

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

2%

organic growth

- 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

4%

organic growth

- 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

1%

organic growth

- 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

Financial overview Q3 2021

DKK million	GN Hearing			GN Audio			Group total*		
	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)							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

Financial highlights

DKK million	Q3 2021 (unaud.)	Q3 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	Full year 2020 (aud.)
GN Hearing					
Revenue	1,347	1,318	3,903	3,347	4,725
Revenue growth	2%	-14%	17%	-28%	-26%
Organic growth	4%	-11%	22%	-27%	-24%
Gross profit margin	66.1%	65.2%	63.8%	60.7%	61.5%
EBITA*	173	169	424	-112	41
EBITA margin*	12.8%	12.8%	10.9%	-3.3%	0.9%
ROIC (EBITA*/Average invested capital)	9%	4%	9%	4%	1%
Free cash flow excl. M&A	340	47	259	-136	127
Cash conversion (Free cash flow excl. M&A/EBITA*)	197%	28%	61%	NA	310%
GN Audio					
Revenue	2,440	2,421	7,772	6,018	8,724
Revenue growth	1%	66%	29%	41%	40%
Organic growth	1%	72%	33%	42%	42%
Gross profit margin	50.1%	51.2%	51.0%	51.1%	50.4%
EBITA*	474	664	1,720	1,360	2,002
EBITA margin*	19.4%	27.4%	22.1%	22.6%	22.9%
ROIC (EBITA*/Average invested capital)	82%	69%	82%	69%	81%
Free cash flow excl. M&A	281	592	1,090	1,104	1,729
Cash conversion (Free cash flow excl. M&A/EBITA*)	59%	89%	63%	81%	86%
GN Store Nord					
Revenue	3,787	3,739	11,675	9,365	13,449
Revenue growth	1%	25%	25%	5%	7%
Organic growth	2%	29%	29%	6%	9%
Gross profit margin	55.8%	56.1%	55.3%	54.5%	54.3%
EBITA*	611	795	1,999	1,120	1,866
EBITA margin*	16.1%	21.3%	17.1%	12.0%	13.9%
Profit (loss) before tax	567	801	1,731	955	1,612
Effective tax rate	21.3%	22.2%	21.3%	22.3%	21.3%
ROIC (EBITA*/Average invested capital)	27%	20%	27%	20%	19%
Earnings per share, basic (EPS)	3.37	4.78	10.33	5.63	9.72
Earnings per share, fully diluted (EPS diluted)	3.33	4.74	10.20	5.58	9.63
Free cash flow excl. M&A	493	612	981	969	1,865
Cash conversion (Free cash flow excl. M&A/EBITA*)	81%	77%	49%	87%	100%
Equity ratio	32.6%	29.5%	32.6%	29.5%	31.0%
Net interest-bearing debt	4,637	5,105	4,637	5,105	4,198
Net interest-bearing debt (period-end)/EBITDA	1.5	2.2	1.5	2.2	1.8
Share buybacks**	704	-	1,112	453	453
Outstanding shares, end of period (thousand)	127,776	128,813	127,776	128,813	128,975
Average number of outstanding shares (thousand)	128,507	128,790	129,181	128,775	128,805
Average number of outstanding shares, fully diluted (thousand)	129,996	130,048	130,821	129,909	130,032
Treasury shares, end of period (thousand)	10,400	13,455	10,400	13,455	13,293
Share price at the end of the period	445.1	480.8	445.1	480.8	487.2
Market capitalization	56,873	61,933	56,873	61,933	62,837

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.

** Including buybacks as part of share based incentive programs

GN Hearing

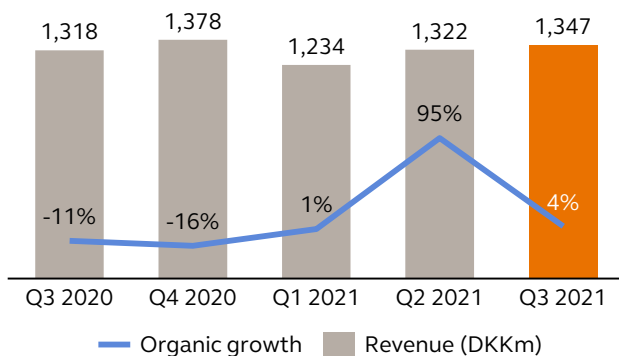
In Q3 2021, GN Hearing delivered 4% organic revenue growth in a hearing aid market, which is still impacted by significant regional differences due to COVID-19

Highlights Q3 2021

- 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
- The GN Hearing financial guidance was revised on October 5, 2021, due to delays in product development deliverables leading to postponement of key product launches into 2022

Revenue

GN Hearing delivered organic revenue growth of 4% in Q3 2021 (-6% compared to Q3 2019). Revenue growth was 2% including around -1% impact from the development in foreign exchange rates and around -1% impact from M&A. In the first nine months of 2021, GN Hearing delivered organic revenue growth of 22% (-8% compared to YTD 2019).



As for the hearing aid industry overall, COVID-19 continued to impact GN Hearing in Q3 2021 due to mutations of the virus and related restrictions.

North America

In North America, our biggest and most important region, the hearing aid market in Q3 2021 did not improve further from Q2 2021 but hearing aid volumes continued being above 2019 levels with significant differences across channels. GN Hearing's organic revenue growth in North America was 7% (-12% vs. Q3 2019) driven by solid performance in the independent market with the full and

updated ReSound portfolio, but offset by the performance in the VA.

In North America overall, revenue growth was 4% including around -1% impact from the development in foreign exchange rates and -2% impact from M&A. In the first nine months of 2021, GN Hearing delivered organic revenue growth of 24% in North America (-13% compared to YTD 2019).

Europe

In Europe, the hearing aid market continued to be impacted by COVID-19, but with significant differences across countries. Especially France saw continued strong market growth, while Germany softened a bit compared to Q3 2020. GN Hearing experienced organic revenue growth of -11% (-3% vs. Q3 2019), while revenue growth was -12% including around -1% impact from the development in foreign exchange rates. In the first nine months of 2021, GN Hearing delivered organic revenue growth of 10% in Europe (-7% compared to YTD 2019).

Rest of World

The Rest of World region continued to be impacted by COVID-19 in different ways across countries, dependent on the level of local restrictions. GN Hearing saw strong performance in, among other, China while Japan continued to be heavily impacted by local restrictions. In the Rest of World region organic revenue growth was 17% (7% compared to Q3 2019). Revenue growth was 17% including an insignificant impact from the development in foreign exchange rates. In the first nine months of 2021, GN Hearing delivered organic revenue growth of 32% in the Rest of World region (2% compared to YTD 2019).

