

GN Store Nord delivered strong organic growth in GN Hearing and solid sequential growth in GN Audio generating DKK 622 million positive free cash flow. Financial guidance updated

## GN Store Nord

**-8%**

organic growth

- GN executed strongly across the company despite continued challenging market conditions in GN Audio. GN increased revenue by 4% compared to Q1 2023, equal to an organic revenue growth of -8% due to a high comparison base from last year
- Adj. EBITA was DKK 404 million, equal to an adj. EBITA margin improvement of 3.2 percentage points compared to Q1 2023 (decline of 3.4 percentage points compared to Q2 2022)
- Due to a relentless focus on balance sheet items, free cash flow excl. M&A was DKK 622 million
- On May 24, GN announced its new capital plan including a private placing of 17 million shares. Following the successful placing, new debt facilities, the ongoing disposal program and operational measures, GN has effectively pushed all material debt maturities from 2024 and 2025 to 2026
- Reflecting the guidance updates for GN Hearing and GN Audio, GN Store Nord's organic revenue growth guidance is narrowed from "-5% to +7%" to "-4% to +2%"

## GN Hearing

**15%**

organic growth

- GN Hearing delivered strong organic revenue growth of 15%, driven by continued strong performance of ReSound OMNIA and JabraEnhance.com resulting in significant market share gains in a stable growing hearing aid market
- Adj. EBITA margin was 14.1% in the Core business, equal to an increase of 4.2 percentage points compared to Q1 2023, driven by operating leverage and tightly managing OPEX (increase of 7.5 percentage points compared to Q2 2022)
- As a result of the earnings and working capital improvements free cash flow excl. M&A was DKK 131 million
- Following a stronger than expected Q2 2023 and continued strong sales momentum, GN Hearing is upgrading its organic revenue growth guidance from "5% to 10%" to "9% to 13%". The EBITA margin in the core business of "14% to 16%" is confirmed to allow for further investments to drive growth, as well as preserving flexibility to take appropriate actions to ensure continued margin expansion

## GN Audio

**-18%**

organic growth

- GN Audio delivered solid execution but as a consequence of a high comparison base and challenged market conditions organic revenue growth was -18%
- The organic revenue decline was driven by Enterprise (-23%) and Consumer (-29%) while SteelSeries gained market share again and delivered strong 16% organic revenue growth. Despite continued challenged market conditions GN Audio increased Enterprise revenue by 5% compared to Q1 2023 and 3% for total GN Audio
- Adj. EBITA margin was 9.5%, equal to an improvement of 2.5 percentage points compared to Q1 2023, primarily driven by lower freight and input costs (decline of 8.5 percentage points compared to Q2 2022)
- Free cash flow excl. M&A was DKK 464 million reflecting the earnings level and a significant improvement in working capital supported by the inventory reduction in the consumer-related businesses driven by successful promotional activities
- Following a slower than expected market recovery in GN Audio's Enterprise business, GN Audio's organic revenue guidance is narrowed from "-10% to +5%" to "-10% to -4%". As a consequence of the expected revenue development, GN Audio's adj. EBITA margin is narrowed from "10% to 15%" to "10% to 12%"

## Financial overview Q2 2023

DKK million – Q2 2023	GN Hearing			GN Audio			
	Core	Emerging	GN Hearing	Enterprise	Consumer	SteelSeries	GN Audio
<b>Revenue</b>	<b>1,658</b>	<b>61</b>	<b>1,719</b>	<b>1,861</b>	<b>271</b>	<b>543</b>	<b>2,675</b>
Organic growth	14%	51%	15%	-23%	-29%	16%	-18%
<b>Adj. EBITA**</b>	<b>234</b>	<b>-40</b>	<b>194</b>				<b>253</b>
Adj. EBITA margin **	14.1%		11.3%				9.5%

DKK million	GN Store Nord*			GN Hearing			GN Audio		
	Q2 2023	Q2 2022	Growth	Q2 2023	Q2 2022	Growth	Q2 2023	Q2 2022	Growth
<b>Revenue</b>	<b>4,394</b>	<b>4,857</b>	<b>-10%</b>	<b>1,719</b>	<b>1,529</b>	<b>12%</b>	<b>2,675</b>	<b>3,328</b>	<b>-20%</b>
Organic growth	-8%	8%		15%	4%		-18%	10%	
<b>Adj. Gross profit**</b>	<b>2,232</b>	<b>2,496</b>	<b>-11%</b>	<b>1,049</b>	<b>940</b>	<b>12%</b>	<b>1,183</b>	<b>1,556</b>	<b>-24%</b>
Adj. Gross profit margin**	50.8%	51.4%	-0.6%p	61.0%	61.5%	-0.5%p	44.2%	46.8%	-2.6%p
<b>Adj. EBITA**</b>	<b>404</b>	<b>610</b>	<b>-34%</b>	<b>194</b>	<b>49</b>	<b>296%</b>	<b>253</b>	<b>600</b>	<b>-58%</b>
Adj. EBITA margin**	9.2%	12.6%	-3.4%p	11.3%	3.2%	8.1%p	9.5%	18.0%	-8.5%p
Non-recurring items	-73	-111		-26	-43		-47	-68	
<b>Adj. Earnings per share (EPS)***</b>	<b>1.21</b>	<b>3.17</b>	<b>-62%</b>						
Free cash flow excl. M&A	622	-412	1,034	131	-326	457	464	49	415

\* Including "Other", \*\* Excluding non-recurring items (DKK -47 million in OPEX in GN Audio, DKK -10 million in COGS in GN Hearing and DKK -16 million in OPEX in GN Hearing),

\*\*\* Excluding non-recurring items (DKK -73 million OPEX and COGS) and amortization of acquired intangible assets

# Financial highlights

DKK million	Q2 2023 (unaud.)	Q2 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	Full year 2022 (aud.)
<b>GN Hearing</b>					
Revenue	1,719	1,529	3,341	2,866	6,227
Revenue growth	12%	16%	17%	12%	17%
Organic growth	15%	4%	15%	3%	5%
Gross profit margin	60.4%	60.4%	60.4%	60.2%	62.7%
EBITA*	168	6	221	-64	453
EBITA margin*	9.8%	0.4%	6.6%	-2.2%	7.3%
ROIC (EBITA*/Average invested capital)	9%	4%	9%	4%	5%
Free cash flow excl. M&A	131	-326	-1	-501	-377
Cash conversion (Free cash flow excl. M&A/EBITA*)	78%	NA	-0%	NA	-83%
<b>GN Audio</b>					
Revenue	2,675	3,328	5,267	5,850	12,460
Revenue growth	-20%	36%	-10%	10%	19%
Organic growth	-18%	10%	-10%	-12%	-7%
Gross profit margin	44.2%	45.1%	42.6%	42.9%	41.9%
EBITA*	206	532	369	677	1,299
EBITA margin*	7.7%	16.0%	7.0%	11.6%	10.4%
ROIC (EBITA*/Average invested capital)	8%	21%	8%	21%	17%
Free cash flow excl. M&A	464	49	160	-91	-91
Cash conversion (Free cash flow excl. M&A/EBITA*)	225%	9%	43%	-13%	-7%
<b>GN Store Nord</b>					
Revenue	4,394	4,857	8,608	8,716	18,687
Revenue growth	-10%	29%	-1%	10%	18%
Organic growth	-8%	8%	-1%	-7%	-3%
Gross profit margin	50.6%	49.9%	49.5%	48.6%	48.9%
EBITA*	331	499	504	515	1,560
EBITA margin*	7.5%	10.3%	5.9%	5.9%	8.3%
Profit (loss) before tax	56	325	-	98	725
Effective tax rate	23.2%	21.5%	0%	21.4%	21.4%
ROIC (EBITA*/Average invested capital)	7%	11%	7%	11%	9%
Earnings per share, basic (EPS)	0.23	1.89	(0.17)	0.40	4.00
Earnings per share, fully diluted (EPS diluted)	0.23	1.89	(0.17)	0.40	3.99
Free cash flow excl. M&A	622	-412	44	-969	-1,291
Cash conversion (Free cash flow excl. M&A/EBITA*)	188%	-83%	9%	-188%	-83%
Equity ratio	30.7%	22.6%	30.7%	22.6%	22.2%
Net interest-bearing debt**	12,073	14,360	12,073	14,360	14,561
Net interest-bearing debt (period-end)/EBITDA**	6.0	6.5	6.0	6.5	7.1
Outstanding shares, end of period (thousand)	145,295	127,750	145,295	127,750	127,973
Average number of outstanding shares (thousand)	136,635	127,750	132,304	127,737	127,823
Average number of outstanding shares, fully diluted (thousand)	136,825	128,024	132,473	128,176	128,126
Treasury shares, end of period (thousand)	5,600	9,444	5,600	9,444	9,220
Share price at the end of the period	170.2	248.7	170.2	248.7	159.8
Market capitalization	24,729	31,771	24,729	31,771	20,444

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

\* 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.

