the complete ReSound OMNIA family boding well for the rest of the year.

### GN Hearing revenue development



## North America

In North America, the hearing aid market returned to positive growth in the quarter. GN Hearing outgrew the market significantly with 15% organic revenue growth as a result of strong performance across channels including strong growth in the online channel with

JabraEnhance.com. The strong performance is a testimony to the very positive customer reception of the new ReSound OMNIA family.

In North America overall, revenue growth was 19% including around 7% impact from the development in foreign exchange rates and -3% impact from M&A.

## Europe

In Europe, the hearing aid market was impacted by current macroeconomic headwinds especially affecting France and Germany, while the market growth in Europe as a whole is estimated to be slightly positive. Despite the difficult market conditions, GN Hearing performed strongly with 18% organic revenue growth, with particular strong growth observed in Southern Europe and the U.K.

In Europe overall, revenue growth was 34% including around -1% impact from the development in foreign exchange rates and 17% impact from M&A.

## Rest of World

The Rest of World region saw strong market recovery driven by lift of COVID restrictions in China. Organic revenue growth in the Rest of World region was 12% with particular strong performance in China and Japan.

In the Rest of World overall, revenue growth was 11% including around -1% impact from the development in foreign exchange rates.

## Earnings and other financial highlights

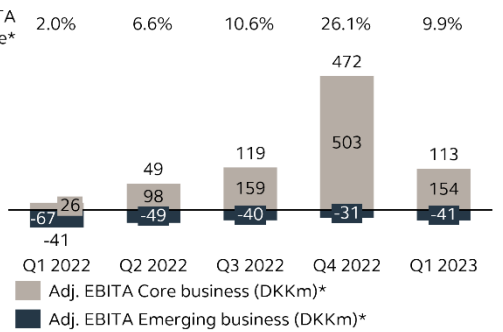
Adj. gross profit reached DKK 996 million in Q1 2023 corresponding to a gross margin of 61.4% compared to 60.1% in Q1 2022. The gross margin is positively impacted by product mix driven by ReSound OMNIA, but partly offset by increasing input costs and channel/country mix.

Adj. OPEX increased 4% compared to Q1 2022 due to the impact of the acquisition of Belaudicao last year as well as investments into launch activities with the complete ReSound OMNIA family and inflationary impact on the cost base. Adj. selling and distribution costs increased by 9% reflecting Belaudicao and investments in launch costs. Adj. general and administrative expenses decreased by 6% compared to Q1 2022, due to prudent cost management, while investments into R&D increased by 16% driven by completion of the full ReSound OMNIA family.

GN Hearing's adj. EBITA was DKK 113 million, with the Core business delivering adj. EBITA of DKK 154 million, equal to an EBITA margin of 9.9% compared to 2.0% in Q1 2022. This was a result of the positive development in gross margin and

strong operating leverage. The Emerging business delivered an EBITA of DKK -41 million due to continued investments in lead generation to drive topline growth. Reported EBITA amounted to DKK 53 million reflecting non-recurring items of DKK -60 million.

#### GN Hearing adj. EBITA development



\*Excluding non-recurring items

The return on invested capital (ROIC) was 7% in Q1 2023, equivalent to Q1 2022, mainly due to the improvement in EBITA being offset by a slight increase in invested capital.

Free cash flow excl. M&A was DKK -132 million in Q1 2023 compared to DKK -175 million in Q1 2022, mainly driven by traditional seasonality including payment of corporate tax.

#### Business highlights

##### Completing the ReSound OMNIA family

On February 7, 2023, GN Hearing announced the expansion and completion of the ReSound OMNIA family, providing more options to address the biggest unmet need for people with hearing loss: hearing speech in noisy environments. The expanded portfolio offers a full range of popular styles, including BTE and custom-made styles as well as GN's smallest rechargeable hearing aid yet, the miniRIE.

ReSound OMNIA provides an exceptional 150% improvement in speech understanding in noise and is the only hearing solution to simultaneously combine two benefits – narrow beamforming directionality for hearing in noise and omnidirectional listening for a natural listening experience without feeling cut off. All solutions under the ReSound OMNIA family provides enhanced connectivity, whether users are streaming phone calls or music to their ears.

#### Restoring profitability and non-recurring items

As communicated, GN Hearing expects the Core business to restore profitability to an EBITA margin of more than 20% by 2024, driven by above-market revenue growth and several operational initiatives primarily related to the supply chain. To accelerate the initiatives and restore profitability, GN Hearing will incur DKK ~ -150 million in non-recurring items in 2023. For Q1 2023, non-recurring items amounted to DKK -60 million as a result of design for manufacturing initiatives, simplification of supply chain as well as targeted redundancies.

#### GN Hearing non-recurring items

(DKK million)	Q1 2022	Q1 2023
Revenue	-	-
Production costs	-3	-17
Gross profit	-3	-17
Development costs	-3	-9
Selling and distribution costs	-18	-18
Management and administrative expenses	-5	-16
Other operating income and costs, net	-	-
EBITA	-29	-60

#### Market development

In Q1 2023, the market grew more-than-expected and in line with historical growth rates of 4-6% volume growth and -1% to -2% market ASP decline. GN Hearing is now projecting markets to grow with similar growth rates for 2023.

#### Management quote

*"We are very pleased to see the great momentum from Q4 2022 continue into 2023 with 15% organic revenue growth delivered in Q1. Our strong performance is broad based across regions, and with our new full product line-up of popular styles in the very successful ReSound OMNIA family, our growth platform is in place, boding well for the remainder of the year, why we are also confident in upgrading the guidance for our full-year."*

Gitte Aabo, CEO of GN Hearing

# GN Audio

GN Audio delivered 2% organic revenue growth despite challenged markets. Our industry leading product portfolio and strong execution drove market share gains in key strategic markets including the Enterprise and gaming gear markets

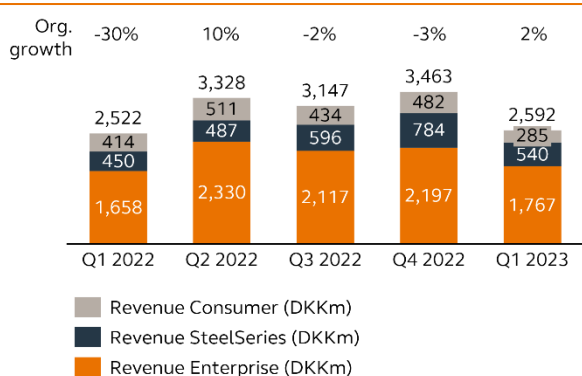
## Highlights Q1 2023

- GN Audio delivered revenue growth of 3%, of which organic revenue growth was 2%, driven by continued strong market share gains despite challenging market conditions. Organic revenue growth was driven by 22% growth in SteelSeries and 9% growth in Consumer, partly offset by a 3% decline in Enterprise
- Adj. EBITA margin was 7.0%, negatively impacted by FX, business mix and promotional activities in the consumer-oriented businesses to reduce inventories in line with the rest of the industry
- Free cash flow excl. M&A was DKK -304 million reflecting the earnings level and traditional seasonality including payment of corporate tax, but partly offset by reduction in inventories
- Full year guidance confirmed

## Revenue

Revenue growth was 3% as a result of 2% organic revenue growth, a slightly positive impact from the development in foreign exchange rates, and no impact from M&A. Organic revenue growth was driven by 22% growth in SteelSeries and 9% growth in Consumer, partly offset by a 3% decline in Enterprise. The performance in the consumer-oriented businesses was a result of very strong performance especially in SteelSeries with strong market share gains as well as ongoing promotional activities to reduce inventory levels. The Enterprise business was executing strongly with market share gains in a challenged market characterized by uncertainty and buyer hesitancy. Despite the challenged current market conditions in Enterprise, the realized revenue of DKK 1,767 million was 34% higher than Q1 2020 underpinning a new sustainable higher base following COVID-19.