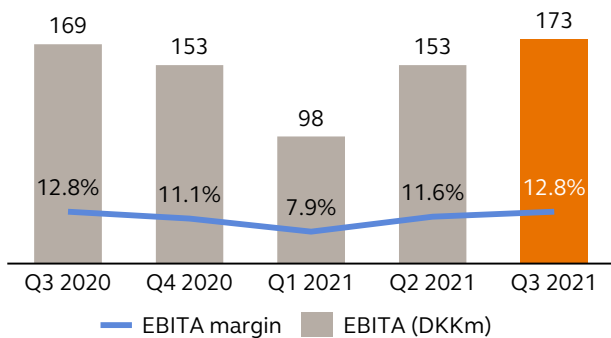
Earnings and other financial highlights

Gross profit reached DKK 891 million in Q3 2021 corresponding to a gross margin of 66.1% compared to 65.2% in Q3 2020 due to higher volumes and mix effects. For the first nine months of 2021 the gross margin reached 63.8%.

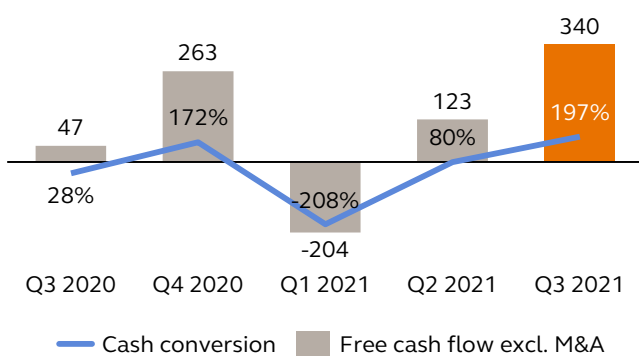
GN Hearing's OPEX continued to be prudently managed also during Q3 2021. Sales, distribution, and administrative expenses decreased by 5% in Q3 2021 compared to Q3 2020, mainly driven by tight OPEX control while continuing to invest into market normalization and IT infrastructure. Compared to Q3 2019, sales, distribution, and administrative expenses decreased by 14%. Investments in R&D increased by 29% in line with the strategy. In the first nine months of 2021, OPEX has decreased by 4% driven by tight cost control.

GN Hearing's EBITA increased to DKK 173 million in Q3 2021 compared to DKK 169 million in Q3 2020. As a result, the EBITA margin was 12.8% in Q3 2021. In the first nine months of 2021, EBITA increased to DKK 424 million equal to an EBITA margin of 10.9%.

The return on invested capital (ROIC) was 9% in Q3 2021, compared to 4% in Q3 2020, mainly due to the revenue growth. ROIC is still below historical levels due to the impact from COVID-19 as ROIC is calculated based on a 12-months rolling EBITA.



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. Cash conversion was 197% compared to 28% in the same period last year. In the first nine months of 2021, free cash flow excl. M&A was DKK 259 million compared to DKK -136 million in the same period of 2020. In the first nine months of 2021, cash conversion was 61%.



Business highlights

Transformation of R&D

As announced on October 5, GN Hearing has decided to initiate a transformation of R&D with the objective to increase quality, predictability of delivery times, and R&D efficiency. The R&D leadership has been changed with appointing Dr Günther Pausch as head of R&D, an industry experienced leader.

Proposed OTC legislation

On October 19, FDA issued the proposed OTC Hearing Aid ruling, which GN welcomes and will seek to understand the full implications of. GN is committed to enable millions of Americans who need support to make their first step on their hearing health journey and aims to develop new innovative solutions complying with the new US over-the-counter hearing aid regulation. GN will leverage the unique combination of medical grade technology and consumer audio expertise. This development will be the culmination of years of GN Group research into consumer behavior, hearing challenges and preferences.

Market development

During 2021, the global hearing aid markets continued to be impacted by COVID-19 and the consequential regional and local restrictions. Towards the end of the period, the market recovery trend seems to have stabilized. Due to the Delta variant and consequential reinforced local restrictions normalization has not yet materialized in all markets.

We continue to believe that the fundamentals of the hearing aid market are intact and, in the mid-term, GN Hearing still estimates the annual market growth to be around 4 - 6% in volumes with annual ASP decline of around 1 - 2%. GN Hearing's mid-term target of growing faster than the market is intact.

Management quote

"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."

Gitte Aabo, CEO of GN Hearing

GN Audio

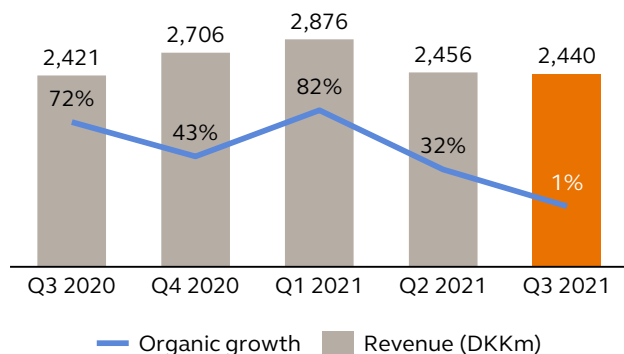
In Q3 2021, GN Audio delivered 1% organic revenue growth, reflecting strong demand but a challenged global supply situation. The increased volatility in the global supply situation has caused a revision of the organic revenue guidance

Highlights Q3 2021

- 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 reflects 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

Revenue

GN Audio delivered 1% organic revenue growth in Q3 2021 on top of the 72% delivered in Q3 2020, driven by strong demand across consumer and enterprise products. Revenue growth was 1% including an insignificant impact from the development in foreign exchange rates. In the first nine months of 2021, GN Audio delivered an organic revenue growth of 33%.



North America

GN Audio saw solid performance in Q3 2021 in North America, especially within the enterprise segment, leading to 5% organic revenue growth for the region (67% compared to Q3 2019). Revenue growth was 3% including around -2% impact from the development in foreign exchange rates. In the first nine months of 2021, GN Audio delivered organic revenue growth of 35% in North America.

Europe

In Europe, GN Audio delivered revenue of DKK 1,068 million corresponding to organic revenue growth of -7% (74% compared to Q3 2019), on top of a very high comparison base. Especially Germany performed strongly during the quarter. Revenue growth was -5% including around 2% impact from the development in foreign exchange rates. In the first nine months of 2021, GN Audio delivered organic revenue growth of 34% in Europe.

Rest of World

In the Rest of World region, GN Audio saw strong performance across the region with particularly strong organic revenue growth in, among other, Australia and Brazil. Organic revenue growth for the Rest of World region was 12% (77% compared to Q3 2019). Revenue growth was 12% including an insignificant impact from the development in foreign exchange rates. In the first nine months of 2021, GN Audio delivered organic revenue growth of 27% in Rest of World.