\*\* NIBD including Loans to dispensers

# GN Hearing

15% organic revenue growth driven by strong ReSound OMNIA performance resulting in market share gains. Financial guidance upgraded

## Highlights Q2 2023

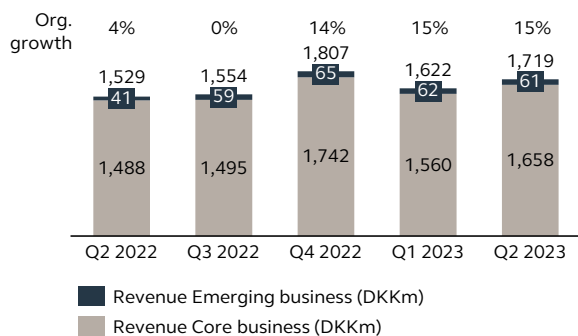
- GN Hearing delivered strong organic revenue growth of 15%, driven by continued strong performance of ReSound OMNIA and JabraEnhance.com resulting in significant market share gains in a stable growing hearing aid market
- Adj. EBITA margin was 14.1% in the Core business, equal to an increase of 4.2 percentage points compared to Q1 2023, driven by operating leverage from tightly managing OPEX (increase of 7.5 percentage points compared to Q2 2022)
- As a result of the earnings and working capital improvements free cash flow excl. M&A was DKK 131 million
- Following a stronger than expected Q2 2023 and continued strong sales momentum, GN Hearing is upgrading its organic revenue growth guidance from “5% to 10%” to “9% to 13%”. The EBITA margin in the core business of “14% to 16%” is confirmed to allow for further investments to drive growth, as well as preserving flexibility to take appropriate actions to ensure continued margin expansion

## Revenue

Strong revenue growth of 12% as a result of 15% organic revenue growth, around -3% impact from the development in foreign exchange rates and a minor negative impact from M&A. The Emerging business delivered 51% organic revenue growth, while the Core business delivered 14%. The strong performance was a result of the continued momentum of ReSound OMNIA.

In H1 2023, GN Hearing delivered 15% organic revenue growth and a revenue of DKK 3,341 million.

### GN Hearing revenue development



## North America

In North America, GN delivered organic revenue growth of 22% as a result of strong performance across channels

including strong growth in JabraEnhance.com. The hearing aid market grew in line with historical trends of 2-4% while GN Hearing continued to outgrow the market significantly. Consequently, North America delivered revenue growth of 19% including around -3% impact from M&A.

In H1 2023, GN Hearing delivered strong organic revenue growth of 18% in North America.

## Europe

In Europe, GN Hearing delivered 5% organic revenue growth in a soft hearing aid market with particular strong growth observed in France and Spain. 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. Consequently, Europe delivered revenue growth of 7% including around -1% impact from the development in foreign exchange rates and 3% impact from M&A.

In H1 2023, GN Hearing delivered organic revenue growth of 11% in Europe.

## Rest of World

In the Rest of World region GN delivered 13% organic revenue growth with particular strong performance in China, Japan and Australia. The market saw strong growth driven by a normalized market on top of an undemanding comparison base from last year. Consequently, Rest of World delivered revenue growth of 7% including around -6% impact from the development in foreign exchange rates.

In H1 2023, GN Hearing delivered organic revenue growth of 13% in the Rest of World region.

## Earnings and other financial highlights

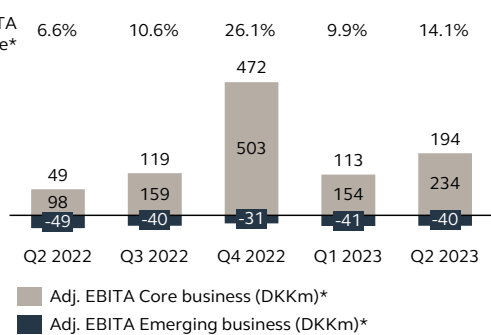
Adj. gross profit reached DKK 1,049 million in Q2 2023 corresponding to a gross margin of 61.0% compared to 61.5% in Q2 2022. The gross margin was positively impacted by product mix driven by ReSound OMNIA but offset by increasing input costs and channel/country mix.

In H1 2023, GN Hearing delivered an adj. gross margin of 61.2%.

OPEX was prudently managed during the quarter with a reduction in selling and distribution costs as well as R&D, offset by increasing general and administrative expenses. Consequently, total OPEX excl. non-recurring items and hedging effects increased 1% compared to Q2 2022.

GN Hearing's adj. EBITA was DKK 194 million, with the Core business delivering adj. EBITA of DKK 234 million, equal to an EBITA margin of 14.1% compared to 6.6% in Q2 2022. This was achieved as a result of the strong topline development and cost management driving operating leverage. The Emerging business delivered an EBITA of DKK -40 million due to continued investments in lead generation to drive topline growth. Reported EBITA amounted to DKK 168 million reflecting non-recurring items of DKK -26 million. In H1 2023, the adj. EBITA margin in the Core business was 12.1%, while the adj. EBITA margin in GN Hearing was 9.2%.

#### GN Hearing adj. EBITA development



\*Excluding non-recurring items

Free cash flow excl. M&A was DKK 131 million in Q2 2023 compared to DKK -326 million in Q2 2022, mainly driven by the improved EBITA margin as well as a positive impact from change in working capital. In H1 2023, free cash flow excl. M&A was DKK -1 million.

#### Non-recurring items

As earlier communicated, GN Hearing expects its Core business to return to historical profitability levels including an expectation to return to 20% EBITA margin by 2024. As part of the initiatives to restore profitability, GN Hearing is investing in several operational initiatives primarily related to the supply chain. As a consequence, GN Hearing will incur DKK ~ -150 million in non-recurring items in 2023. For Q2 2023, non-recurring items amounted to DKK -26 million as a result of continued design for manufacturing initiatives, simplification of supply chain as well as targeted redundancies.

#### GN Hearing non-recurring items

(DKK million)	Q2 2022	Q2 2023	YTD 2023
Revenue	-	-	-
Production costs	-16	-10	-27
<b>Gross profit</b>	<b>-16</b>	<b>-10</b>	<b>-27</b>
Development costs	-4	-	-9
Selling and distribution costs	-10	-9	-27
Management and administrative expenses	-13	-7	-23
Other operating income and costs, net	-	-	-
<b>EBITA</b>	<b>-43</b>	<b>-26</b>	<b>-66</b>

#### Market development

In Q2 2023, the market grew in line with historical growth rates of 4-6% volume growth and -1% to -2% market ASP decline. Following a few years of volatility it appears that the market has normalized. GN Hearing is projecting markets to grow with similar growth rates for 2023 as a whole.

#### Management quote

*"It is very encouraging that GN Hearing in Q2 continued the strong performance we have seen since late 2022, making it the third consecutive quarter with strong double-digit organic growth. The hearing aid markets have broadly returned to healthy growth rates, and GN Hearing continues to significantly outperform the market due to the success of ReSound OMNIA."*

Gitte Aabo, CEO of GN Hearing

# GN Audio

Solid execution in challenging market conditions realizing a sequential improvement in revenue and EBITA, while delivering a strong free cash flow excl. M&A of DKK 464 million

## Highlights Q2 2023

- GN Audio delivered solid execution but as a consequence of a high comparison base and challenged market conditions organic revenue growth was -18%
- The organic revenue decline was driven by Enterprise (-23%) and Consumer (-29%) while SteelSeries gained market share again and delivered strong 16% organic revenue growth. Despite continued challenged market conditions GN Audio increased Enterprise revenue by 5% compared to Q1 2023 and 3% for total GN Audio
- Adj. EBITA margin was 9.5%, equal to an improvement of 2.5 percentage points compared to Q1 2023, primarily driven by lower freight and input costs (decline of 8.5 percentage points compared to Q2 2022)
- Free cash flow excl. M&A was DKK 464 million reflecting the earnings level and a significant improvement in working capital supported by the inventory reduction in the consumer-related businesses driven by successful promotional activities
- Following a slower than expected market recovery in GN Audio' Enterprise business, GN Audio's organic revenue guidance is narrowed from "-10% to +5%" to "-10% to -4%". As a consequence of the expected revenue development, GN Audio's adj. EBITA margin is narrowed from "10% to 15%" to "10% to 12%"

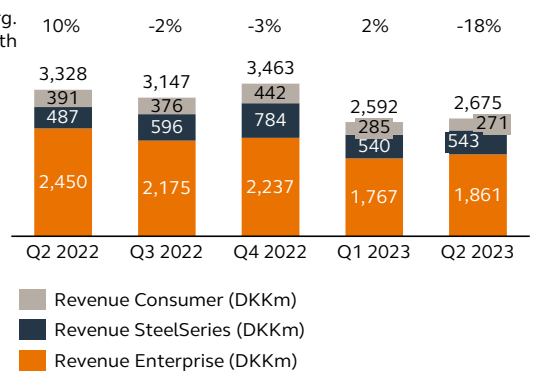
## Revenue

The quarter was characterized by continued challenged market conditions in Enterprise driven by uncertainty and buyer hesitancy. Despite the unimproving market conditions, GN Audio executed solidly leading to a sequential Enterprise growth of 5% resulting in an absolute revenue of DKK 1,861 million. The solid execution was equal to an organic revenue growth in Enterprise of -23% reflecting the high comparison base from Q2 2022, which was driven by unwinding of order backlog in an easing supply chain environment. The performance in the consumer-oriented businesses was supported by targeted promotional activities to reduce inventory levels and continued market share gains in SteelSeries in stabilizing markets. As a result, SteelSeries delivered strong organic revenue growth of 16% resulting in absolute revenue of DKK 543 million, while the Consumer business delivered revenue of DKK 271 million, equal to an organic revenue growth of -29%.