### GN Audio revenue development



## North America

In North America, GN Audio delivered -8% organic revenue growth due to challenged market conditions across Enterprise and Consumer primarily driven by continued buying hesitancy from large corporations due to continued hybrid working considerations as well as market uncertainty. SteelSeries managed to take advantage of its updated product portfolio, particular headset portfolio, to drive strong growth in the region. Revenue growth was -6% with no impact from M&A and 2% impact from development in foreign exchange rates.

## Europe

In Europe, GN Audio delivered organic revenue growth of 8% while revenue growth was 7% including around -1% impact from the development in foreign exchange rates and no impact from M&A. The strong growth was a result of positive growth across Enterprise, SteelSeries and Consumer.

## Rest of World

In the Rest of World region, GN Audio delivered 6% organic revenue growth, and revenue growth was 6% with no impact from M&A and development in foreign exchange rates. The growth was positive across Enterprise, SteelSeries and Consumer.

## Earnings and other financial highlights

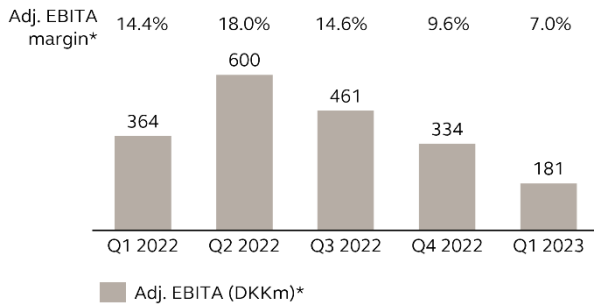
GN Audio delivered a gross margin of 41.0% in Q1 2023 compared to adj. gross margin of 45.5% in Q1 2022, due to increased input costs, the impact of development in foreign exchange rates, business mix as well as ongoing promotional activities in the consumer-oriented businesses. Compared to Q4 2022, the gross margin increased from 39.7% to 41.0% primarily as a result of price increases in the Enterprise business. Further gross margin improvements remain a key priority throughout the year.

During the quarter, GN Audio took significant actions to continue to manage the cost base, which included a further rightsizing of the organization to react to the market uncertainties. During the last two quarters, GN Audio has executed layoffs of approximately 10% of the total number of FTEs.

GN Audio's adj. EBITA ended at DKK 181 million, translating into an adjusted EBITA margin of 7.0%, compared to 14.4% in Q1 2022. The development reflects the gross margin development, impact of development in foreign exchange rates, phasing of OPEX costs as well as inflationary impact.

Reported EBITA was DKK 163 million, reflecting DKK -18 million in non-recurring items.

#### GN Audio adj. EBITA development



\*Excluding non-recurring items

The return on invested capital (ROIC) was 11% compared to 22% in Q1 2022, driven by the lower EBITA. Free cash flow excl. M&A was DKK -304 million compared to DKK -140 million in Q1 2022. The decrease in cash flow was mainly driven by the lower reported EBITA and tax payments.

#### Business highlights

##### Product launches

GN Audio launched several products that will drive growth throughout the year and further strengthen the position across key markets:

- On February 28, 2023, GN Audio announced the Speak2 range, the newest products in Jabra's market-leading Speak line-up of professional speakerphones which includes the Speak2 75, Speak2 55 and the Speak2 40. The new range features advanced full duplex audio, creating natural 2-way conversation, as if everyone speaking was there in person and it is equipped with four beamforming microphones with innovative background noise reduction technology
- On March 21, 2023, GN Audio announced the Elite 4, the latest addition to its unique Elite lineup. The Elite 4 delivers strong benefits in comfort, optimal sound and convenience, all at an affordable price point
- On March 27, 2023, GN Audio announced the new additions to the very successful high-end Evolve2 portfolio, including Evolve2 50 Flex, Evolve2 55 and Evolve2 65 Flex, which delivers maximum flexibility, with its unique design as well as superior sound quality thanks to a powerful chipset, advanced digital algorithm, and beamforming Jabra ClearVoice microphones for the open office

##### Taking strong actions in an ever-changing macro-environment

Acknowledging the uncertain environment, GN Audio again in Q1 2023 took proactive and significant action to reduce the cost base and defend the agility of the company. For this

purpose, GN Audio booked non-recurring items of DKK -18 million in Q1 2023 related to right-sizing of the organization.

#### GN Audio non-recurring items

(DKK million)	Q1 2022	Q1 2023
Revenue	-	-
Production costs	-142	-
Gross profit	-142	-
Development costs	-	-
Selling and distribution costs	-	-
Management and administrative expenses	-77	-18
Other operating income and costs, net	-	-
EBITA	-219	-18

#### Market development

In Q1 2023, the demand in GN Audio's core enterprise markets was challenged by the current buyer hesitancy, particularly in the U.S. The challenges are expected to continue during 2023 as earlier anticipated. However, the long-term drivers are fully intact driven by flexible working, significant uptake of Unified Communications platforms and other attractive megatrends. For the coming years, GN Audio expects that the markets will return to its favorable trends and that the overall addressable market will grow at around 10% in value when assuming a stable macro environment.

#### Management quote

*"As expected, we continued to face challenging market conditions in Q1. In this environment our teams have executed strongly resulting in market share gains, and consequently all three business lines delivered organic revenue growth above our expectations. I'm especially pleased to see SteelSeries continuing to outperform the market growing 22%, showcasing the strength of our premium gaming portfolio. To further strengthen the resilience of GN Audio and weather the challenging market conditions, we executed a series of cost reduction initiatives during Q1 to protect our margins and improve future cash flow."*

Peter Karlstromer, CEO of GN Audio

# GN Store Nord

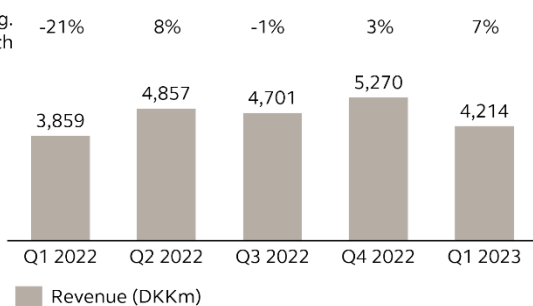
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- New financing plan will be announced in the short-term with the aim to clear the 2024 and 2025 debt maturities
- The financial guidance on organic revenue growth is upgraded from “-6% to +6%” to “-5% to +7%” following a stronger than expected start to the year in GN Hearing

## Revenue

GN delivered 9% revenue growth, of which 7% was organic revenue growth, around 1% impact from M&A and around 1% impact from the development in foreign exchange rates.