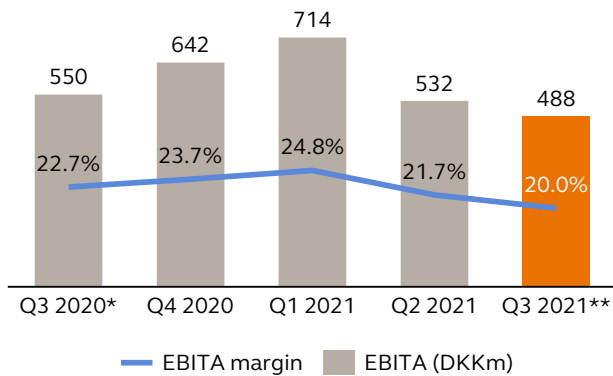
Earnings and other financial highlights

GN Audio's gross profit reached DKK 1,222 million in Q3 2021 compared to DKK 1,239 million in Q3 2020. The gross margin was 50.1% in Q3 2021 compared to 51.2% in Q3 2020 driven by a negative impact from increased freight and production costs due to COVID-19 and mix effects. GN Audio continues to be impacted by tariffs. In the first nine months of 2021, the gross profit increased by 29% to DKK 3,966 million, corresponding to a gross margin of 51.0%, in line with the first nine months of 2020.

GN Audio's OPEX was DKK 734 million in Q3 2021 (excluding transaction related costs of DKK 14 million associated with the acquisition of SteelSeries), reflecting a 7% increase compared to Q3 2020 (excluding gain from legal settlements and litigation of DKK 114 million in Q3 2020). Selling, distribution and administrative costs increased by 22%, mainly driven by continued investments in future growth opportunities. Expensed R&D decreased by 4% reflecting timing effects as incurred R&D

investments increased by 60% compared to Q3 2020. In the first nine months of 2021, GN Audio has significantly increased OPEX investments leading to growth of 22% compared to the same period of 2020 (excluding transaction related costs and gain from legal settlements and legislation).

GN Audio's EBITA, excluding transaction related costs, ended at DKK 488 million in Q3 2021. As a result, the EBITA margin was 20.0%, compared to 22.7% (excluding gain from legal settlements and litigation) realized in Q3 2020, reflecting the slightly lower gross margin and the investments in future growth opportunities, in line with the strategy and financial guidance. In the first nine months of 2021, the EBITA margin was 22.3% (excluding transaction related costs) compared to 20.7% (excluding the gain from legal settlements and litigation) in the same period of 2020.

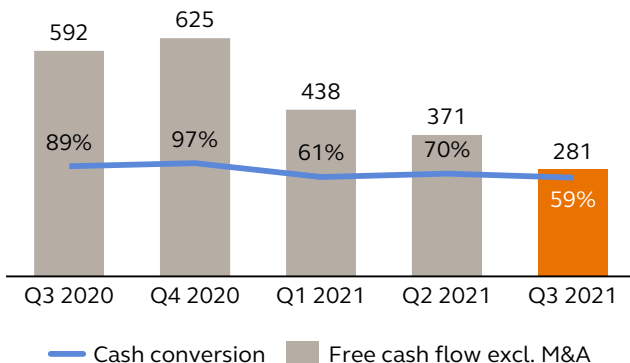


* Excluding gain of DKK 114 million from legal settlements and litigation

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

The return on invested capital (ROIC) was 82% in Q3 2021 compared to 69% in Q3 2020, driven by the growth in EBITA as ROIC is calculated based on a 12-months rolling EBITA.

Free cash flow excl. M&A was DKK 281 million in Q3 2021 compared to DKK 592 million in Q3 2020. The decrease in cash flow was mainly driven by the DKK 114 million gain from legal settlements and litigation in Q3 2020 as well as investments in future growth opportunities. Cash conversion was 59% compared to 89% in the same period last year. In the first nine months of 2021, free cash flow excl. M&A was DKK 1,090 million compared to DKK 1,104 million in the same period of 2020. In the first nine months of 2021, cash conversion was 63% compared to 81% in the first nine months of 2020.



Business highlights

New Jabra Elite line-up of true wireless earbuds

On August 31, 2021, GN Audio announced three products to establish a new era of Jabra Elite true wireless earbuds. The additions to the Elite portfolio include the Jabra Elite 7 Pro, a revolutionary product that features Jabra MultiSensor Voice™ technology, offering best-in-class call performance. GN Audio is also releasing the Jabra Elite 7 Active with pioneering ShakeGrip™ coating, perfect for those with active lifestyles. Finally, the third addition to the range is the Jabra Elite 3, which brings fantastic sound while on-the-go to a wide audience. Jabra Elite 3 was available beginning of September 2021, whilst Jabra Elite 7 Pro and Elite 7 Active were available since early October 2021, all at selected retailers.

Launch of Jabra Evolve2 75

On October 12, 2021, GN Audio announced the release of the latest in its Evolve range of enterprise headsets, the Evolve2 75. With more and more employees seeing their ideal work week including a hybrid model of working, the Evolve2 75 introduces an innovative new solution, specifically engineered to make flexible working simpler and more productive for everyone, everywhere. To address the needs, Jabra has packed the Evolve2 75 with new features that push sound quality and comfort even further. Maximizing flexibility and increasing concentration, the Evolve2 75 delivers crystal-clear calls and pitch-perfect music in any surroundings. Jabra Evolve2 75 offers fully adjustable ANC as the first in the Evolve range. Jabra Evolve2 75 was available from mid-October 2021 at selected retailers.

Market development

In Q3 2021, the demand in GN Audio's core addressable market continued to be strong and robust, partly driven by the continued need for flexible working solutions. For the coming years, GN Audio expects that the favorable global enterprise market trend will continue and that the market will grow at around 10% in value when assuming a stable macro environment and supply situation. GN Audio's mid-term target of growing faster than the market is fully intact.

Management quote

"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."

René Svendsen-Tune, CEO of GN Audio

GN Store Nord

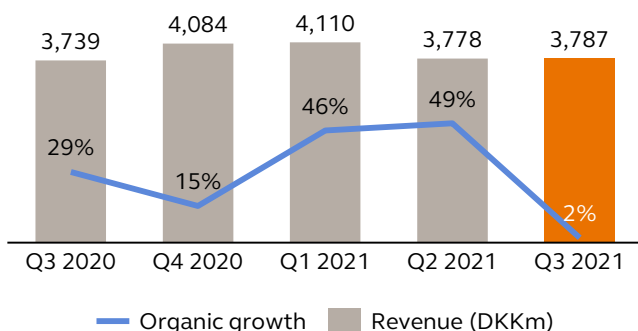
Highlights Q3 2021

- 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

We believe that the fundamentals of the company are strong and that the business will return to “normality” when the impact of the pandemic is safely behind us. The impact of COVID-19 obviously influences GN Hearing in a completely different way than GN Audio. We see having the two businesses under one roof as a position of strength for the company both in the short and long-term, and the synergies have never been stronger.