For GN Audio, revenue improved sequentially by 3% equal to revenue of DKK 2,675 million and consequently an organic revenue growth of -18% due to the high comparison base from Q2 2022. Compared to Q2 2022, revenue growth was -20%, while the impact from the development in foreign exchange rates was -2%.

In H1 2023, GN Audio delivered organic revenue growth of -10% and a revenue of DKK 5,267 million.

## GN Audio revenue development



## North America

In North America, GN Audio delivered -21% organic revenue growth due to the challenged market conditions primarily driven by continued buying hesitancy from large corporations and a challenging comparison base from last year. Despite the difficult market conditions, the Enterprise business improved its revenue sequentially. Consequently, North America delivered revenue growth of -22% including around -1% impact from the development in foreign exchange rates.

In H1 2023, GN Audio delivered organic revenue growth of -15% in North America.

## Europe

In Europe, GN Audio delivered organic revenue growth of -19% and revenue growth of -19% as a consequence of the difficult comparison base from last year.

In H1 2023, GN Audio delivered -8% organic revenue growth in Europe.

## Rest of World

In the Rest of World region, GN Audio delivered -13% organic revenue growth, while revenue growth was -17% with -4% impact from the development in foreign exchange rates. The negative growth reflects the difficult comparison base from last year.

In H1 2023, GN Audio delivered -5% organic revenue growth in Rest of World.

## Earnings and other financial highlights

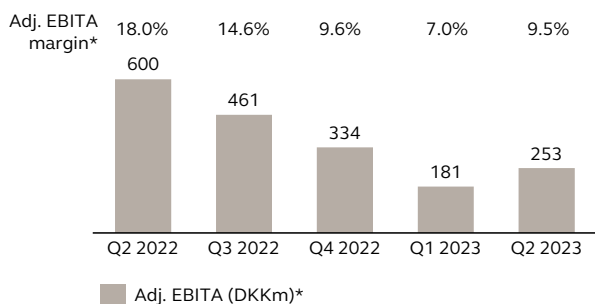
GN Audio delivered adj. gross margin of 44.2% in Q2 2023 compared to adj. gross margin of 46.8% in Q2 2022, due

to business mix as well as ongoing promotional activities in the consumer-oriented businesses. Compared to Q1 2023, the gross margin increased 3.2 percentage points primarily driven by a positive impact from freight and input costs as well as a slightly positive business mix. Further gross margin improvements remain a key priority for the rest of the year.

OPEX was prudently managed during the quarter with significant cost reduction initiatives, somewhat offset by continued investments into R&D. OPEX excl. non-recurring items and hedging effects decreased by 7% compared to Q2 2022.

GN Audio's adj. EBITA ended at DKK 253 million, translating into an adjusted EBITA margin of 9.5%, compared to 18.0% in Q2 2022. The development reflects the revenue decline as well as the gross margin development. Compared to Q1 2023, the adj. EBITA margin increased by 2.5 percentage points reflecting the gross margin improvement partly off-set by continued investments into R&D. Reported EBITA was DKK 206 million, reflecting DKK -47 million in non-recurring items. In H1 2023, GN Audio delivered an adj. EBITA margin of 8.2%.

#### GN Audio adj. EBITA development



\*Excluding non-recurring items

Free cash flow excl. M&A was DKK 464 million compared to DKK 49 million in Q2 2022. The strong increase in cash flow was mainly driven by continued cost management as well as a positive impact from working capital including a further reduction in inventories as well as a significant improvement in trade payables driven by a new commercial agreement with a major manufacturing and logistics provider. In H1 2023, free cash flow excl. M&A was DKK 160 million.

#### Product launches

On June 14, 2023, GN Audio announced an update to Jabra PanaCast 50, which will make it one of the first video bars to enable Microsoft IntelliFrame with multiple video streams, making hybrid work meetings more collaborative and inclusive. This deepened collaboration with Microsoft, will allow for multiple video streams as well as face and voice recognition functionality.

#### Non-recurring items

Acknowledging the uncertain environment, GN Audio continued to take actions to reduce the cost base and defend the agility of the company. For this purpose, GN Audio booked non-recurring items of DKK -47 million in Q2 2023 related to right-sizing of the organization as well as a non-cash write-down on development projects in connection with a review of business plans including anticipated market conditions.

#### GN Audio non-recurring items

(DKK million)	Q2 2022	Q2 2023	YTD 2023
Revenue	-	-	-
Production costs	-54	-	-
<b>Gross profit</b>	<b>-54</b>	<b>-</b>	<b>-</b>
Development costs	-	-37	-37
Selling and distribution costs	-	-	-
Management and administrative expenses	-14	-10	-28
Other operating income and costs, net	-	-	-
<b>EBITA</b>	<b>-68</b>	<b>-47</b>	<b>-65</b>

#### Market development

In Q2 2023, the demand in GN Audio's core enterprise markets was challenged by the continued buyer hesitancy impacting overall demand across enterprise categories. While we expect that the enterprise market gradually will improve, the recovery is happening slower than earlier anticipated. For 2023 as a whole, we therefore currently expect that the market will experience a double-digit decline. While the market remains challenged in the short-term we continue to believe in the long term attractiveness of the market driven by hybrid working and the continued upgrade of collaboration tools to make the experience seamless and more efficient. The consumer-oriented markets are currently seeing some early signs of stabilization, following the material market decline in 2022, but with limited growth expected for 2023 as a whole. Once the current market challenges are behind us, we expect the market to return to attractive annual growth rates of around 10% driven by the favorable long-term trends.

#### Management quote

*"We continue to work ourselves through a challenging time in our markets. We focus on execution and we are pleased to deliver sequential growth and margin improvement over Q1, as well as our cash focused initiatives leading to a strong cash flow. We continue to balance cost control with continued strategic investments and are ready to capture opportunities as the market evolves."*

Peter Karlstromer, CEO of GN Audio

# GN Store Nord

## Strong cash flow and execution of newly announced capital plan

### Highlights Q2 2023

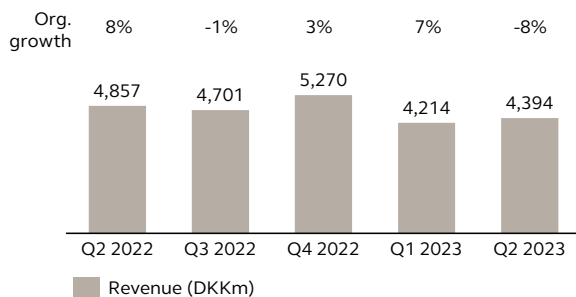
- GN executed strongly across the company despite continued challenging market conditions in GN Audio. GN increased revenue by 4% compared to Q1 2023, equal to an organic revenue growth of -8% due to a high comparison base from last year
- Adj. EBITA was DKK 404 million, equal to an adj. EBITA margin improvement of 3.2 percentage points compared to Q1 2023 (decline of 3.4 percentage points compared to Q2 2022)
- Due to a relentless focus on balance sheet items, free cash flow excl. M&A was DKK 622 million
- On May 24, GN announced its new capital plan including a private placing of 17 million shares. Following the successful placing, new debt facilities, the ongoing disposal program and operational measures, GN has effectively pushed all material debt maturities from 2024 and 2025 to 2026
- Reflecting the guidance updates for GN Hearing and GN Audio, GN Store Nord's organic revenue growth guidance is narrowed from "-5% to +7%" to "-4% to +2%"

### Revenue

GN delivered -10% revenue growth, of which -8% was organic revenue growth, and around -2% was from the development in foreign exchange rates.

In H1 2023, GN delivered organic revenue growth of 1%, while revenue growth was -1%.

#### GN Store Nord revenue development

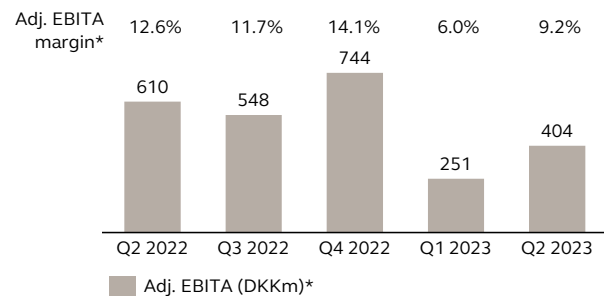


### Earnings and other financial highlights

EBITA in Other amounted to DKK -43 million, compared to DKK -39 million in Q2 2022 driven by timing effects. GN Store Nord's adj. EBITA was DKK 404 million compared to DKK 610 million in Q2 2022, primarily driven by negative operating leverage in GN Audio as a result of the revenue decline as well as ongoing promotional activities in the consumer-oriented businesses. This corresponds to an adj. EBITA margin of 9.2% in Q2 2023 compared to 12.6% in Q2 2022. Due to the strong execution in the quarter, the adj. EBITA margin increased sequentially by 3.2 percentage points. In H1 2023, GN delivered an adj. EBITA margin of 7.6%.