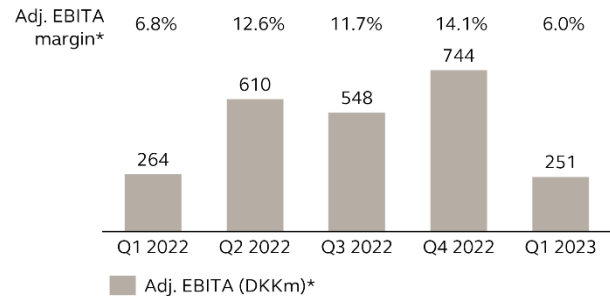
### GN Store Nord revenue development



## Earnings and other financial highlights

EBITA in Other amounted to DKK -43 million, compared to DKK -59 million in Q1 2022 driven by timing effects. GN Store Nord's adj. EBITA was DKK 251 million compared to DKK 264 million in Q1 2022, primarily driven by increased input costs, the impact from development from foreign exchange rates as well as ongoing promotional activities in the consumer orientated businesses. This corresponds to an adj. EBITA margin of 6.0% in Q1 2023 compared to 6.8% in Q1 2022. Reported EBITA was DKK 173 million, reflecting non-recurring items of DKK -78 million due to initiatives to restore profitability across GN Hearing and GN Audio.

### GN Store Nord adj. EBITA development



\*Excluding non-recurring items

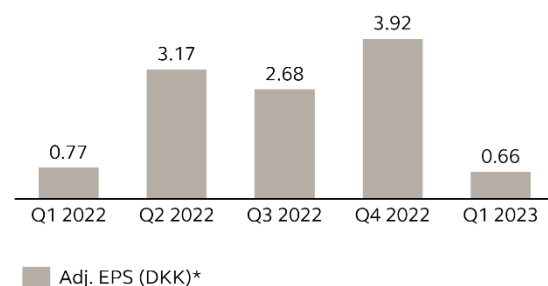
Amortization of acquired intangible assets amounted to DKK -102 million compared to DKK -103 million. Financial items were DKK -125 million in the quarter compared to DKK -156 million in Q1 2022. Financial items were impacted by underwriting and up-front fees related to the cancelled rights offering on top of run-rate financial items. Share of profit (loss) in associates was DKK -1 million compared to DKK 17 million in Q1 2022.

The adj. profit before tax was DKK 22 million (reported profit before tax was DKK -56 million) compared to DKK 39 million in Q1 2022. The effective tax rate was 23.2% compared to 21.6% in Q1 2022 due to a previous R&D tax relief scheme in Denmark not expected to be prolonged. Adj. net profit was DKK 17 million in Q1 2023 (reported net profit of DKK -43 million) compared to DKK 31 million in Q1 2022.

Free cash flow excl. M&A was DKK -578 million compared to DKK -557 million in Q1 2022, mainly driven by slightly higher financial items and corporate tax payments.

Adj. earnings per share (Adj. EPS), was DKK 0.66 in Q1 2023 compared to DKK 0.77 in Q1 2022.

### GN Store Nord adj. EPS development



\*Excluding non-recurring items and amortization of acquired intangible assets

By the end of Q1 2023, equity in GN Store Nord amounted to DKK 6,630 million compared to DKK 6,016 million in Q1 2022. The increase was driven by the net profits for the period.

### Capital structure

Net interest-bearing debt ended at DKK 15,275 million in Q1 2023 compared to DKK 14,561 million by the end of 2022, mainly driven by the negative free cash flow. As a result, the adj. leverage ended at 5.8x. Reported leverage ratio was 7.0x reflecting the DKK -436 million non-recurring items in the last four quarters. By the end of Q1 2023, GN had cash and cash equivalents of DKK 676 million.

### Strategy execution

GN continues to execute on its current strategy built on 150 years of technology-driven enhancement of vital human senses with the underlying philosophy of bringing people closer. This entails further realization of the synergies that can be derived from a one-company mindset with hearing, audio, and gaming technologies, competencies, channels, and support functions in one efficient and lean organization. The operational initiatives to drive further synergies are currently centered around 4 main levers:

#### 1) Innovation and technology

Further utilizing the ability to share deep and complex technology between GN's diversified R&D organizations as technologies are expected to continue to converge. The emerging OTC market is just one example, where GN is benefitting from both audio and hearing technologies to develop Jabra Enhance Plus. As AI and other critical technologies continue to converge, GN's broad range of R&D expertise and combined scale will gain increasing importance as a competitive advantage.

#### 2) Go-to-market

Further utilizing benefits of shared go-to-market models and channel overlap. Most recently, SteelSeries' and Jabra's Retail Sales & Marketing organizations were merged into one team under the leadership of SteelSeries' CEO to leverage the combined scale and increase relevance and strategic importance with key retailers and distributors. This part of the integration was initiated in Q4 2022 and is currently being completed.

#### 3) Operations and supply chain

Further utilizing efficiencies and driving down product related costs as a result of one shared operations and supply chain organization. In April 2023, GN Hearing's and GN Audio's two Global Operations organizations were merged into one team to further leverage both structural and operational synergies within sourcing, manufacturing, and distribution. The scale and magnitude of products handled by this single organization will be significantly larger than the volumes of the entire hearing aid industry.

#### 4) Back-office, support services, and new ERP

Further utilizing know-how and company scale across GN's operating assets to drive synergies across back-office functions including shared IT, HR etc. Currently, a first phase of a new cloud-based ERP system has gone live as a common system to ultimately encompass audio, hearing, SteelSeries and group functions.

GN has focused on driving company-wide synergies in recent years, and believe that the development in converging technologies and the changes in market trends warrant a significant potential for harvesting further synergies and advantages with GN's business model. The Board and Management are confident in GN's strategy, our markets, and our ability to execute and continue to gain market share which we believe will create significant value for shareholders in the coming years.