Revenue

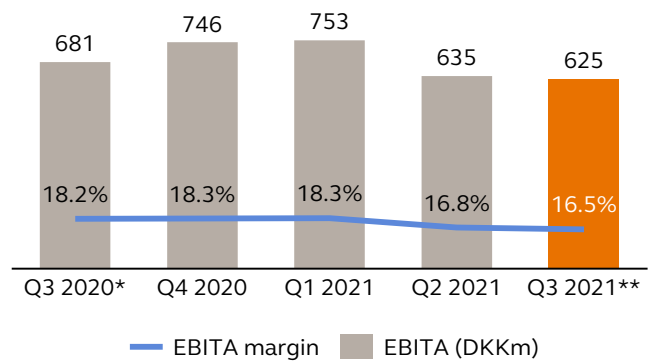
GN delivered 2% organic revenue growth in Q3 2021. Revenue growth was 1% including around -1% impact from the development in foreign exchange rates. In the first nine months of 2021, GN delivered organic revenue growth of 29%.



Earnings and other financial highlights

EBITA in Other amounted to DKK -36 million in Q3 2021, compared to DKK -38 million in Q3 2020. GN Store Nord's EBITA, excluding transaction related costs, ended at DKK 625 million in Q3 2021 compared to DKK 681 million in Q3 2020 (excluding gain from legal settlements and litigation), reflecting continuous investments into the business. This corresponds to an EBITA margin of 16.5% in Q3 2021 (excluding transaction related costs) compared to 18.2% in

Q3 2020 (excluding gain from legal settlement and litigation). In the first nine months of 2021, EBITA grew by 100% to DKK 2,013 million (excluding transaction related costs and gain from legal settlement and litigation) equal to an EBITA margin of 17.2% compared to 10.7% in the same period in 2020.



* Excluding gain of DKK 114 million from legal settlements and litigation

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

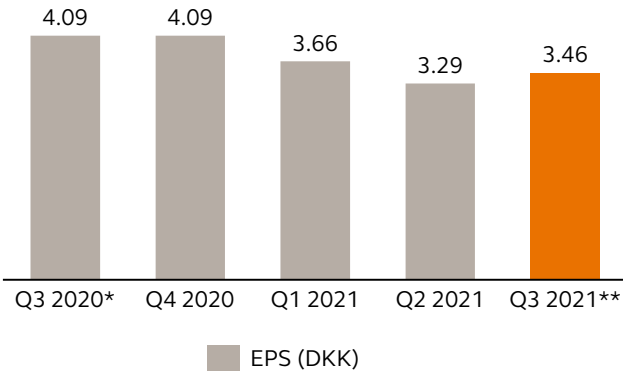
In Q3 2021, amortization of acquired intangible assets amounted to DKK -40 million compared to DKK -82 million in Q3 2020. Q3 2020 was impacted by impairment loss in the Beltone retail in relation to the ongoing optimization of the portfolio.

Financial items were DKK -13 million in Q3 2021 compared to DKK 91 million in Q3 2020, mainly related to a positive non-cash contribution from foreign exchange revaluation of certain balance sheet items from the depreciating USD in Q3 2020. In Q3 2021, share of profit (loss) in associates was DKK 9 million compared to DKK -2 million in Q3 2020.

The profit before tax was DKK 581 million in Q3 2021 (excluding transaction related costs) compared to DKK 687 million in Q3 2020 (excluding gain from legal settlements and litigation). The effective tax rate was 21.3%, translating into a net profit of DKK 457 million in Q3 2021 (excluding transaction related costs) compared to DKK 534 million in Q3 2020 (excluding gain from legal settlements and litigation). In the first nine months of 2021, this corresponds to a net profit increase of 110% (excluding transaction related costs) compared to the same period of 2020 (excluding gain from legal settlements and litigation).

Free cash flow excl. M&A was DKK 493 million in Q3 2021 compared to DKK 612 million in Q3 2020, mainly driven by the gain from legal settlements and litigation of DKK 114 million in Q3 2020 as well as investments in future growth opportunities. This equals a cash conversion of 81% in Q3 2021. In the first nine months of 2021, free cash flow excl. M&A was DKK 981 million compared to DKK 969 million in the same period last year, which translates into a cash conversion of 49% compared to 87% in the same period last year.

Earnings per share (EPS), was DKK 3.46 in Q3 2021 (excluding transaction related costs) compared to DKK 4.09 in Q3 2020 (excluding gain from legal settlements and litigation). For the first nine months of 2021 this corresponds to an EPS of DKK 10.41 (excluding transaction related costs) compared to DKK 5.63 in the same period last year (reported).



* 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

By the end of Q3 2021, equity in GN Store Nord amounted to DKK 5,761 million compared to DKK 4,874 million in Q3 2020, corresponding to an increase of 18%. The increase was driven by the net profits generated during the period, on top of the execution of the ongoing share buyback program and the yearly dividend payment.

Acquisition of SteelSeries – an ideal strategic fit and access to the fast-growing gaming market

On October 6, GN announced a signed agreement to acquire SteelSeries – a global innovation driven pioneer in premium software-enabled gaming gear. Following the expected acquisition, GN gains a very strong position in the attractive upscale market and expands its position in the premium audio market. SteelSeries, with its best-in-class product portfolio, attractive growth profile and margin structure, is a company that presents an attractive growth and scaling opportunity for GN Audio. SteelSeries brings a highly relevant and competitive portfolio and strong engineering competencies. Combining these forces with GN Audio's strong track record, flawless supply chain setup and wide-ranging distribution channels will drive synergies and further value creation for both organizations.

The total purchase price for SteelSeries amounts to DKK 8.0 billion on a cash and debt free basis. Closing of the transaction is subject to customary regulatory approvals and is anticipated by the beginning of 2022.

Capital structure

Net interest-bearing debt was DKK 4,637 million in Q3 2021 compared to DKK 5,105 million in Q3 2020, which was driven by the strong cash flow generation but offset by the ongoing share buyback program. Net interest-bearing debt to EBITDA leverage ratio increased to 1.5x compared to 1.3x by the end of Q2 2021. The balance sheet remains very sound with ample

sources of liquidity. GN had cash and cash equivalents of DKK 1,619 million at the end of Q3 2021.