Reported EBITA was DKK 331 million, reflecting non-recurring items of DKK -73 million due to initiatives to restore profitability across GN Hearing and GN Audio.

#### GN Store Nord adj. EBITA development



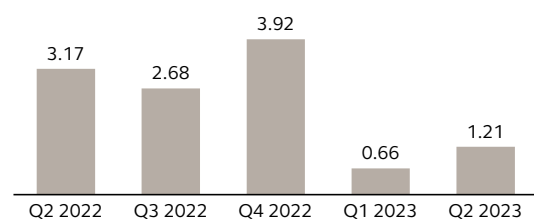
\*Excluding non-recurring items

Amortization of acquired intangible assets amounted to DKK -101 million compared to DKK -96 million in Q2 2022. Financial items were DKK -129 million in the quarter compared to DKK -77 million in Q2 2022 driven by the general increase in interest rate levels as well as some one-off effects from the debt refinancing. Share of profit (loss) in associates was DKK -46 million compared to DKK 5 million in Q2 2022 primarily due to a non-cash fair value write-down of certain minority investments in connection with the ongoing balance sheet optimization, while gain on disposals were DKK 1 million in the quarter.

The adj. profit before tax was DKK 128 million (reported profit before tax was DKK 56 million) compared to DKK 436 million in Q2 2022. The effective tax rate was 23.2% compared to 21.5% in Q2 2022 due to a previous R&D tax relief scheme in Denmark not expected to be prolonged. Adj. net profit was DKK 99 million in Q2 2023 (reported net profit of DKK 43 million) compared to DKK 342 million in Q2 2022. In H1 2023, adj. net profit was DKK 116 million.

Strong free cash flow excl. M&A of DKK 622 million compared to DKK -412 million in Q2 2022, driven by the relentless focus on balance sheet items resulting in a positive impact from working capital of DKK 481 million. In H1 2023, free cash flow excl. M&A was DKK 44 million.

#### GN Store Nord adj. EPS development



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

Adj. earnings per share (Adj. EPS), was DKK 1.21 in Q2 2023 compared to DKK 3.17 in Q2 2022 driven by the decline in earnings and the issuance of 13 million new shares as part of the private placing during the quarter. In H1 2023, GN delivered an adj. earnings per share of DKK 1.89.

By the end of Q2 2023, equity in GN Store Nord amounted to DKK 9,283 million compared to DKK 6,638 million in Q2 2022. The increase was driven by the private placing as well as net profits for the period.

### Capital structure

Net interest-bearing debt decreased significantly to DKK 12,073 million in Q2 2023 compared to DKK 15,275 million by the end of Q1 2023, mainly driven by the private placing of 17 million shares and the strong positive free cash flow generation. As a result, the adj. leverage ended at 5.0x. Reported leverage ratio was 6.0x reflecting the DKK -399 million non-recurring items in the last four quarters. By the end of Q2 2023, GN had cash and cash equivalents of DKK 1,008 million.

### New capital plan

On May 24, GN announced a new capital plan, which aims 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.

GN's new capital plan prepares for repayment of approximately DKK 7 billion debt that matures in 2024 and effectively pushes all material debt maturities to 2026. Execution of the four pillars of the plan is progressing well. The pillars are:

- **Equity:** An accelerated bookbuild of a directed issue and private placing of 17 million new shares and existing treasury shares executed on May 24, 2023, which generated DKK 2.6 billion net proceeds
- **Debt refinancing:** DKK 2.1 billion new debt (EUR 280 million) via debt refinancing, replacing the existing DKK 3.9 billion (EUR 520 million) term loan maturing in 2025 with a new DKK 6.0 billion (EUR 800 million) term loan facility maturing in 2026 (signing of the loan subject to final agreement on customary long form documentation)
- **Disposals:** DKK 1.0 – 2.0 billion to be generated by disposals of selected assets. Disposal of BelAudição announced on June 28 generating DKK ~0.5 billion in net proceeds at closing. The transaction is expected to close in Q3 2023 subject to MCH Private Equity completing financing.
- **Operational measures:** Cash at hand and positive free cash flow excl. M&A for 2023 and 2024 at Group level; DKK 622 million cash flow excl. M&A generated in Q2 2023

In addition, GN has executed an increase of its current undrawn revolving credit facility. The new facility has been increased to DKK 3.9 billion (EUR 520 million) from DKK 2.6

billion (EUR 350 million) with maturity in 2027 (finalization of the facility subject to final agreement on customary long form documentation).

GN is confident that these actions will put the company in the best position going forward to continue our innovation strategy built on 150 years of technology-driven enhancement of vital human senses with the underlying philosophy of bringing people closer.

### 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 is updated on August 16, 2023)

## Financial guidance 2023

	Organic revenue growth	Adjusted EBITA margin <sup>2)</sup>	Non-recurring items (DKK million)
<b>GN Hearing</b>	<b>9% to 13%</b>		
- Core Business		14% to 16%	~ -150
- Emerging Business <sup>1)</sup> (DKK million)		~ -150	
<b>GN Audio</b>	<b>-10% to -4%</b>	<b>10% to 12%</b>	<b>~ -150</b>
Other (DKK million)		~ -200	
<b>GN Store Nord</b>	<b>-4% to +2%</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 August 16, 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 11.30 am CEST on August 17, 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 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.

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).