### New debt financing plan to be announced

The Group has ample liquidity until the current convertible bond matures in May 2024 and the focus is, therefore, on ensuring we can meet our debt obligations. Following an ongoing dialogue with investors, focus for the capital structure is to clear the debt maturities in 2024 and 2025, including repayment of the approximately DKK 7 billion debt maturing in 2024. The following building blocks will be carefully considered as part of a new financing plan, which will be announced in the short term:

- Strong operational focus on cash flow
- Disposals of selected assets
- Debt and/or equity opportunities

Currently, GN has a positive ongoing dialogue with its core banking group to explore further opportunities for funding. The long-term leverage target of 1-2x was confirmed in February 2023, but the pace of deleveraging is anticipated to be slower than originally planned, while financial items are expected to significantly increase due to the withdrawal of the proposed rights offering. The new plan will aim to strike the right balance between current market challenges and future significant growth opportunities, allowing GN to execute on both short- and long-term market share opportunities.

### Foreign exchange exposure

GN has hedged a substantial part of the expected net cash-flow in foreign currencies to secure the EBITA contribution of the material trading currencies for the next 12 months across both GN Hearing and GN Audio.



# Financial guidance 2023

(Financial guidance upgraded on April 26, 2023)

## Financial guidance 2023

	Organic revenue growth	Adjusted EBITA margin <sup>2)</sup>	Non-recurring items (DKK million)
<b>GN Hearing</b>	<b>5% to 10%</b>		
- Core Business		14% to 16%	~ -150
- Emerging Business <sup>1)</sup> (DKK million)		~ -150	
<b>GN Audio</b>	<b>-10% to +5%</b>	<b>10% to 15%</b>	<b>~ -150</b>
Other (DKK million)		~ -200	
<b>GN Store Nord</b>	<b>-5% to +7%</b>		<b>~ -300</b>

Note 1) Emerging Business mainly includes the JabraEnhance.com (formerly Lively)

Note 2) Excluding non-recurring items

Based on foreign exchange rates as of April 26, 2023

## Primary risk factors in relation to the financial guidance

The basic assumptions behind the guidance remain more uncertain than normal. Primary risk factors include inflationary pressures, consumer sentiment and general economic uncertainty. GN's supply chains, including component sourcing and local and geopolitical instability and deteriorating trade relations may impact key suppliers and GN's operations.

### 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 expectation 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, 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).

Due to the COVID-19 situation – which impacts the company in many different ways – it must be stressed that the basic assumptions behind the guidance remain significantly more uncertain than normal.

# Additional information

## Teleconference

GN will host a teleconference at 11.00 am CEST on April 27, 2023. Please visit [www.gn.com](http://www.gn.com) to access the teleconference. Presentation material will be available on the website approximately one hour prior to the start of the teleconference.

## Financial calendar 2023

Interim Report Q2 2023:	August 17, 2023
Interim Report Q3 2023:	November 10, 2023

## 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 expectation and assumptions will not be disclosed on an ongoing basis, unless required pursuant to general disclosure obligations to which GN is subject.

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The information on the upgraded guidance constitutes inside information.

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# Content

## Financial statements

### Financial statements

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## Quarterly reporting by segment

DKK million	Q1 2022 (unaud.)	Q2 2022 (unaud.)	Q3 2022 (unaud.)	Q4 2022 (unaud.)	Q1 2023 (unaud.)	Full year 2022 (aud.)
<b>Income statement</b>						
<b>Revenue</b>						
GN Hearing	1,337	1,529	1,554	1,807	1,622	6,227
GN Audio	2,522	3,328	3,147	3,463	2,592	12,460
<b>Total</b>	<b>3,859</b>	<b>4,857</b>	<b>4,701</b>	<b>5,270</b>	<b>4,214</b>	<b>18,687</b>
<b>Organic growth</b>						
GN Hearing	2%	4%	0%	14%	15%	5%
GN Audio	-30%	10%	-2%	-3%	2%	-7%
<b>Total</b>	<b>-21%</b>	<b>8%</b>	<b>-1%</b>	<b>3%</b>	<b>7%</b>	<b>-3%</b>
<b>Gross profit</b>						
GN Hearing	801	924	988	1,194	979	3,907
GN Audio	1,006	1,502	1,341	1,376	1,062	5,225
<b>Total</b>	<b>1,807</b>	<b>2,426</b>	<b>2,329</b>	<b>2,570</b>	<b>2,041</b>	<b>9,132</b>
<b>Gross profit margin</b>						
GN Hearing	59.9%	60.4%	63.6%	66.1%	60.4%	62.7%
GN Audio	39.9%	45.1%	42.6%	39.7%	41.0%	41.9%
<b>Total</b>	<b>46.8%</b>	<b>49.9%</b>	<b>49.5%</b>	<b>48.8%</b>	<b>48.4%</b>	<b>48.9%</b>
<b>Development costs</b>						
GN Hearing	-138	-142	-146	-124	-166	-550
GN Audio	-189	-166	-188	-238	-188	-781
Other *	-21	-16	-10	-27	-13	-74
<b>Total</b>	<b>-348</b>	<b>-324</b>	<b>-344</b>	<b>-389</b>	<b>-367</b>	<b>-1,405</b>
<b>Selling and distribution costs and administrative expenses etc.</b>						
GN Hearing	-733	-776	-761	-634	-760	-2,904
GN Audio	-672	-804	-713	-956	-711	-3,145
Other *	-38	-23	-22	-35	-30	-118
<b>Total</b>	<b>-1,443</b>	<b>-1,603</b>	<b>-1,496</b>	<b>-1,625</b>	<b>-1,501</b>	<b>-6,167</b>
<b>EBITA</b>						
GN Hearing	-70	6	81	436	53	453
GN Audio	145	532	440	182	163	1,299
Other *	-59	-39	-32	-62	-43	-192
<b>Total</b>	<b>16</b>	<b>499</b>	<b>489</b>	<b>556</b>	<b>173</b>	<b>1,560</b>
<b>EBITA margin</b>						
GN Hearing	-5.2%	0.4%	5.2%	24.1%	3.3%	7.3%
GN Audio	5.7%	16.0%	14.0%	5.3%	6.3%	10.4%
<b>Total</b>	<b>0.4%</b>	<b>10.3%</b>	<b>10.4%</b>	<b>10.6%</b>	<b>4.1%</b>	<b>8.3%</b>
<b>Depreciation and software amortization</b>						
GN Hearing	-38	-41	-42	-41	-42	-162
GN Audio	-45	-48	-54	-47	-46	-194
Other *	-35	-37	-36	-21	-21	-129
<b>Total</b>	<b>-118</b>	<b>-126</b>	<b>-132</b>	<b>-109</b>	<b>-109</b>	<b>-485</b>
<b>EBITDA</b>						
GN Hearing	-32	47	123	477	95	615
GN Audio	190	580	494	229	209	1,493
Other *	-24	-2	4	-41	-22	-63
<b>Total</b>	<b>134</b>	<b>625</b>	<b>621</b>	<b>665</b>	<b>282</b>	<b>2,045</b>
<b>EBITA</b>						
Amortization and impairment of acquired intangible assets	16	499	489	556	173	1,560
Gain (loss) on divestment of operations etc.	-103	-96	-125	-116	-102	-440
	-1	-6	-	-2	-1	-9
<b>Operating profit (loss)</b>	<b>-88</b>	<b>397</b>	<b>364</b>	<b>438</b>	<b>70</b>	<b>1,111</b>
Share of profit (loss) in associates	17	5	-1	-2	-1	19
Financial items	-156	-77	-90	-82	-125	-405
<b>Profit (loss) before tax</b>	<b>-227</b>	<b>325</b>	<b>273</b>	<b>354</b>	<b>-56</b>	<b>725</b>
Tax on profit (loss)	49	-70	-58	-76	13	-155
<b>Profit (loss)</b>	<b>-178</b>	<b>255</b>	<b>215</b>	<b>278</b>	<b>-43</b>	<b>570</b>
<b>Balance sheet</b>						
<b>Inventories</b>						
GN Hearing	770	816	892	850	842	850
GN Audio	2,012	2,282	2,968	2,666	2,506	2,666
<b>Total</b>	<b>2,782</b>	<b>3,098</b>	<b>3,860</b>	<b>3,516</b>	<b>3,348</b>	<b>3,516</b>
<b>Trade receivables</b>						
GN Hearing	1,144	1,262	1,266	1,442	1,446	1,442
GN Audio	1,975	2,890	2,729	2,589	2,314	2,589
Other *	2	2	-	-	-	-
<b>Total</b>	<b>3,121</b>	<b>4,154</b>	<b>3,995</b>	<b>4,031</b>	<b>3,760</b>	<b>4,031</b>
<b>Net working capital</b>						
GN Hearing	1,036	1,078	1,052	1,323	1,380	1,323
GN Audio	1,646	2,021	2,145	1,937	2,222	1,937
Other *	-165	-319	-259	-151	-43	-151
<b>Total</b>	<b>2,517</b>	<b>2,780</b>	<b>2,938</b>	<b>3,109</b>	<b>3,559</b>	<b>3,109</b>
<b>Free cash flow excl. M&amp;A</b>						
GN Hearing	-175	-326	60	64	-132	-377
GN Audio	-140	49	21	-21	-304	-91
Other *	-242	-135	-298	-148	-142	-823
<b>Total</b>	<b>-557</b>	<b>-412</b>	<b>-217</b>	<b>-105</b>	<b>-578</b>	<b>-1,291</b>
<b>Acquisitions and divestments of companies</b>						
	-7,037	-216	-15	11	-36	-7,257
<b>Free cash flow</b>	<b>-7,594</b>	<b>-628</b>	<b>-232</b>	<b>-94</b>	<b>-614</b>	<b>-8,548</b>