With the announcement of the SteelSeries acquisition, GN expects its financial leverage to increase above the long-term leverage target of 1-2x NIBD/EBITDA in 2022, subject to closing of the transaction. The transaction represents an enterprise value on a cash and debt free basis of DKK 8.0 billion. The acquisition will be structured as a 100% cash payment financed through existing cash balances and a bridge loan, which is expected to be replaced with other debt instruments at a later point in time. As a result, GN Store Nord's share buyback program, initiated in May 2021 (see announcement 14) was paused with immediate effect. GN Store Nord will focus on de-leveraging in order to be within its capital structure policy again within a couple of years.

In the first nine months of 2021, GN has in total distributed DKK 1,318 million to shareholders through share buybacks and dividend. In March 2021, GN paid out DKK 206 million in dividend (DKK 1.45 per share) in respect of the fiscal year 2020 as approved at the Annual General Meeting in 2021.

In line with the last couple of years, GN continues to proactively secure a diversified funding profile. The different sources of financing now available to GN include the convertible bond market (via the listed convertible bond), traditional bonds (via the Euro Medium-Term Note program), the Euro Commercial Paper Program, bilateral loan facilities provided by EIB as well as uncommitted bank facilities including overdraft lines. GN considers this debt funding flexibility, in addition to the equity market access as a listed company, important for navigating the current uncertain capital markets.

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 2021

The financial guidance for 2021 is revised

COVID-19 risks

Due to the ongoing COVID-19 pandemic – which impacts GN in many ways – it must be stressed that the basic assumptions behind the guidance remain significantly more uncertain than normal. The COVID-19 situation has and will not only strongly impact GN's operational performance in 2021, but it is also impacting predictability and visibility across GN's markets, channels and supply chain. Certain components remain in global shortage impacting many different industries. GN has commitment from component suppliers to deliver on the guidance. This is based on an assumption that the GN suppliers will not face new unexpected reductions in access to raw materials. The financial guidance is contingent on no new significant local restrictions due to COVID-19 and no new major disruptions in the supply chain.

GN Hearing

For full year 2021, GN Hearing expects an organic revenue growth of around 16% and an EBITA margin of more than 12%.

GN Audio

For full year 2021, GN Audio expects organic revenue growth of 22-25% and an EBITA margin of more than 21%, excluding transaction related costs of around DKK 150 million associated with the acquisition of SteelSeries.

Other activities and EPS

For full year 2021, EBITA in "Other" is expected to be around DKK -185 million.

GN Store Nord expects a growth in EPS of more than 40% for full year 2021, excluding transaction related costs of around DKK 150 million associated with the acquisition of SteelSeries.

Forward-looking statements

The forward-looking statements in this interim report reflect the management's current expectations of certain future events and financial results. Statements regarding the future are, naturally, subject to risks and uncertainties, which may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events, which may prove incorrect.

Factors that may cause actual results to deviate materially from expectations include – but are not limited to – general economic developments and developments in the financial markets, technological developments, changes and amendments to legislation and regulations governing GN's markets, changes in the demand for GN's products, competition, fluctuations in sub-contractor supplies and developments in ongoing litigation (including but not limited to class action and patent infringement litigation in the United States).

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 CET on October 29, 2021. Please visit 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.

For further information please contact:

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Financial calendar 2022

Annual Report 2021:	February 10, 2022
Annual general meeting*:	March 9, 2022
Interim Report Q1 2022:	May 5, 2022
Interim Report Q2 2022:	August 18, 2022
Interim Report Q3 2022:	November 11, 2022

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* Proposals to the agenda for the GN Store Nord Annual General Meeting must be submitted no later than six weeks before the meeting (i.e., January 25, 2022)

GN Store Nord A/S
Lautrupbjerg 7
2750 Ballerup
Denmark
Company reg. no. 24257843

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GN strategy 2020 and beyond

GN will continue enabling people to Hear More, Do More and Be More, driven by innovation leadership and commercial & eco-system excellence. Specifically, in the years ahead, GN will increasingly leverage synergies between both divisions and drive growth by delivering unique and increasingly individualized customer experiences in products and solutions

Utilizing the synergies derived from GN’s hearing and audio technologies and expertise, the Group is now able to significantly improve and personalize customers’ hearing and listening experiences. Enabling a whole new level of individualization, GN will continue to deliver industry-leading innovation that addresses real life challenges for people with hearing loss, for businesses seeking productivity gains and for audio consumers looking for experiences beyond what can be delivered today.

GN’s strategy for 2020 and beyond is to take individualized customer experience to a whole new level, and:

- further broaden the reach and appeal of GN’s hearing and audio product portfolios, where management sees ample opportunities for continued growth
- as new market segments open, leverage GN’s technological expertise and commercial platform, where these provide a particular competitive advantage.

Our focus going forward

GN’s core technology capabilities have successfully taken the company to where it is today. Going forward, the company will stay true to our technology foundation and pursue to take our innovation and technology excellence to the next level.

We will do this via a much deeper understanding of our customers’ true needs. We will aspire to develop much improved individualized products that will serve individual customers even better. Furthermore, we aim to take our commercial and operational execution to the next level.

We see great opportunities to leverage the skill-sets in our two operating companies to drive further synergies and to become even more relevant to our customers.

And we will add adjacent acquisitions where we see opportunities and synergies.

GN Store Nord

In the mid-term, GN will continue to invest in growth through innovation to deliver double-digit organic growth rates. We expect to continue delivering a strong EBITA margin in line with existing levels and competition, and to deliver double-digit growth in earnings per share.

GN expects to maintain a conservative capital structure policy of net interest-bearing debt to EBITDA of 1.0 - 2.0x, where excess liquidity will be distributed to shareholders through share buybacks and dividends.



**INDIVIDUALIZED
CUSTOMER EXPERIENCE**



INNOVATION LEADERSHIP



**COMMERCIAL &
ECOSYSTEM EXCELLENCE**



Engagement
& focus



Lean
& efficient



Sustainability

Mid-term guidance

DKK million	Organic revenue growth	EBITA margin	Growth in EPS
GN Hearing	>market growth ¹	>20%	
GN Audio	>market growth ²	>20%	
GN Store Nord	>10%		>10%

1) In the mid-term, GN Hearing expects the global hearing aid market to continue to grow at around 4-6% in units with an ASP decline of around 1-2% annually

2) In the mid-term, GN Audio expects its markets to continue to grow at around 10% annually

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Quarterly reporting by segment