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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.)	Q2 2023 (unaud.)	YTD 2022 (unaud.)	YTD 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	1,719	2,866	3,341	6,227
GN Audio	2,522	3,328	3,147	3,463	2,592	2,675	5,850	5,267	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>4,394</b>	<b>8,716</b>	<b>8,608</b>	<b>18,687</b>
<b>Organic growth</b>									
GN Hearing	2%	4%	0%	14%	15%	15%	3%	15%	5%
GN Audio	-30%	10%	-2%	-3%	2%	-18%	-12%	-10%	-7%
<b>Total</b>	<b>-21%</b>	<b>8%</b>	<b>-1%</b>	<b>3%</b>	<b>7%</b>	<b>-8%</b>	<b>-7%</b>	<b>1%</b>	<b>-3%</b>
<b>Gross profit</b>									
GN Hearing	801	924	988	1,194	979	1,039	1,725	2,018	3,907
GN Audio	1,006	1,502	1,341	1,376	1,062	1,183	2,508	2,245	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>2,222</b>	<b>4,233</b>	<b>4,263</b>	<b>9,132</b>
<b>Gross profit margin</b>									
GN Hearing	59.9%	60.4%	63.6%	66.1%	60.4%	60.4%	60.2%	60.4%	62.7%
GN Audio	39.9%	45.1%	42.6%	39.7%	41.0%	44.2%	42.9%	42.6%	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>50.6%</b>	<b>48.6%</b>	<b>49.5%</b>	<b>48.9%</b>
<b>Development costs</b>									
GN Hearing	-138	-142	-146	-124	-166	-130	-280	-296	-550
GN Audio	-189	-166	-188	-238	-188	-226	-355	-414	-781
Other *	-21	-16	-10	-27	-13	-14	-37	-27	-74
<b>Total</b>	<b>-348</b>	<b>-324</b>	<b>-344</b>	<b>-389</b>	<b>-367</b>	<b>-370</b>	<b>-672</b>	<b>-737</b>	<b>-1,405</b>
<b>Selling and distribution costs and administrative expenses etc.</b>									
GN Hearing	-733	-776	-761	-634	-760	-741	-1,509	-1,501	-2,904
GN Audio	-672	-804	-713	-956	-711	-751	-1,476	-1,462	-3,145
Other *	-38	-23	-22	-35	-30	-29	-61	-59	-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>-1,521</b>	<b>-3,046</b>	<b>-3,022</b>	<b>-6,167</b>
<b>EBITA</b>									
GN Hearing	-70	6	81	436	53	168	-64	221	453
GN Audio	145	532	440	182	163	206	677	369	1,299
Other *	-59	-39	-32	-62	-43	-43	-98	-86	-192
<b>Total</b>	<b>16</b>	<b>499</b>	<b>489</b>	<b>556</b>	<b>173</b>	<b>331</b>	<b>515</b>	<b>504</b>	<b>1,560</b>
<b>EBITA margin</b>									
GN Hearing	-5.2%	0.4%	5.2%	24.1%	3.3%	9.8%	-2.2%	6.6%	7.3%
GN Audio	5.7%	16.0%	14.0%	5.3%	6.3%	7.7%	11.6%	7.0%	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>7.5%</b>	<b>5.9%</b>	<b>5.9%</b>	<b>8.3%</b>
<b>Depreciation and software amortization</b>									
GN Hearing	-38	-41	-42	-41	-42	-41	-79	-83	-162
GN Audio	-45	-48	-54	-47	-46	-45	-93	-91	-194
Other *	-35	-37	-36	-21	-21	-27	-72	-48	-129
<b>Total</b>	<b>-118</b>	<b>-126</b>	<b>-132</b>	<b>-109</b>	<b>-109</b>	<b>-113</b>	<b>-244</b>	<b>-222</b>	<b>-485</b>
<b>EBITDA</b>									
GN Hearing	-32	47	123	477	95	209	15	304	615
GN Audio	190	580	494	229	209	251	770	460	1,493
Other *	-24	-2	4	-41	-22	-16	-26	-38	-63
<b>Total</b>	<b>134</b>	<b>625</b>	<b>621</b>	<b>665</b>	<b>282</b>	<b>444</b>	<b>759</b>	<b>726</b>	<b>2,045</b>
<b>EBITA</b>									
Amortization and impairment of acquired intangible assets	-103	-96	-125	-116	-102	-101	-199	-203	-440
Gain (loss) on divestment of operations etc.	-1	-6	-	-2	-1	1	-7	-	-9
<b>Operating profit (loss)</b>	<b>-88</b>	<b>397</b>	<b>364</b>	<b>438</b>	<b>70</b>	<b>231</b>	<b>309</b>	<b>301</b>	<b>1,111</b>
Share of profit (loss) in associates	17	5	-1	-2	-1	-46	22	-47	19
Financial items	-156	-77	-90	-82	-125	-129	-233	-254	-405
<b>Profit (loss) before tax</b>	<b>-227</b>	<b>325</b>	<b>273</b>	<b>354</b>	<b>-56</b>	<b>56</b>	<b>98</b>	<b>-</b>	<b>725</b>
Tax on profit (loss)	49	-70	-58	-76	13	-13	-21	-	-155
<b>Profit (loss)</b>	<b>-178</b>	<b>255</b>	<b>215</b>	<b>278</b>	<b>-43</b>	<b>43</b>	<b>77</b>	<b>-</b>	<b>570</b>
<b>Balance sheet</b>									
<b>Inventories</b>									
GN Hearing	770	816	892	850	842	841	816	841	850
GN Audio	2,012	2,282	2,968	2,666	2,506	2,449	2,282	2,449	2,666
Other *	-	-	-	-	-	8	-	-8	-
<b>Total</b>	<b>2,782</b>	<b>3,098</b>	<b>3,860</b>	<b>3,516</b>	<b>3,348</b>	<b>3,282</b>	<b>3,098</b>	<b>3,282</b>	<b>3,516</b>
<b>Trade receivables</b>									
GN Hearing	1,144	1,262	1,266	1,442	1,446	1,398	1,262	1,398	1,442
GN Audio	1,975	2,890	2,729	2,589	2,314	2,429	2,890	2,429	2,589
Other *	2	2	-	-	-	-13	2	-13	-
<b>Total</b>	<b>3,121</b>	<b>4,154</b>	<b>3,995</b>	<b>4,031</b>	<b>3,760</b>	<b>3,814</b>	<b>4,154</b>	<b>3,814</b>	<b>4,031</b>
<b>Net working capital</b>									
GN Hearing	1,036	1,078	1,052	1,323	1,380	1,281	1,078	1,281	1,323
GN Audio	1,646	2,021	2,145	1,937	2,222	1,872	2,021	1,872	1,937
Other *	-165	-319	-259	-151	-43	-102	-319	-102	-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>3,051</b>	<b>2,780</b>	<b>3,051</b>	<b>3,109</b>
<b>Free cash flow excl. M&amp;A</b>									
GN Hearing	-175	-326	60	64	-132	131	-501	-1	-377
GN Audio	-140	49	21	-21	-304	464	-91	160	-91
Other *	-242	-135	-298	-148	-142	27	-377	-115	-823
<b>Total</b>	<b>-557</b>	<b>-412</b>	<b>-217</b>	<b>-105</b>	<b>-578</b>	<b>622</b>	<b>-969</b>	<b>44</b>	<b>-1,291</b>
<b>Acquisitions and divestments of companies</b>									
	-7,037	-216	-15	11	-36	-	-7,253	-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>622</b>	<b>-8,222</b>	<b>8</b>	<b>-8,548</b>

\* "Other" comprises Group Functions, GN Ejendomme and eliminations including held for sale classification

## Regional growth composition Q2 2023

DKK million	GN Hearing		GN Audio		Consolidated total	
	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)
<b>Europe - revenue</b>	<b>510</b>	<b>475</b>	<b>1,296</b>	<b>1,601</b>	<b>1,806</b>	<b>2,076</b>
Organic growth	5%	25%	-19%	22%	-14%	23%
FX growth	-1%	1%	0%	1%	0%	1%
M&A growth	3%	11%	0%	10%	1%	10%
<b>Revenue growth</b>	<b>7%</b>	<b>37%</b>	<b>-19%</b>	<b>33%</b>	<b>-13%</b>	<b>34%</b>
<b>North America - revenue</b>	<b>819</b>	<b>689</b>	<b>831</b>	<b>1,069</b>	<b>1,650</b>	<b>1,758</b>
Organic growth	22%	-9%	-21%	-5%	-4%	-7%
FX growth	0%	12%	-1%	14%	-1%	13%
M&A growth	-3%	2%	0%	31%	-1%	18%
<b>Revenue growth</b>	<b>19%</b>	<b>5%</b>	<b>-22%</b>	<b>40%</b>	<b>-6%</b>	<b>24%</b>
<b>Rest of World - revenue</b>	<b>390</b>	<b>365</b>	<b>548</b>	<b>658</b>	<b>938</b>	<b>1,023</b>
Organic growth	13%	9%	-13%	0%	-4%	4%
FX growth	-6%	6%	-4%	7%	-4%	6%
M&A growth	0%	0%	0%	26%	0%	16%
<b>Revenue growth</b>	<b>7%</b>	<b>15%</b>	<b>-17%</b>	<b>33%</b>	<b>-8%</b>	<b>26%</b>
<b>Total revenue</b>	<b>1,719</b>	<b>1,529</b>	<b>2,675</b>	<b>3,328</b>	<b>4,394</b>	<b>4,857</b>
Organic growth	15%	4%	-18%	10%	-8%	8%
FX growth	-3%	8%	-2%	6%	-2%	7%
M&A growth	0%	4%	0%	20%	0%	14%
<b>Revenue growth</b>	<b>12%</b>	<b>16%</b>	<b>-20%</b>	<b>36%</b>	<b>-10%</b>	<b>29%</b>

## Regional growth composition YTD 2023

DKK million	GN Hearing		GN Audio		Consolidated total	
	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)
<b>Europe - revenue</b>	<b>1,006</b>	<b>844</b>	<b>2,607</b>	<b>2,824</b>	<b>3,613</b>	<b>3,668</b>
Organic growth	11%	14%	-8%	-12%	-4%	-7%
FX growth	-1%	1%	0%	1%	0%	1%
M&A growth	9%	6%	0%	9%	3%	8%
<b>Revenue growth</b>	<b>19%</b>	<b>21%</b>	<b>-8%</b>	<b>-2%</b>	<b>-1%</b>	<b>2%</b>
<b>North America - revenue</b>	<b>1,581</b>	<b>1,330</b>	<b>1,571</b>	<b>1,860</b>	<b>3,152</b>	<b>3,190</b>
Organic growth	18%	-4%	-15%	-15%	-1%	-10%
FX growth	3%	9%	-1%	9%	1%	9%
M&A growth	-2%	3%	0%	30%	-1%	18%
<b>Revenue growth</b>	<b>19%</b>	<b>8%</b>	<b>-16%</b>	<b>24%</b>	<b>-1%</b>	<b>17%</b>
<b>Rest of World - revenue</b>	<b>754</b>	<b>692</b>	<b>1,089</b>	<b>1,166</b>	<b>1,843</b>	<b>1,858</b>
Organic growth	13%	6%	-5%	-7%	2%	-2%
FX growth	-4%	4%	-2%	6%	-3%	5%
M&A growth	0%	0%	0%	25%	0%	15%
<b>Revenue growth</b>	<b>9%</b>	<b>10%</b>	<b>-7%</b>	<b>24%</b>	<b>-1%</b>	<b>18%</b>
<b>Total revenue</b>	<b>3,341</b>	<b>2,866</b>	<b>5,267</b>	<b>5,850</b>	<b>8,608</b>	<b>8,716</b>
Organic growth	15%	3%	-10%	-12%	-1%	-7%
FX growth	0%	6%	0%	4%	0%	4%
M&A growth	2%	3%	0%	18%	0%	13%
<b>Revenue growth</b>	<b>17%</b>	<b>12%</b>	<b>-10%</b>	<b>10%</b>	<b>-1%</b>	<b>10%</b>