\* "Other" comprises Group Functions, GN Ejendomme and eliminations.

## Regional growth composition Q1 2023

(DKK million)	GN Hearing		GN Audio		Consolidated total	
	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)
<b>Europe - revenue</b>	<b>496</b>	<b>369</b>	<b>1,311</b>	<b>1,223</b>	<b>1,807</b>	<b>1,592</b>
Organic growth	18%	2%	8%	-36%	10%	-29%
FX growth	-1%	2%	-1%	1%	-1%	1%
M&A growth	17%	0%	0%	8%	5%	7%
<b>Revenue growth</b>	<b>34%</b>	<b>4%</b>	<b>7%</b>	<b>-28%</b>	<b>14%</b>	<b>-22%</b>
<b>North America - revenue</b>	<b>762</b>	<b>641</b>	<b>740</b>	<b>791</b>	<b>1,502</b>	<b>1,432</b>
Organic growth	15%	1%	-8%	-26%	2%	-14%
FX growth	7%	8%	2%	6%	4%	7%
M&A growth	-3%	3%	0%	28%	-1%	17%
<b>Revenue growth</b>	<b>19%</b>	<b>12%</b>	<b>-6%</b>	<b>8%</b>	<b>5%</b>	<b>10%</b>
<b>Rest of World - revenue</b>	<b>364</b>	<b>327</b>	<b>541</b>	<b>508</b>	<b>905</b>	<b>835</b>
Organic growth	12%	3%	6%	-14%	8%	-7%
FX growth	-1%	3%	0%	5%	0%	3%
M&A growth	0%	0%	0%	23%	0%	14%
<b>Revenue growth</b>	<b>11%</b>	<b>6%</b>	<b>6%</b>	<b>14%</b>	<b>8%</b>	<b>10%</b>
<b>Total revenue</b>	<b>1,622</b>	<b>1,337</b>	<b>2,592</b>	<b>2,522</b>	<b>4,214</b>	<b>3,859</b>
Organic growth	15%	2%	2%	-30%	7%	-21%
FX growth	2%	5%	1%	2%	1%	3%
M&A growth	4%	1%	0%	16%	1%	12%
<b>Revenue growth</b>	<b>21%</b>	<b>8%</b>	<b>3%</b>	<b>-12%</b>	<b>9%</b>	<b>-6%</b>

## Consolidated income statement

(DKK million)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Full Year 2022 (aud.)
Revenue	4,214	3,859	18,687
Production costs	-2,173	-2,052	-9,555
<b>Gross profit</b>	<b>2,041</b>	<b>1,807</b>	<b>9,132</b>
Development costs	-367	-348	-1,405
Selling and distribution costs	-1,125	-1,017	-4,563
Management and administrative expenses	-376	-422	-1,587
Other operating income and costs, net	-	-4	-17
<b>EBITA*</b>	<b>173</b>	<b>16</b>	<b>1,560</b>
Amortization and impairment of acquired intangible assets	-102	-103	-440
Gain (loss) on divestment of operations etc.	-1	-1	-9
<b>Operating profit (loss)</b>	<b>70</b>	<b>-88</b>	<b>1,111</b>
Share of profit (loss) in associates	-1	17	19
Financial items	-125	-156	-405
<b>Profit (loss) before tax</b>	<b>-56</b>	<b>-227</b>	<b>725</b>
Tax on profit (loss)	13	49	-155
<b>Profit (loss) for the period</b>	<b>-43</b>	<b>-178</b>	<b>570</b>
<b>Attributable to:</b>			
Non-controlling interests	11	13	59
Shareholders in GN Store Nord A/S	-54	-191	511
<b>Earnings per share (EPS):</b>			
Earnings per share (EPS)	-0.42	-1.50	4.00
Earnings per share, fully diluted (EPS diluted)	-0.42	-1.49	3.99

\* Excluding gain (loss) on divestments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

## Consolidated statement of comprehensive income

(DKK million)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Full Year 2022 (aud.)
<b>Profit (loss) for the period</b>	<b>-43</b>	<b>-178</b>	<b>570</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains (losses)	-	-	7
Tax relating to actuarial gains (losses)	-	-	-2
<b>Items that may be reclassified subsequently to profit or loss</b>			
Adjustment of cash flow hedges	3	-7	-73
Foreign exchange adjustments, etc.	-108	122	258
Tax relating to other comprehensive income	-	-	16
<b>Other comprehensive income for the period</b>	<b>-105</b>	<b>115</b>	<b>206</b>
<b>Total comprehensive income for the period</b>	<b>-148</b>	<b>-63</b>	<b>776</b>
<b>Attributable to:</b>			
Non-controlling interests	11	13	59
Shareholders in GN Store Nord A/S	-159	-76	717

