

Interim Report Q3 2021: In Q3 2021, GN Store Nord delivered 2% organic revenue growth and announced the acquisition of SteelSeries. Revision of GN Audio's organic revenue growth guidance**-- GN Store Nord**

- GN delivered 2% organic revenue growth in Q3 2021 – building off a very strong Q3 2020
- EBITA reached DKK 625 million in Q3 2021 compared to DKK 681 million in Q3 2020, excluding transaction related costs and gain from legal settlements and litigation, reflecting continuous investments into the business
- Free cash flow excl. M&A was DKK 493 million in Q3 2021, equal to a cash conversion of 81%
- Leverage of 1.5x net interest-bearing debt to EBITDA
- Announcement of GN to acquire SteelSeries – an ideal strategic fit and access to the fast-growing market for gaming gear. Share buyback program paused
- As a consequence of the revised financial guidance for GN Audio organic revenue growth, GN Store Nord now expects a growth in EPS of more than 40% for 2021 excluding transaction related costs

-- GN Hearing

- GN Hearing delivered organic revenue growth of 4% in Q3 2021 (-6% compared to Q3 2019) in a hearing aid market, which is still impacted by significant regional differences due to COVID-19
- EBITA increased to DKK 173 million in Q3 2021 compared to DKK 169 million in Q3 2020 driven by the revenue growth and supported by prudent cost management
- Free cash flow excl. M&A was DKK 340 million in Q3 2021 compared to DKK 47 million in Q3 2020, mainly driven by a gain from channel investments

-- GN Audio

- GN Audio continued to experience strong demand across enterprise and consumer and delivered 1% organic revenue growth in Q3 2021 on top of the 72% growth delivered in Q3 2020. This reflect a high absolute revenue level, but with sales being negatively impacted by the global supply situation. GN Audio continues to work closely with suppliers of components to address demand
- EBITA decreased to DKK 488 million in Q3 2021 from DKK 550 million in Q3 2020, excluding transaction related costs and gain from legal settlements and litigation, driven by investments into future growth opportunities. The EBITA margin reached 20.0% in Q3 2021 compared to 22.7% in Q3 2020
- Free cash flow excl. M&A was DKK 281 million in Q3 2021 compared to DKK 592 million in Q3 2020 reflecting the lower EBITA as well as the gain from legal settlements and litigation
- GN Audio today revises its organic revenue growth guidance for 2021 from more than 25% to 22-25% due to significantly increased volatility and accelerating amount of delays in component deliveries as well as contract de-commitments from certain GN Audio suppliers.



The EBITA margin guidance of more than 21% excluding transaction related costs is confirmed

Quotes from executive management

Gitte Aabo, CEO of GN Hearing, comments: *“Unfortunately, we had to revise our financial guidance for the year due to product launch delays. However, we firmly believe that the transformation we have initiated of our R&D setup will secure the new product launches in 2022 that enables our continued journey towards delivering more natural and individualized hearing instruments. Further, we are very pleased to finally see the draft over-the-counter regulation, which will open new market opportunities, and we look forward to having the opportunity to comment on FDA’s proposal.”*

René Svendsen-Tune, CEO of GN Audio, comments: *“We see continued very strong demand across our segments and given the increasing challenges and volatility related to the global shortage of certain components, we are very satisfied with the growth achieved in the quarter on top of the very strong base from last year. However, the increased volatility related to the global supply situation has forced us to revise the guidance. We are naturally disappointed by the guidance revision, but we continue to be very comfortable with the underlying demand and trends, which bodes well for our business in the years to come. With launches of the new Jabra Elite line-up of true wireless earbuds, the launch of Jabra Evolve2 75 as well as our expanded Jabra PanaCast conference video portfolio, GN Audio continues to offer an industry leading product portfolio.”*

Financial overview Q3 2021

DKK million	GN Hearing			GN Audio			GN Store Nord*		
	Q3 2021	Q3 2020	Growth	Q3 2021	Q3 2020	Growth	Q3 2021	Q3 2020	Growth
Revenue	1,347	1,318	2%	2,440	2,421	1%	3,787	3,739	1%
Organic growth	4%	-11%		1%	72%		2%	29%	
Gross profit	891	859	4%	1,222	1,239	-1%	2,113	2,098	1%
Gross profit margin	66.1%	65.2%	+0.9%p	50.1%	51.2%	-1.1%p	55.8%	56.1%	-0.3%p
EBITA	173	169	2%	488***	550**	-11%	625***	681**	-8%
EBITA margin	12.8%	12.8%	0%p	20.0%***	22.7%**	-2.7%p	16.5%***	18.2%**	-1.7%p
Earnings per share (EPS) - DKK							3.46***	4.09**	-15%
Free cash flow excl. M&A	340	47	623%	281	592	-53%	493	612	-19%
Cash conversion	197%	28%	+169%p	59%	89%	-30%p	81%	77%	+4%p

* Including "Other", ** Excluding gain of DKK 114 million from legal settlements and litigation

*** Excluding transaction related costs of DKK 14 million associated with the acquisition of SteelSeries

Teleconference

GN Store Nord will host a teleconference at 11.00 a.m. CET today. Please visit www.gn.com/investor to access the teleconference. Presentation material will be available on the website prior to the start of the teleconference.

For further information, please contact:

Investors and analysts

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About GN Group

The GN Group enables people to Hear More, Do More and Be More through its intelligent hearing, audio and video collaboration solutions. Inspired by people and driven by our innovation leadership, we leverage technological synergies to deliver unique and increasingly individualized user experiences in our products and solutions.

150 years ago, GN was founded with a truly innovative and global mindset. Today, we honor that legacy with world-leading expertise in the human ear, sound and video processing, wireless technology, miniaturization and collaborations with leading technology partners. GN's solutions are marketed by the brands ReSound, Beltone, Interton, Jabra, BlueParrott and FalCom in 100 countries. Founded in 1869, the GN Group employs 6,500 people and is listed on Nasdaq Copenhagen (GN.CO).

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