## Consolidated income statement

DKK million	Q2 2023 (unaud.)	Q2 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	Full Year 2022 (aud.)
Revenue	4,394	4,857	8,608	8,716	18,687
Production costs	-2,172	-2,431	-4,345	-4,483	-9,555
<b>Gross profit</b>	<b>2,222</b>	<b>2,426</b>	<b>4,263</b>	<b>4,233</b>	<b>9,132</b>
Development costs	-370	-324	-737	-672	-1,405
Selling and distribution costs	-1,094	-1,225	-2,219	-2,242	-4,563
Management and administrative expenses	-428	-372	-804	-794	-1,587
Other operating income and costs, net	1	-6	1	-10	-17
<b>EBITA*</b>	<b>331</b>	<b>499</b>	<b>504</b>	<b>515</b>	<b>1,560</b>
Amortization and impairment of acquired intangible assets	-101	-96	-203	-199	-440
Gain (loss) on divestment of operations etc.	1	-6	-	-7	-9
<b>Operating profit (loss)</b>	<b>231</b>	<b>397</b>	<b>301</b>	<b>309</b>	<b>1,111</b>
Share of profit (loss) in associates	-46	5	-47	22	19
Financial items	-129	-77	-254	-233	-405
<b>Profit (loss) before tax</b>	<b>56</b>	<b>325</b>	<b>-</b>	<b>98</b>	<b>725</b>
Tax on profit (loss)	-13	-70	-	-21	-155
<b>Profit (loss) for the period</b>	<b>43</b>	<b>255</b>	<b>-</b>	<b>77</b>	<b>570</b>
<b>Attributable to:</b>					
Non-controlling interests	11	13	22	26	59
Shareholders in GN Store Nord A/S	32	242	-22	51	511
<b>Earnings per share (EPS):</b>					
Earnings per share (EPS)	0.23	1.89	-0.17	0.40	4.00
Earnings per share, fully diluted (EPS diluted)	0.23	1.89	-0.17	0.40	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	Q2 2023 (unaud.)	Q2 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	Full Year 2022 (aud.)
<b>Profit (loss) for the period</b>	<b>43</b>	<b>255</b>	<b>-</b>	<b>77</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	14	12	17	5	-73
Foreign exchange adjustments, etc.	-54	334	-162	456	258
Tax relating to other comprehensive income	-3	-1	-3	-1	16
<b>Other comprehensive income (loss) for the period</b>	<b>-43</b>	<b>345</b>	<b>-148</b>	<b>460</b>	<b>206</b>
<b>Total comprehensive income (loss) for the period</b>	<b>-</b>	<b>600</b>	<b>-148</b>	<b>537</b>	<b>776</b>
<b>Attributable to:</b>					
Non-controlling interests	11	13	22	26	59
Shareholders in GN Store Nord A/S	-11	587	-170	511	717

## Consolidated balance sheet

DKK million	Jun. 30 2023 (unaud.)	Mar. 31 2023 (unaud.)	Dec. 31 2022 (aud.)	Sep. 30 2022 (unaud.)	Jun. 30 2022 (unaud.)
<b>Assets</b>					
Intangible assets	17,115	17,548	17,546	17,731	17,202
Property, plant and equipment	1,097	1,198	1,255	1,329	1,357
Investments in associates	269	315	319	348	340
Deferred tax assets	476	481	491	491	366
Other non-current assets	1,711	1,636	1,612	1,663	1,525
<b>Total non-current assets</b>	<b>20,668</b>	<b>21,178</b>	<b>21,223</b>	<b>21,562</b>	<b>20,790</b>
Inventories	3,282	3,348	3,516	3,860	3,098
Trade receivables	3,814	3,760	4,031	3,995	4,154
Tax receivables	119	108	107	185	150
Other receivables	788	837	722	605	665
Cash and cash equivalents	1,008	676	990	870	560
<b>Total current assets</b>	<b>9,011</b>	<b>8,729</b>	<b>9,366</b>	<b>9,515</b>	<b>8,627</b>
Assets held for sale	569	-	-	-	-
<b>Total assets</b>	<b>30,248</b>	<b>29,907</b>	<b>30,589</b>	<b>31,077</b>	<b>29,417</b>
<b>Equity and liabilities</b>					
<b>Equity</b>	<b>9,283</b>	<b>6,630</b>	<b>6,800</b>	<b>7,202</b>	<b>6,638</b>
Bank loans and issued bonds, non-current	7,496	12,142	9,866	10,711	10,693
Lease liabilities, non-current	212	253	262	298	308
Pension obligations	7	8	7	7	7
Provisions, non-current	175	140	138	134	179
Deferred tax liabilities	881	914	915	1,013	929
Other non-current liabilities	811	802	867	820	773
<b>Total non-current liabilities</b>	<b>9,582</b>	<b>14,259</b>	<b>12,055</b>	<b>12,983</b>	<b>12,889</b>
Bank loans and issued bonds, current	6,034	4,181	6,016	4,970	4,393
Lease liabilities, current	98	95	109	132	132
Trade payables	1,621	1,166	1,554	1,855	1,724
Tax payables	111	131	226	44	-
Provisions, current	199	225	223	224	228
Other current liabilities	3,212	3,220	3,606	3,667	3,413
<b>Total current liabilities</b>	<b>11,275</b>	<b>9,018</b>	<b>11,734</b>	<b>10,892</b>	<b>9,890</b>
Liabilities directly associated with the assets held for sale	108	-	-	-	-
<b>Total equity and liabilities</b>	<b>30,248</b>	<b>29,907</b>	<b>30,589</b>	<b>31,077</b>	<b>29,417</b>

## Consolidated statement of cash flow

DKK million	Q2 2023 (unaud.)	Q2 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	Full Year 2022 (aud.)
<b>Operating activities</b>					
Operating profit (loss)	231	397	301	309	1,111
Depreciation, amortization and impairment	398	366	758	727	1,534
Other non-cash adjustments	25	-84	41	27	58
<b>Cash flow from operating activities before changes in working capital</b>	<b>654</b>	<b>679</b>	<b>1,100</b>	<b>1,063</b>	<b>2,703</b>
Changes in working capital	481	-255	84	-739	-1,293
<b>Cash flow from operating activities before financial items and tax</b>	<b>1,135</b>	<b>424</b>	<b>1,184</b>	<b>324</b>	<b>1,410</b>
Financial items, net	-70	-172	-179	-225	-598
Tax paid, net	-35	-81	-116	-159	-185
<b>Cash flow from operating activities</b>	<b>1,030</b>	<b>171</b>	<b>889</b>	<b>-60</b>	<b>627</b>
<b>Investing activities</b>					
Development projects	-248	-251	-497	-453	-1,005
Investments in other intangible assets, net	-90	-59	-204	-150	-454
Investments in property, plant and equipment, net	-	-42	-32	-62	-204
Investments in other non-current assets, net	-70	-231	-112	-244	-255
Company acquisitions	-	-216	-36	-7,253	-7,257
<b>Cash flow from investing activities</b>	<b>-408</b>	<b>-799</b>	<b>-881</b>	<b>-8,162</b>	<b>-9,175</b>
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>622</b>	<b>-628</b>	<b>8</b>	<b>-8,222</b>	<b>-8,548</b>
<b>Financing activities</b>					
Proceeds from share placement, net of costs	2,640	-	2,640	-	-
Paid dividends	-18	-43	-32	-198	-208
Share-based payment (exercised)	1	-	2	5	22
Increase/decrease in bank loans and other adjustments	-2,855	267	-2,538	2,756	3,530
<b>Cash flow from financing activities</b>	<b>-232</b>	<b>224</b>	<b>72</b>	<b>2,563</b>	<b>3,344</b>
<b>Net cash flow</b>	<b>390</b>	<b>-404</b>	<b>80</b>	<b>-5,659</b>	<b>-5,204</b>
Cash and cash equivalents beginning of period	676	959	990	6,208	6,208
Adjustment foreign currency, cash and cash equivalents	-6	5	-10	11	-14
Cash attributable to the assets held for sale	-52	-	-52	-	-
<b>Cash and cash equivalents, end of period</b>	<b>1,008</b>	<b>560</b>	<b>1,008</b>	<b>560</b>	<b>990</b>



## Consolidated statement of equity

Q2 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	-	-	-	-	-	51	51	26	77
Adjustment of cash flow hedges	-	-	5	-	-	-	5	-	5
Foreign exchange adjustments, etc.	-	456	-	-	-	-	456	-	456
Tax relating to other comprehensive income	-	-	-1	-	-	-	-1	-	-1
Other comprehensive income for the period	-	456	4	-	-	-	460	-	460
Total comprehensive income for the period	-	456	4	-	-	51	511	26	537
Reduction of the share capital	-4	-	-	297	-	-293	-	-	-
Share-based payment (granted)	-	-	-	-	-	83	83	-	83
Share-based payment (exercised)	-	-	-	8	-	-3	5	-	5
Tax related to share-based incentive plans	-	-	-	-	-	1	1	-	1
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	7	7	-26	-19
Paid dividends	-	-	-	-	-198	-	-198	-	-198
Dividends, treasury shares	-	-	-	-	-16	16	-	-	-
<b>Balance at June 30, 2022</b>	<b>549</b>	<b>-648</b>	<b>10</b>	<b>-3,426</b>	<b>-</b>	<b>10,153</b>	<b>6,638</b>	<b>-</b>	<b>6,638</b>
* shares of DKK 4 each									
Q2 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	-	-	-	-	-	-22	-22	22	-
Adjustment of cash flow hedges	-	-	17	-	-	-	17	-	17
Foreign exchange adjustments, etc.	-	-160	-	-	-	-	-160	-	-160
Tax relating to other comprehensive income	-	-	-3	-	-	-	-3	-	-3
Other comprehensive income for the period	-	-160	14	-	-	-	-146	-	-146
Total comprehensive income for the period	-	-160	14	-	-	-22	-168	22	-146
Increase of share capital, net of costs	55	-	-	-	-	2,031	2,086	-	2,086
Share-based payment (granted)	-	-	-	-	-	28	28	-	28
Share-based payment (exercised)	-	-	-	6	-	-6	-	-	-
Treasury shares placement, net of costs	-	-	-	547	-	-	547	-	547
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	-21	-21	21	-
Paid dividends	-	-	-	-	-	-	-	-32	-32
<b>Balance at June 30, 2023</b>	<b>604</b>	<b>-1,006</b>	<b>-37</b>	<b>-2,813</b>	<b>-</b>	<b>12,524</b>	<b>9,272</b>	<b>11</b>	<b>9,283</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 Q2 2023