## Consolidated balance sheet

(DKK million)	Mar. 31 2023 (unaud.)	Dec. 31 2022 (aud.)	Sep. 30 2022 (unaud.)	Jun. 30 2022 (unaud.)	Mar. 31 2022 (unaud.)
<b>Assets</b>					
Intangible assets	17,548	17,546	17,731	17,202	16,363
Property, plant and equipment	1,198	1,255	1,329	1,357	1,329
Investments in associates	315	319	348	340	180
Deferred tax assets	481	491	491	366	345
Other non-current assets	1,636	1,612	1,663	1,525	1,423
<b>Total non-current assets</b>	<b>21,178</b>	<b>21,223</b>	<b>21,562</b>	<b>20,790</b>	<b>19,640</b>
Inventories	3,348	3,516	3,860	3,098	2,782
Trade receivables	3,760	4,031	3,995	4,154	3,121
Tax receivables	108	107	185	150	168
Other receivables	487	722	605	665	849
Cash and cash equivalents	676	990	870	560	959
<b>Total current assets</b>	<b>8,729</b>	<b>9,366</b>	<b>9,515</b>	<b>8,627</b>	<b>7,879</b>
<b>Total assets</b>	<b>29,907</b>	<b>30,589</b>	<b>31,077</b>	<b>29,417</b>	<b>27,519</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	<b>6,630</b>	<b>6,800</b>	<b>7,202</b>	<b>6,638</b>	<b>6,016</b>
Bank loans and issued bonds, non-current	12,142	9,866	10,711	10,693	10,675
Lease liabilities, non-current	253	262	298	308	302
Pension obligations	8	7	7	7	7
Provisions, non-current	140	138	134	164	182
Deferred tax liabilities	914	915	1,013	929	873
Other non-current liabilities	802	867	820	773	715
<b>Total non-current liabilities</b>	<b>14,259</b>	<b>12,055</b>	<b>12,983</b>	<b>12,874</b>	<b>12,754</b>
Bank loans and issued bonds, current	4,181	6,016	4,970	4,393	4,072
Lease liabilities, current	95	109	132	132	137
Trade payables	1,166	1,554	1,855	1,724	1,229
Tax payables	131	226	44	-	42
Provisions, current	225	223	224	243	263
Other current liabilities	3,220	3,606	3,667	3,413	3,006
<b>Total current liabilities</b>	<b>9,018</b>	<b>11,734</b>	<b>10,892</b>	<b>9,905</b>	<b>8,749</b>
<b>Total equity and liabilities</b>	<b>29,907</b>	<b>30,589</b>	<b>31,077</b>	<b>29,417</b>	<b>27,519</b>

## Consolidated statement of cash flow

(DKK million)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Full Year 2022 (aud.)
<b>Operating activities</b>			
Operating profit (loss)	70	-88	1,111
Depreciation, amortization and impairment	360	361	1,534
Other non-cash adjustments	16	111	58
<b>Cash flow from operating activities before changes in working capital</b>	<b>446</b>	<b>384</b>	<b>2,703</b>
Changes in working capital	-397	-484	-1,293
<b>Cash flow from operating activities before financial items and tax</b>	<b>49</b>	<b>-100</b>	<b>1,410</b>
Financial items, net	-109	-53	-598
Tax paid, net	-81	-78	-185
<b>Cash flow from operating activities</b>	<b>-141</b>	<b>-231</b>	<b>627</b>
<b>Investing activities</b>			
Development projects	-249	-202	-1,005
Investments in other intangible assets, net	-112	-91	-454
Investments in property, plant and equipment, net	-34	-20	-204
Investments in other non-current assets, net	-42	-13	-255
Company acquisitions	-36	-7,037	-7,257
<b>Cash flow from investing activities</b>	<b>-473</b>	<b>-7,363</b>	<b>-9,175</b>
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>-614</b>	<b>-7,594</b>	<b>-8,548</b>
<b>Financing activities</b>			
Paid dividends	-14	-155	-208
Share-based payment (exercised)	1	5	22
Increase/decrease in bank loans and other adjustments	317	2,489	3,530
<b>Cash flow from financing activities</b>	<b>304</b>	<b>2,339</b>	<b>3,344</b>
<b>Net cash flow</b>	<b>-310</b>	<b>-5,255</b>	<b>-5,204</b>
Cash and cash equivalents beginning of period	990	6,208	6,208
Adjustment foreign currency, cash and cash equivalents	-4	6	-14
<b>Cash and cash equivalents, end of period</b>	<b>676</b>	<b>959</b>	<b>990</b>



## Consolidated statement of equity

Q1 2022 (DKK million)	Other reserves				Proposed dividends for the year	Retained earnings	Equity, shareholders in GN Store Nord A/S	Non-controlling interests	Total equity
	Share capital*	Foreign exchange adjustments	Hedging reserve	Treasury shares					
<b>Balance at December 31, 2021</b>	<b>553</b>	<b>-1,104</b>	<b>6</b>	<b>-3,731</b>	<b>214</b>	<b>10,291</b>	<b>6,229</b>	<b>-</b>	<b>6,229</b>
Profit (loss) for the period	-	-	-	-	-	-191	-191	13	-178
Adjustment of cash flow hedges	-	-	-7	-	-	-	-7	-	-7
Foreign exchange adjustments, etc.	-	122	-	-	-	-	122	-	122
Other comprehensive income for the period	-	122	-7	-	-	-	115	-	115
Total comprehensive income for the period	-	122	-7	-	-	-191	-76	13	-63
Share-based payment (granted)	-	-	-	-	-	53	53	-	53
Share based payment (exercised)	-	-	-	8	-	-3	5	-	5
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	3	3	-13	-10
Paid dividends*	-	-	-	-	-198	-	-198	-	-198
Dividends, treasury shares	-	-	-	-	-16	16	-	-	-
<b>Balance at March 31, 2022</b>	<b>553</b>	<b>-982</b>	<b>-1</b>	<b>-3,723</b>	<b>-</b>	<b>10,169</b>	<b>6,016</b>	<b>-</b>	<b>6,016</b>
Q1 2023 (DKK million)									
<b>Balance at December 31, 2022</b>	<b>549</b>	<b>-846</b>	<b>-51</b>	<b>-3,366</b>	<b>-</b>	<b>10,514</b>	<b>6,800</b>	<b>-</b>	<b>6,800</b>
Profit (loss) for the period	-	-	-	-	-	-54	-54	11	-43
Adjustment of cash flow hedges	-	-	3	-	-	-	3	-	3
Foreign exchange adjustments, etc.	-	-108	-	-	-	-	-108	-	-108
Other comprehensive income for the period	-	-108	3	-	-	-	-105	-	-105
Total comprehensive income for the period	-	-108	3	-	-	-54	-159	11	-148
Transaction costs	-	-	-	-	-	-8	-8	-	-8
Share-based payment (exercised)	-	-	-	1	-	-1	-	-	-
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	-3	-3	3	-
Paid dividends*	-	-	-	-	-	-	-	-14	-14
<b>Balance at March 31, 2023</b>	<b>549</b>	<b>-954</b>	<b>-48</b>	<b>-3,365</b>	<b>-</b>	<b>10,448</b>	<b>6,630</b>	<b>-</b>	<b>6,630</b>

\* shares of DKK 4 each

## Note 1 – Accounting policies

This interim report has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU and Danish interim financial reporting requirements for listed companies.