DKK million	Q1 2020 (unaud.)	Q2 2020 (unaud.)	Q3 2020 (unaud.)	Q4 2020 (unaud.)	Q1 2021 (unaud.)	Q2 2021 (unaud.)	Q3 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	Full year 2020 (aud.)
Income statement										
Revenue										
GN Hearing	1,314	715	1,318	1,378	1,234	1,322	1,347	3,347	3,903	4,725
GN Audio	1,653	1,944	2,421	2,706	2,876	2,456	2,440	6,018	7,772	8,724
Total	2,967	2,659	3,739	4,084	4,110	3,778	3,787	9,365	11,675	13,449
Organic growth										
GN Hearing	-14%	-54%	-11%	-16%	1%	95%	4%	-27%	22%	-24%
GN Audio	22%	32%	72%	43%	82%	32%	1%	42%	33%	42%
Total	3%	-13%	29%	15%	46%	49%	2%	6%	29%	9%
Gross profit										
GN Hearing	841	332	859	873	769	832	891	2,032	2,492	2,905
GN Audio	827	1,009	1,239	1,318	1,480	1,264	1,222	3,075	3,966	4,393
Total	1,668	1,341	2,098	2,191	2,249	2,096	2,113	5,107	6,458	7,298
Gross profit margin										
GN Hearing	64.0%	46.4%	65.2%	63.4%	62.3%	62.9%	66.1%	60.7%	63.8%	61.5%
GN Audio	50.0%	51.9%	51.2%	48.7%	51.5%	51.5%	50.1%	51.1%	51.0%	50.4%
Total	56.2%	50.4%	56.1%	53.6%	54.7%	55.5%	55.8%	54.5%	55.3%	54.3%
Development costs										
GN Hearing	-149	-124	-120	-118	-139	-154	-155	-393	-448	-511
GN Audio	-110	-118	-181	-145	-199	-168	-173	-409	-540	-554
Other *	-22	-20	-19	-23	-34	-27	-9	-61	-70	-84
Total	-281	-262	-320	-286	-372	-349	-337	-863	-1,058	-1,149
Selling and distribution costs and administrative expenses etc.										
GN Hearing	-637	-544	-570	-602	-532	-525	-563	-1,751	-1,620	-2,353
GN Audio	-429	-483	-394	-531	-567	-564	-575	-1,306	-1,706	-1,837
Other *	-21	-27	-19	-26	-25	-23	-27	-67	-75	-93
Total	-1,087	-1,054	-983	-1,159	-1,124	-1,112	-1,165	-3,124	-3,401	-4,283
EBITA										
GN Hearing	55	-336	169	153	98	153	173	-112	424	41
GN Audio	288	408	664	642	714	532	474	1,360	1,720	2,002
Other *	-43	-47	-38	-49	-59	-50	-36	-128	-145	-177
Total	300	25	795	746	753	635	611	1,120	1,999	1,866
EBITA margin										
GN Hearing	4.2%	-47.0%	12.8%	11.1%	7.9%	11.6%	12.8%	-3.3%	10.9%	0.9%
GN Audio	17.4%	21.0%	27.4%	23.7%	24.8%	21.7%	19.4%	22.6%	22.1%	22.9%
Total	10.1%	0.9%	21.3%	18.3%	18.3%	16.8%	16.1%	12.0%	17.1%	13.9%
Depreciation and software amortization										
GN Hearing	-47	-45	-54	-35	-42	-41	-40	-146	-123	-181
GN Audio	-28	-29	-31	-34	-33	-31	-34	-88	-98	-122
Other *	-29	-32	-30	-24	-30	-33	-32	-91	-95	-115
Total	-104	-106	-115	-93	-105	-105	-106	-325	-316	-418
EBITDA										
GN Hearing	102	-291	223	188	140	194	213	34	547	222
GN Audio	316	437	695	676	747	563	508	1,448	1,818	2,124
Other *	-14	-15	-8	-25	-29	-17	-4	-37	-50	-62
Total	404	131	910	839	858	740	717	1,445	2,315	2,284
EBITA										
Amortization and impairment of acquired intangible assets	-50	-52	-82	-51	-41	-42	-40	-184	-123	-235
Gain (loss) on divestment of operations etc.	1	-1	-1	-3	-	-9	-	-1	-9	-4
Operating profit (loss)	251	-28	712	692	712	584	571	935	1,867	1,627
Share of profit (loss) in associates	-1	-6	-2	-	-1	-20	9	-9	-12	-9
Financial items	-111	49	91	-35	-99	-12	-13	29	-124	-6
Profit (loss) before tax	139	15	801	657	612	552	567	955	1,731	1,612
Tax on profit (loss)	-33	-2	-178	-130	-130	-118	-121	-213	-369	-343
Profit (loss)	106	13	623	527	482	434	446	742	1,362	1,269
Balance sheet										
Development projects										
GN Hearing	1,058	1,069	1,080	1,084	1,019	1,001	989	1,080	989	1,084
GN Audio	377	399	369	426	508	585	655	369	655	426
Other *	-19	-18	-16	-15	-13	-12	-10	-16	-10	-15
Total	1,416	1,450	1,433	1,495	1,514	1,574	1,634	1,433	1,634	1,495
Inventories										
GN Hearing	580	603	610	650	677	675	683	610	683	650
GN Audio	585	711	805	1,072	939	1,049	1,019	805	1,019	1,072
Total	1,165	1,314	1,415	1,722	1,616	1,724	1,702	1,415	1,702	1,722
Trade receivables										
GN Hearing	1,095	835	1,025	972	987	1,020	1,111	1,025	1,111	972
GN Audio	1,477	1,593	1,860	1,704	1,670	1,721	2,057	1,860	2,057	1,704
Other *	-	-	-	-	-	2	2	-	2	-
Total	2,572	2,428	2,885	2,676	2,657	2,743	3,170	2,885	3,170	2,676
Net working capital										
GN Hearing	927	649	581	552	785	862	883	581	883	552
GN Audio	765	512	764	357	652	662	793	764	793	357
Other *	-142	-121	-139	-93	-189	-136	-149	-139	-149	-93
Total	1,550	1,040	1,206	816	1,248	1,388	1,527	1,206	1,527	816
Free cash flow excl. M&A										
GN Hearing	-66	-117	47	263	-204	123	340	-136	259	127
GN Audio	-67	579	592	625	438	371	281	1,104	1,090	1,729
Other *	-27	55	-27	8	-256	16	-128	1	-368	9
Total	-160	517	612	896	-22	510	493	969	981	1,865
Acquisitions and divestments of companies										
	-29	-10	-107	-	-38	-1	-1	-146	-40	-146
Free cash flow	-189	507	505	896	-60	509	492	823	941	1,719