Income statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)
DKK million								
Revenue	1,719	1,529	2,675	3,328	-	-	4,394	4,857
Production costs	-680	-605	-1,492	-1,826	-	-	-2,172	-2,431
<b>Gross profit</b>	<b>1,039</b>	<b>924</b>	<b>1,183</b>	<b>1,502</b>	<b>-</b>	<b>-</b>	<b>2,222</b>	<b>2,426</b>
Development costs	-130	-142	-226	-166	-14	-16	-370	-324
Selling and distribution costs	-556	-563	-538	-662	-	-	-1,094	-1,225
Management and administrative expenses	-186	-166	-213	-182	-29	-24	-428	-372
Other operating income and costs, net	1	-47	-	40	-	1	1	-6
<b>EBITA*</b>	<b>168</b>	<b>6</b>	<b>206</b>	<b>532</b>	<b>-43</b>	<b>-39</b>	<b>331</b>	<b>499</b>
Amortization and impairment of acquired intangible assets	-18	-18	-83	-78	-	-	-101	-96
Gain (loss) on divestment of operations etc.	2	-6	-1	-	-	-	1	-6
<b>Operating profit (loss)</b>	<b>152</b>	<b>-18</b>	<b>122</b>	<b>454</b>	<b>-43</b>	<b>-39</b>	<b>231</b>	<b>397</b>
Share of profit (loss) in associates	-17	5	-	-	-29	-	-46	5
Financial items	-46	73	-76	-47	-7	-103	-129	-77
<b>Profit (loss) before tax</b>	<b>89</b>	<b>60</b>	<b>46</b>	<b>407</b>	<b>-79</b>	<b>-142</b>	<b>56</b>	<b>325</b>
Tax on profit (loss)	-21	-13	-11	-87	19	30	-13	-70
<b>Profit (loss) for the period</b>	<b>68</b>	<b>47</b>	<b>35</b>	<b>320</b>	<b>-60</b>	<b>-112</b>	<b>43</b>	<b>255</b>

Cash flow statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)
DKK million								
<b>Operating activities before changes in working capital</b>	<b>308</b>	<b>140</b>	<b>360</b>	<b>541</b>	<b>-14</b>	<b>-2</b>	<b>654</b>	<b>679</b>
Cash flow from changes in working capital	84	-40	375	-295	22	80	481	-255
<b>Cash flow from operating activities excluding financial items and tax</b>	<b>392</b>	<b>100</b>	<b>735</b>	<b>246</b>	<b>8</b>	<b>78</b>	<b>1,135</b>	<b>424</b>
Cash flow from investing activities:								
Development projects	-97	-96	-151	-155	-	-	-248	-251
Other	-80	-455	-2	22	-78	-115	-160	-548
<b>Cash flow from operating and investing activities before financial items and tax</b>	<b>215</b>	<b>-451</b>	<b>582</b>	<b>113</b>	<b>-70</b>	<b>-37</b>	<b>727</b>	<b>-375</b>
Tax and financial items	-84	-91	-118	-64	97	-98	-105	-253
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>131</b>	<b>-542</b>	<b>464</b>	<b>49</b>	<b>27</b>	<b>-135</b>	<b>622</b>	<b>-628</b>
Cash flow from M&A activities	-	-216	-	-	-	-	-	-216
<b>Free cash flow excl. M&amp;A</b>	<b>131</b>	<b>-326</b>	<b>464</b>	<b>49</b>	<b>27</b>	<b>-135</b>	<b>622</b>	<b>-412</b>

Additional information	GN Hearing		GN Audio		Other**		Consolidated total	
	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)	Q2 2023 (unaud.)	Q2 2022 (unaud.)
DKK million								
Revenue distributed geographically								
Denmark	17	19	48	55	-	-	65	74
Europe	493	456	1,248	1,546	-	-	1,741	2,002
North America	819	689	831	1,069	-	-	1,650	1,758
Rest of World	390	365	548	658	-	-	938	1,023
<b>Revenue</b>	<b>1,719</b>	<b>1,529</b>	<b>2,675</b>	<b>3,328</b>	<b>-</b>	<b>-</b>	<b>4,394</b>	<b>4,857</b>
Incurred development costs	-151	-158	-264	-252	-16	-18	-431	-428
Capitalized development costs	97	96	151	155	-	-	248	251
Amortization, impairment and depreciation of development projects***	-76	-80	-113	-69	2	2	-187	-147
<b>Expensed development costs</b>	<b>-130</b>	<b>-142</b>	<b>-226</b>	<b>-166</b>	<b>-14</b>	<b>-16</b>	<b>-370</b>	<b>-324</b>
EBITDA	209	47	251	580	-16	-2	444	625
Depreciation and software amortization	-41	-41	-45	-48	-27	-37	-113	-126
<b>EBITA*</b>	<b>168</b>	<b>6</b>	<b>206</b>	<b>532</b>	<b>-43</b>	<b>-39</b>	<b>331</b>	<b>499</b>
EBITA margin	9.8%	0.4%	7.7%	16.0%	N/A	N/A	7.5%	10.3%
Number of employees, end of period	4,560	5,047	2,569	2,710	354	356	7,483	8,113

\* 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 including held for sale classification

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

## Note 2 – Segment disclosures Q2 2023 (Continued)

Balance sheet	GN Hearing		GN Audio		Other*		Consolidated total	
	Jun. 30 2023 (unaud.)	Jun. 30 2022 (unaud.)	Jun. 30 2023 (unaud.)	Jun. 30 2022 (unaud.)	Jun. 30 2023 (unaud.)	Jun. 30 2022 (unaud.)	Jun. 30 2023 (unaud.)	Jun. 30 2022 (unaud.)
DKK million								
<b>ASSETS</b>								
Goodwill	4,606	4,747	6,835	6,687	-237	-	11,204	11,434
Development projects	1,138	1,045	1,089	925	-	-6	2,227	1,964
Other intangible assets	425	474	2,392	2,615	867	715	3,684	3,804
Property, plant and equipment	381	500	322	406	394	451	1,097	1,357
Investments in associates	254	293	11	13	4	34	269	340
Deferred tax assets	414	393	155	50	-93	-77	476	366
Loans to dispensers and ownership interests	1,154	1,007	-	-	4	-	1,158	1,007
Other financial assets	546	516	8	2	-1	-	553	518
<b>Total non-current assets</b>	<b>8,918</b>	<b>8,975</b>	<b>10,812</b>	<b>10,698</b>	<b>938</b>	<b>1,117</b>	<b>20,668</b>	<b>20,790</b>
Inventories	841	816	2,449	2,282	-8	-	3,282	3,098
Trade receivables	1,398	1,262	2,429	2,890	-13	2	3,814	4,154
Receivables from group companies**	-	-	-	-	-	-	-	-
Tax receivables	69	108	118	51	-68	-9	119	150
Other receivables	428	361	260	275	100	29	788	665
Cash and cash equivalents	195	205	261	332	552	23	1,008	560
<b>Total current assets</b>	<b>2,931</b>	<b>2,752</b>	<b>5,517</b>	<b>5,830</b>	<b>563</b>	<b>45</b>	<b>9,011</b>	<b>8,627</b>
Assets held for sale	-	-	-	-	569	-	569	-
<b>Total assets</b>	<b>11,849</b>	<b>11,727</b>	<b>16,329</b>	<b>16,528</b>	<b>2,070</b>	<b>1,162</b>	<b>30,248</b>	<b>29,417</b>
<b>EQUITY AND LIABILITIES</b>								
<b>Equity</b>	<b>5,443</b>	<b>5,276</b>	<b>4,750</b>	<b>4,590</b>	<b>-910</b>	<b>-3,228</b>	<b>9,283</b>	<b>6,638</b>
Bank loans and issued bonds, non-current	-	-	5	7	7,491	10,686	7,496	10,693
Lease liabilities, non-current	150	205	45	58	17	45	212	308
Pension obligations	-	-	7	7	-	-	7	7
Provisions, non-current	112	93	59	82	4	4	175	179
Deferred tax liabilities	344	317	616	662	-79	-50	881	929
Other non-current liabilities	422	484	389	287	-	2	811	773
<b>Total non-current liabilities</b>	<b>1,028</b>	<b>1,099</b>	<b>1,121</b>	<b>1,103</b>	<b>7,433</b>	<b>10,687</b>	<b>9,582</b>	<b>12,889</b>
Bank loans and issued bonds, current	-29	-	-	10	6,063	4,383	6,034	4,393
Lease liabilities, current	57	80	37	38	4	14	98	132
Trade payables	268	286	1,251	1,337	102	101	1,621	1,724
Amounts owed to group companies**	3,765	3,774	6,821	7,160	-10,586	-10,934	-	-
Tax payables	78	12	256	98	-223	-110	111	-
Provisions, current	121	125	78	103	-	-	199	228
Other current liabilities	1,118	1,075	2,015	2,089	79	249	3,212	3,413
<b>Total current liabilities</b>	<b>5,378</b>	<b>5,352</b>	<b>10,458</b>	<b>10,835</b>	<b>-4,561</b>	<b>-6,297</b>	<b>11,275</b>	<b>9,890</b>
Liabilities held for sale	-	-	-	-	108	-	108	-
<b>Total equity and liabilities</b>	<b>11,849</b>	<b>11,727</b>	<b>16,329</b>	<b>16,528</b>	<b>2,070</b>	<b>1,162</b>	<b>30,248</b>	<b>29,417</b>
<b>Invested capital***</b>	<b>8,752</b>	<b>8,633</b>	<b>12,373</b>	<b>12,469</b>	<b>922</b>	<b>837</b>	<b>22,047</b>	<b>21,939</b>
<b>Average invested capital</b>	<b>8,693</b>	<b>7,586</b>	<b>12,421</b>	<b>7,619</b>	<b>880</b>	<b>772</b>	<b>21,994</b>	<b>15,977</b>