### **New standards, interpretations and amendments adopted by GN Store Nord**

As of January 1, 2023, GN Store Nord adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2023, or earlier. The new or revised Standards and Interpretations did not affect recognition and measurement or result in any material changes to disclosures. Apart from this, the accounting policies applied are unchanged from those applied in the Annual Report 2022.

## Note 2 – Segment disclosures Q1 2023

Income statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)
(DKK million)								
Revenue	1,622	1,337	2,592	2,522	-	-	4,214	3,859
Production costs	-643	-536	-1,530	-1,516	-	-	-2,173	-2,052
<b>Gross profit</b>	<b>979</b>	<b>801</b>	<b>1,062</b>	<b>1,006</b>	<b>-</b>	<b>-</b>	<b>2,041</b>	<b>1,807</b>
Development costs	-166	-138	-188	-189	-13	-21	-367	-348
Selling and distribution costs	-587	-541	-538	-476	-	-	-1,125	-1,017
Management and administrative expenses	-175	-174	-171	-216	-30	-32	-376	-422
Other operating income and costs, net	2	-18	-2	20	-	-6	-	-4
<b>EBITA*</b>	<b>53</b>	<b>-70</b>	<b>163</b>	<b>145</b>	<b>-43</b>	<b>-59</b>	<b>173</b>	<b>16</b>
Amortization and impairment of acquired intangible assets	-18	-15	-84	-88	-	-	-102	-103
Gain (loss) on divestment of operations etc.	-1	-1	-	-	-	-	-1	-1
<b>Operating profit (loss)</b>	<b>34</b>	<b>-86</b>	<b>79</b>	<b>57</b>	<b>-43</b>	<b>-59</b>	<b>70</b>	<b>-88</b>
Share of profit (loss) in associates	-	17	-1	-	-	-	-1	17
Financial items	-56	-28	-85	-19	16	-109	-125	-156
<b>Profit (loss) before tax</b>	<b>-22</b>	<b>-97</b>	<b>-7</b>	<b>38</b>	<b>-27</b>	<b>-168</b>	<b>-56</b>	<b>-227</b>
Tax on profit (loss)	5	21	2	-8	6	36	13	49
<b>Profit (loss) for the period</b>	<b>-17</b>	<b>-76</b>	<b>-5</b>	<b>30</b>	<b>-21</b>	<b>-132</b>	<b>-43</b>	<b>-178</b>

Cash flow statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)
(DKK million)								
<b>Operating activities before changes in working capital</b>	<b>190</b>	<b>75</b>	<b>281</b>	<b>325</b>	<b>-25</b>	<b>-16</b>	<b>446</b>	<b>384</b>
Cash flow from changes in working capital	-41	-63	-297	-313	-59	-108	-397	-484
<b>Cash flow from operating activities excluding financial items and tax</b>	<b>149</b>	<b>12</b>	<b>-16</b>	<b>12</b>	<b>-84</b>	<b>-124</b>	<b>49</b>	<b>-100</b>
Cash flow from investing activities:								
Development projects, investment	-100	-91	-148	-111	-1	-	-249	-202
Other investing activities	-103	-38	-22	-7,045	-99	-78	-224	-7,161
<b>Cash flow from operating and investing activities before financial items and tax</b>	<b>-54</b>	<b>-117</b>	<b>-186</b>	<b>-7,144</b>	<b>-184</b>	<b>-202</b>	<b>-424</b>	<b>-7,463</b>
Tax and financial items	-114	-82	-118	-9	42	-40	-190	-131
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>-168</b>	<b>-199</b>	<b>-304</b>	<b>-7,153</b>	<b>-142</b>	<b>-242</b>	<b>-614</b>	<b>-7,594</b>
Cash flow from M&A activities	-36	-24	-	-7,013	-	-	-36	-7,037
<b>Free cash flow excl. M&amp;A</b>	<b>-132</b>	<b>-175</b>	<b>-304</b>	<b>-140</b>	<b>-142</b>	<b>-242</b>	<b>-578</b>	<b>-557</b>

Additional information	GN Hearing		GN Audio		Other**		Consolidated total	
	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)	Q1 2023 (unaud.)	Q1 2022 (unaud.)
(DKK million)								
Revenue distributed geographically								
Denmark	20	18	43	47	-	-	63	65
Europe	476	351	1,268	1,176	-	-	1,744	1,527
North America	762	641	740	791	-	-	1,502	1,432
Rest of World	364	327	541	508	-	-	905	835
<b>Revenue</b>	<b>1,622</b>	<b>1,337</b>	<b>2,592</b>	<b>2,522</b>	<b>-</b>	<b>-</b>	<b>4,214</b>	<b>3,859</b>
Incurred development costs	-186	-150	-264	-229	-14	-22	-464	-401
Capitalized development costs	100	91	148	111	1	-	249	202
Amortization, impairment and depreciation of development projects***	-80	-79	-72	-71	0	1	-152	-149
<b>Expensed development costs</b>	<b>-166</b>	<b>-138</b>	<b>-188</b>	<b>-189</b>	<b>-13</b>	<b>-21</b>	<b>-367</b>	<b>-348</b>
EBITDA	95	-32	209	190	-22	-24	282	134
Depreciation and software amortization	-42	-38	-46	-45	-21	-35	-109	-118
<b>EBITA*</b>	<b>53</b>	<b>-70</b>	<b>163</b>	<b>145</b>	<b>-43</b>	<b>-59</b>	<b>173</b>	<b>16</b>
EBITA margin	3.3%	-5.2%	6.3%	5.7%	N/A	N/A	4.1%	0.4%
Number of employees, end of period	4,704	4,690	2,607	2,730	356	325	7,667	7,745

\* Excluding gain (loss) on divestments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

\*\* "Other" comprises Group Shared Services, GN Ejendomme and eliminations

\*\*\* Does not include amortization of acquired intangible assets, cf. definition of EBITA