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

Regional growth composition Q3 2021

(DKK million)	GN Hearing		GN Audio		Consolidated total	
	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)
Europe - revenue	342	387	1,068	1,125	1,410	1,512
Organic growth	-11%		-7%		-8%	
FX growth	-1%		2%		1%	
M&A growth	0%		0%		0%	
Revenue growth	-12%	10%	-5%	82%	-7%	56%
North America - revenue	656	632	852	830	1,508	1,462
Organic growth	7%		5%		6%	
FX growth	-1%		-2%		-2%	
M&A growth	-2%		0%		-1%	
Revenue growth	4%	-25%	3%	52%	3%	5%
Rest of World - revenue	349	299	520	466	869	765
Organic growth	17%		12%		14%	
FX growth	0%		0%		0%	
M&A growth	0%		0%		0%	
Revenue growth	17%	-12%	12%	56%	14%	20%
Total revenue	1,347	1,318	2,440	2,421	3,787	3,739
Organic growth	4%	-11%	1%	72%	2%	29%
FX growth	-1%	-2%	0%	-5%	-1%	-3%
M&A growth	-1%	-1%	0%	0%	0%	-1%
Revenue growth	2%	-14%	1%	66%	1%	25%

Regional growth composition YTD 2021

(DKK million)	GN Hearing		GN Audio		Consolidated total	
	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)
Europe - revenue	1,042	956	3,963	2,936	5,005	3,892
Organic growth	10%		34%		28%	
FX growth	-1%		1%		1%	
M&A growth	0%		0%		0%	
Revenue growth	9%	-15%	35%	53%	29%	28%
North America - revenue	1,885	1,636	2,348	1,890	4,233	3,526
Organic growth	24%		35%		30%	
FX growth	-8%		-11%		-10%	
M&A growth	-1%		0%		0%	
Revenue growth	15%	-35%	24%	22%	20%	-13%
Rest of World - revenue	976	755	1,461	1,192	2,437	1,947
Organic growth	32%		27%		29%	
FX growth	-3%		-4%		-4%	
M&A growth	0%		0%		0%	
Revenue growth	29%	-24%	23%	49%	25%	8%
Total revenue	3,903	3,347	7,772	6,018	11,675	9,365
Organic growth	22%		33%		29%	
FX growth	-5%		-4%		-4%	
M&A growth	0%		0%		0%	
Revenue growth	17%	-28%	29%	41%	25%	5%

Consolidated income statement

(DKK million)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	Full Year 2020 (aud.)
Revenue	3,787	3,739	11,675	9,365	13,449
Production costs	-1,674	-1,641	-5,217	-4,258	-6,151
Gross profit	2,113	2,098	6,458	5,107	7,298
Development costs	-337	-320	-1,058	-863	-1,149
Selling and distribution costs	-883	-808	-2,546	-2,427	-3,349
Management and administrative expenses	-285	-271	-866	-801	-1,037
Other operating income and costs, net	3	96	11	104	103
EBITA*	611	795	1,999	1,120	1,866
Amortization and impairment of acquired intangible assets	-40	-82	-123	-184	-235
Gain (loss) on divestment of operations etc.	-	-1	-9	-1	-4
Operating profit (loss)	571	712	1,867	935	1,627
Share of profit (loss) in associates	9	-2	-12	-9	-9
Financial items	-13	91	-124	29	-6
Profit (loss) before tax	567	801	1,731	955	1,612
Tax on profit (loss)	-121	-178	-369	-213	-343
Profit (loss) for the period	446	623	1,362	742	1,269
Attributable to:					
Non-controlling interests	13	7	28	17	17
Shareholders in GN Store Nord A/S	433	616	1,334	725	1,252
Earnings per share (EPS):					
Earnings per share (EPS)	3.37	4.78	10.33	5.63	9.72
Earnings per share, fully diluted (EPS diluted)	3.33	4.74	10.20	5.58	9.63

* 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)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	Full Year 2020 (aud.)
Profit (loss) for the period	446	623	1,362	742	1,269
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Actuarial gains (losses)	-	-	-	-8	-1
Items that may be reclassified subsequently to profit or loss					
Adjustment of cash flow hedges	8	-	26	26	-13
Foreign exchange adjustments, etc.	119	-296	286	-349	-601
Tax relating to other comprehensive income	-2	10	-6	1	14
Other comprehensive income for the period	125	-286	306	-330	-601
Total comprehensive income for the period	571	337	1,668	412	668
Attributable to:					
Non-controlling interests	13	7	28	17	17
Shareholders in GN Store Nord A/S	558	330	1,640	395	651

Consolidated balance sheet

(DKK million)	Sep. 30 2021 (unaud.)	Jun. 30 2021 (unaud.)	Mar. 31 2021 (unaud.)	Dec. 31 2020 (aud.)
Assets				
Intangible assets	7,395	7,210	7,214	7,007
Property, plant and equipment	1,232	1,224	1,243	1,057
Investments in associates	385	506	537	523
Deferred tax assets	410	402	405	392
Other non-current assets	1,323	1,333	1,289	1,187
Total non-current assets	10,745	10,675	10,688	10,166
Inventories	1,702	1,724	1,616	1,722
Trade receivables	3,170	2,743	2,657	2,676
Tax receivables	15	21	27	63
Other receivables	416	462	429	398
Cash and cash equivalents	1,619	1,715	1,898	1,657
Total current assets	6,922	6,665	6,627	6,516
Total assets	17,667	17,340	17,315	16,682
Equity and liabilities				
Equity	5,761	5,874	5,905	5,178
Bank loans and issued bonds	5,475	5,460	5,445	5,069
Lease liabilities, non-current	284	287	320	324
Pension obligations	34	34	35	36
Provisions, non-current	217	227	237	203
Deferred tax liabilities	364	364	364	362
Other non-current liabilities	563	519	498	482
Total non-current liabilities	6,937	6,891	6,899	6,476
Bank loans	380	257	352	341
Lease liabilities, current	117	119	115	121
Trade payables	1,051	1,148	1,018	1,238
Tax payables	355	284	199	253
Provisions, current	356	374	391	333
Other current liabilities	2,710	2,393	2,436	2,742
Total current liabilities	4,969	4,575	4,511	5,028
Total equity and liabilities	17,667	17,340	17,315	16,682

Consolidated statement of cash flow

(DKK million)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	Full Year 2020 (aud.)
Operating activities					
Operating profit (loss)	571	712	1,867	935	1,627
Depreciation, amortization and impairment	283	356	839	892	1,167
Other non-cash adjustments	-19	140	48	297	346
Cash flow from operating activities before changes in working capital	835	1,208	2,754	2,124	3,140
Changes in working capital	-125	-90	-495	67	368
Cash flow from operating activities before financial items and tax	710	1,118	2,259	2,191	3,508
Financial items, net	-49	21	-153	-39	-13
Tax paid, net	-45	-69	-176	-188	-289
Cash flow from operating activities	616	1,070	1,930	1,964	3,206
Investing activities					
Development projects	-195	-143	-538	-447	-638
Investments in other intangible assets, net	-90	-52	-222	-189	-234
Investments in property, plant and equipment, net	-61	-81	-361	-180	-219
Investments in other non-current assets, net	223	-182	172	-179	-250
Company acquisitions	-1	-107	-40	-147	-147
Company divestments	-	-	-	1	1
Cash flow from investing activities	-124	-565	-989	-1,141	-1,487
Cash flow from operating and investing activities (free cash flow)	492	505	941	823	1,719
Financing activities					
Paid dividends	-	-	-188	-187	-187
Share-based payment (exercised)	6	6	139	176	194
Purchase/sale of treasury shares and other equity instruments	-704	-	-1,112	-453	-453
Net proceeds from issue of Eurobonds	-	-	363	-	-
Increase/decrease in bank loans and other adjustments	107	-16	-192	-614	-1,325
Cash flow from financing activities	-591	-10	-990	-1,078	-1,771
Net cash flow	-99	495	-49	-255	-52
Cash and cash equivalents beginning of period	1,715	967	1,657	1,728	1,728
Adjustment foreign currency, cash and cash equivalents	3	-6	11	-17	-19
Cash and cash equivalents, end of period	1,619	1,456	1,619	1,456	1,657