\* "Other" comprises Group Shared Services, GN Ejendomme and eliminations including held for sale classification

\*\* 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 2 – Segment disclosures YTD 2023

Income statement	GN Hearing		GN Audio		Other**		Consolidated total	
	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)
DKK million								
Revenue	3,341	2,866	5,267	5,850	-	-	8,608	8,716
Production costs	-1,323	-1,141	-3,022	-3,342	-	-	-4,345	-4,483
<b>Gross profit</b>	<b>2,018</b>	<b>1,725</b>	<b>2,245</b>	<b>2,508</b>	<b>-</b>	<b>-</b>	<b>4,263</b>	<b>4,233</b>
Development costs	-296	-280	-414	-355	-27	-37	-737	-672
Selling and distribution costs	-1,143	-1,104	-1,076	-1,138	-	-	-2,219	-2,242
Management and administrative expenses	-361	-340	-384	-398	-59	-56	-804	-794
Other operating income and costs, net	3	-65	-2	60	-	-5	1	-10
<b>EBITA*</b>	<b>221</b>	<b>-64</b>	<b>369</b>	<b>677</b>	<b>-86</b>	<b>-98</b>	<b>504</b>	<b>515</b>
Amortization and impairment of acquired intangible assets	-36	-33	-167	-166	-	-	-203	-199
Gain (loss) on divestment of operations etc.	1	-7	-1	-	-	-	-	-7
<b>Operating profit (loss)</b>	<b>186</b>	<b>-104</b>	<b>201</b>	<b>511</b>	<b>-86</b>	<b>-98</b>	<b>301</b>	<b>309</b>
Share of profit (loss) in associates	-17	22	-1	-	-29	-	-47	22
Financial items	-102	45	-161	-66	9	-212	-254	-233
<b>Profit (loss) before tax</b>	<b>67</b>	<b>-37</b>	<b>39</b>	<b>445</b>	<b>-106</b>	<b>-310</b>	<b>-</b>	<b>98</b>
Tax on profit (loss)	-16	8	-9	-95	25	66	-	-21
<b>Profit (loss) for the period</b>	<b>51</b>	<b>-29</b>	<b>30</b>	<b>350</b>	<b>-81</b>	<b>-244</b>	<b>-</b>	<b>77</b>

Cash flow statement	GN Hearing		GN Audio		Other**		Consolidated total	
	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)
DKK million								
<b>Operating activities before changes in working capital</b>	<b>498</b>	<b>215</b>	<b>641</b>	<b>866</b>	<b>-39</b>	<b>-18</b>	<b>1,100</b>	<b>1,063</b>
Cash flow from changes in working capital	43	-103	78	-608	-37	-28	84	-739
<b>Cash flow from operating activities excluding financial items and tax</b>	<b>541</b>	<b>112</b>	<b>719</b>	<b>258</b>	<b>-76</b>	<b>-46</b>	<b>1,184</b>	<b>324</b>
Cash flow from investing activities:								
Development projects, investment	-197	-187	-299	-266	-1	-	-497	-453
Other investing activities	-183	-493	-24	-7,023	-177	-193	-384	-7,709
<b>Cash flow from operating and investing activities before financial items and tax</b>	<b>161</b>	<b>-568</b>	<b>396</b>	<b>-7,031</b>	<b>-254</b>	<b>-239</b>	<b>303</b>	<b>-7,838</b>
Tax and financial items	-198	-173	-236	-73	139	-138	-295	-384
<b>Cash flow from operating and investing activities (free cash flow)</b>	<b>-37</b>	<b>-741</b>	<b>160</b>	<b>-7,104</b>	<b>-115</b>	<b>-377</b>	<b>8</b>	<b>-8,222</b>
Cash flow from M&A activities	-36	-240	-	-7,013	-	-	-36	-7,253
<b>Free cash flow excl. M&amp;A</b>	<b>-1</b>	<b>-501</b>	<b>160</b>	<b>-91</b>	<b>-115</b>	<b>-377</b>	<b>44</b>	<b>-969</b>

Additional information	GN Hearing		GN Audio		Other**		Consolidated total	
	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)
DKK million								
Revenue distributed geographically								
Denmark	37	37	91	102	-	-	128	139
Europe	969	807	2,516	2,722	-	-	3,485	3,529
North America	1,581	1,330	1,571	1,860	-	-	3,152	3,190
Rest of World	754	692	1,089	1,166	-	-	1,843	1,858
<b>Revenue</b>	<b>3,341</b>	<b>2,866</b>	<b>5,267</b>	<b>5,850</b>	<b>-</b>	<b>-</b>	<b>8,608</b>	<b>8,716</b>
Incurred development costs	-337	-308	-528	-481	-30	-40	-895	-829
Capitalized development costs	197	187	299	266	1	-	497	453
Amortization, impairment and depreciation of development projects***	-156	-159	-185	-140	2	3	-339	-296
<b>Expensed development costs</b>	<b>-296</b>	<b>-280</b>	<b>-414</b>	<b>-355</b>	<b>-27</b>	<b>-37</b>	<b>-737</b>	<b>-672</b>
EBITDA	304	15	460	770	-38	-26	726	759
Depreciation and software amortization	-83	-79	-91	-93	-48	-72	-222	-244
<b>EBITA*</b>	<b>221</b>	<b>-64</b>	<b>369</b>	<b>677</b>	<b>-86</b>	<b>-98</b>	<b>504</b>	<b>515</b>
EBITA margin	6.6%	-2.2%	7.0%	11.6%	N/A	N/A	5.9%	5.9%
Number of employees, end of period	4,560	5,047	2,569	2,710	354	356	7,483	8,113

\* 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 including held for sale classification

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

**Note 3 – Incentive plans**

As of June 30, 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 762 (0.2% of the shares issued in GN Audio). The total number of outstanding options in GN Store Nord is 4.057.677 (2.7% of the shares issued in GN Store Nord)

**Note 4 – Shareholdings**

On June 30, 2023, members of the board of directors and the executive management, respectively, own 31,242 and 18,073 shares in GN Store Nord.

On June 30, 2023, GN owns 5,600,445 treasury shares, equivalent to 3.7% of the 150,895,371 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%.

**Note 5 – Assets held for sale**

On June 28, 2023, GN has signed an agreement to divest BelAudição, Unipessoal Lda (“BelAudição”) to MCH Private Equity. BelAudição is the owner of the leading retailer of hearing aid solutions in Portugal, AudiçãoActiva, with around 50 hearing aid stores. The sale, which was subject to the buyer completing financing and obtaining anti-trust clearance, is expected to close in Q3 2023.

The transaction demonstrates GN Hearing's commitment to its successful strategy of not owning retail and instead focusing on being a key supplier to strong independent hearing aid dispensers. GN finalized the acquisition of BelAudição – a long-time GN Hearing customer – in 2022 to facilitate a generational transition. GN Hearing has, therefore, carefully considered potential buyers to back the next phase of BelAudição's impressive growth journey while securing that GN Hearing remains a key supplier of hearing aids to the business.

As at June 30, 2023, the assets and liabilities are classified as held for sale under the requirements of IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Such assets, or disposal groups, are measured at the lower of their carrying amount and fair value less costs to sell.

# 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 – June 30, 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

June 30, 2023, and of the results of the group's operations and cash flows for the period January 1 – June 30, 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, August 16, 2023

## Executive Management

**Gitte Aabo**  
CEO, GN Store Nord & GN Hearing

**Peter Karlstromer**  
CEO, GN Audio

**Søren Jelert**  
CFO, GN Store Nord

## 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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