## Note 2 – Segment disclosures Q1 2023 (Continued)

Balance sheet	GN Hearing		GN Audio		Other*		Consolidated total	
	Mar. 31 2023 (unaud.)	Mar. 31 2022 (unaud.)	Mar. 31 2023 (unaud.)	Mar. 31 2022 (unaud.)	Mar. 31 2023 (unaud.)	Mar. 31 2022 (unaud.)	Mar. 31 2023 (unaud.)	Mar. 31 2022 (unaud.)
(DKK million)								
<b>ASSETS</b>								
Goodwill	4,637	4,256	6,842	6,615	-	-	11,479	10,871
Development projects	1,116	1,026	1,057	859	-1	-7	2,172	1,878
Other intangible assets	443	274	2,469	2,707	985	633	3,897	3,614
Property, plant and equipment	388	463	363	411	447	455	1,198	1,329
Investments in associates	271	133	11	13	33	34	315	180
Deferred tax assets	417	376	157	46	-93	-77	481	345
Loans to dispensers and ownership interests	1,108	979	-	-	4	-	1,112	979
Other financial assets	516	442	8	2	-	-	524	444
<b>Total non-current assets</b>	<b>8,896</b>	<b>7,949</b>	<b>10,907</b>	<b>10,653</b>	<b>1,375</b>	<b>1,038</b>	<b>21,178</b>	<b>19,640</b>
Inventories	842	770	2,506	2,012	-	-	3,348	2,782
Trade receivables	1,446	1,144	2,314	1,975	-	2	3,760	3,121
Receivables from group companies**	-	-	-	-	-	-	-	-
Tax receivables	67	89	109	132	-68	-53	108	168
Other receivables	402	344	328	401	107	104	837	849
Cash and cash equivalents	233	180	307	292	136	487	676	959
<b>Total current assets</b>	<b>2,990</b>	<b>2,527</b>	<b>5,564</b>	<b>4,812</b>	<b>175</b>	<b>540</b>	<b>8,729</b>	<b>7,879</b>
<b>Total assets</b>	<b>11,886</b>	<b>10,476</b>	<b>16,471</b>	<b>15,465</b>	<b>1,550</b>	<b>1,578</b>	<b>29,907</b>	<b>27,519</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>	<b>5,430</b>	<b>5,957</b>	<b>4,693</b>	<b>5,177</b>	<b>-3,493</b>	<b>-5,118</b>	<b>6,630</b>	<b>6,016</b>
Bank loans and issued bonds, non-current	-	-	5	20	12,137	10,655	12,142	10,675
Lease liabilities, non-current	154	182	53	72	46	48	253	302
Pension obligations	-	-	8	7	-	-	8	7
Provisions, non-current	78	73	58	105	4	4	140	182
Deferred tax liabilities	344	268	611	655	-41	-50	914	873
Other non-current liabilities	414	453	388	260	-	2	802	715
<b>Total non-current liabilities</b>	<b>990</b>	<b>976</b>	<b>1,123</b>	<b>1,119</b>	<b>12,146</b>	<b>10,659</b>	<b>14,259</b>	<b>12,754</b>
Bank loans and issued bonds, current	-	1	-	10	4,181	4,061	4,181	4,072
Lease liabilities, current	55	79	37	45	3	13	95	137
Trade payables	257	271	850	899	59	59	1,166	1,229
Amounts owed to group companies**	3,889	2,081	7,355	6,103	-11,244	-8,184	-	-
Tax payables	64	25	260	141	-193	-124	131	42
Provisions, current	148	135	77	128	-	-	225	263
Other current liabilities	1,053	951	2,076	1,843	91	212	3,220	3,006
<b>Total current liabilities</b>	<b>5,466</b>	<b>3,543</b>	<b>10,655</b>	<b>9,169</b>	<b>-7,103</b>	<b>-3,963</b>	<b>9,018</b>	<b>8,749</b>
<b>Total equity and liabilities</b>	<b>11,886</b>	<b>10,476</b>	<b>16,471</b>	<b>15,465</b>	<b>1,550</b>	<b>1,578</b>	<b>29,907</b>	<b>27,519</b>
<b>Invested capital***</b>	<b>8,846</b>	<b>7,826</b>	<b>12,818</b>	<b>12,005</b>	<b>1,388</b>	<b>912</b>	<b>23,052</b>	<b>20,743</b>
<b>Average invested capital</b>	<b>8,336</b>	<b>7,203</b>	<b>12,412</b>	<b>7,343</b>	<b>1,150</b>	<b>761</b>	<b>21,898</b>	<b>15,307</b>

\* "Other" comprises Group Shared Services, GN Ejendomme and eliminations

\*\* Net amount

\*\*\* Includes Net working capital (Inventories, Trade receivables, Other receivables, Trade payables and Other current liabilities), Goodwill, Development projects, Other intangible assets, Property, plant and equipment, Loans to dispensers and ownership interests and Provisions

**Note 3 – Incentive plans**

As of March 31, 2023, the total number of outstanding warrants in GN Hearing was 822 (0.1% of the shares issued in GN Hearing). The total number of outstanding warrants in GN Audio was 807 (0.2% of the shares issued in GN Audio). The total number of outstanding options in GN Store Nord is 4,002,588 (2.9% of the shares issued in GN Store Nord)

**Note 4 – Shareholdings**

On March 31, 2023, members of the board of directors and the executive management, respectively, own 31,242 and 25,991 shares in GN Store Nord.

On March 31, 2023, GN owns 9,217,789 treasury shares, equivalent to 6.7% of the 137,193,378 shares issued.

The GN stock is 100% free float, and the company has no dominant shareholders. William Demant Invest A/S has reported an ownership interest in excess of 10%, while Norges Bank has reported an ownership interest in excess of 5% of GN's share capital. Foreign ownership of GN is estimated to be around 70%.

# Statement by the Executive Management and the Board of Directors

Today, the board of directors and the executive management have reviewed and approved the interim report for GN Store Nord A/S for the period January 1 – March 31, 2023.

The interim report, which has not been audited or reviewed by the company's auditors, has been prepared in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the interim report gives a true and fair view of the group's assets, liabilities and financial position at

March 31, 2023, and of the results of the group's operations and cash flows for the period January 1 – March 31, 2023.

Further, in our opinion the executive management's review gives a true and fair view of the development in the group's operations and financial matters, the results of the group for the period and the group's financial position as a whole and describes the significant risks and uncertainties pertaining to the group.

Ballerup, April 26, 2023

## Executive Management

### **Gitte Aabo**

CEO, GN Store Nord & GN Hearing

### **Peter Karlstromer**

CEO, GN Audio

### **Peter la Cour Gormsen**

CFO, GN Store Nord & GN Audio

## Board of Directors

### **Jukka Pekka Pertola**

Chairman

### **Klaus Holse**

Deputy Chairman

### **Hélène Barnekow**

### **Ronica Wang**

### **Anette Weber**

### **Leo Larsen**

### **Cathrin Inge Hansen**

### **Claus Holmbeck-Madsen**



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