Consolidated statement of equity

Q3 2020 (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					
Balance at December 31, 2019	569	-910	-11	-3,424	206	8,419	4,849	-	4,849
Profit (loss) for the period	-	-	-	-	-	725	725	17	742
Actuarial gains (losses)	-	-	-	-	-	-8	-8	-	-8
Adjustment of cash flow hedges	-	-	26	-	-	-	26	-	26
Foreign exchange adjustments, etc.	-	-349	-	-	-	-	-349	-	-349
Tax relating to other comprehensive income	-	7	-6	-	-	-	1	-	1
Other comprehensive income for the period	-	-342	20	-	-	-8	-330	-	-330
Total comprehensive income for the period	-	-342	20	-	-	717	395	17	412
Share-based payment (granted)	-	-	-	-	-	59	59	-	59
Share based payment (exercised)	-	-	-	204	-	-28	176	-	176
Tax related to share-based incentive plans	-	-	-	-	-	41	41	-	41
Purchase/sale of treasury shares	-	-	-	-453	-	-	-453	-	-453
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	-6	-6	-11	-17
Paid dividends	-	-	-	-	-187	-	-187	-6	-193
Dividends, treasury shares	-	-	-	-	-19	19	-	-	-
Balance at September 30, 2020	569	-1,252	9	-3,673	-	9,221	4,874	-	4,874
Q3 2021 (DKK million)									
Balance at December 31, 2020	569	-1,500	-21	-3,640	206	9,564	5,178	-	5,178
Profit (loss) for the period	-	-	-	-	-	1,334	1,334	28	1,362
Adjustment of cash flow hedges	-	-	26	-	-	-	26	-	26
Foreign exchange adjustments, etc.	-	286	-	-	-	-	286	-	286
Tax relating to other comprehensive income	-	-	-6	-	-	-	-6	-	-6
Other comprehensive income for the period	-	286	20	-	-	-	306	-	306
Total comprehensive income for the period	-	286	20	-	-	1,334	1,640	28	1,668
Reduction of the share capital	-16	-	-	873	-	-857	-	-	-
Share-based payment (granted)	-	-	-	-	-	44	44	-	44
Share-based payment (exercised)	-	-	-	196	-	-57	139	-	139
Tax related to share-based incentive plans	-	-	-	-	-	46	46	-	46
Purchase/sale of treasury shares	-	-	-	-1,112	-	-	-1,112	-	-1,112
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	14	14	-28	-14
Paid dividends	-	-	-	-	-188	-	-188	-	-188
Dividends, treasury shares	-	-	-	-	-18	18	-	-	-
Balance at September 30, 2021	553	-1,214	-1	-3,683	-	10,106	5,761	-	5,761

* 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, 2021, GN Store Nord adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2021, 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 2020.

Note 2 – Segment disclosures Q3 2021

Income statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)
(DKK million)								
Revenue	1,347	1,318	2,440	2,421	-	-	3,787	3,739
Production costs	-456	-459	-1,218	-1,182	-	-	-1,674	-1,641
Gross profit	891	859	1,222	1,239	-	-	2,113	2,098
Development costs	-155	-120	-173	-181	-9	-19	-337	-320
Selling and distribution costs	-416	-421	-467	-387	-	-	-883	-808
Management and administrative expenses	-132	-154	-125	-98	-28	-19	-285	-271
Other operating income and costs, net	-15	5	17	91	1	-	3	96
EBITA*	173	169	474	664	-36	-38	611	795
Amortization and impairment of acquired intangible assets	-23	-63	-17	-19	-	-	-40	-82
Gain (loss) on divestment of operations etc.	-	-1	-	-	-	-	-	-1
Operating profit (loss)	150	105	457	645	-36	-38	571	712
Share of profit (loss) in associates	9	-2	-	-	-	-	9	-2
Financial items	-22	71	2	14	7	6	-13	91
Profit (loss) before tax	137	174	459	659	-29	-32	567	801
Tax on profit (loss)	-29	-39	-98	-149	6	10	-121	-178
Profit (loss) for the period	108	135	361	510	-23	-22	446	623

Cash flow statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)
(DKK million)								
Operating activities before changes in working capital	285	324	550	890	-	-6	835	1,208
Cash flow from changes in working capital	-23	63	-112	-169	10	16	-125	-90
Cash flow from operating activities excluding financial items and tax	262	387	438	721	10	10	710	1,118
Cash flow from investing activities:								
Development projects	-76	-76	-119	-67	-	-	-195	-143
Other	210	-219	-49	-159	-90	-44	71	-422
Cash flow from operating and investing activities before financial items and tax	396	92	270	495	-80	-34	586	553
Tax and financial items	-57	-45	11	-10	-48	7	-94	-48
Cash flow from operating and investing activities (free cash flow)	339	47	281	485	-128	-27	492	505
Cash flow from M&A activities	-1	-	-	-107	-	-	-1	-107
Free cash flow excl. M&A	340	47	281	592	-128	-27	493	612

Additional information	GN Hearing		GN Audio		Other**		Consolidated total	
	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)	Q3 2021 (unaud.)	Q3 2020 (unaud.)
(DKK million)								
Revenue distributed geographically								
Denmark	20	24	47	29	-	-	67	53
Europe	322	363	1,021	1,096	-	-	1,343	1,459
North America	656	632	852	830	-	-	1,508	1,462
Rest of World	349	299	520	466	-	-	869	765
Revenue	1,347	1,318	2,440	2,421	-	-	3,787	3,739
Incurred development costs	-141	-121	-239	-149	-10	-20	-390	-290
Capitalized development costs	76	76	119	67	-	-	195	143
Amortization, impairment and depreciation of development projects***	-90	-75	-53	-99	1	1	-142	-173
Expensed development costs	-155	-120	-173	-181	-9	-19	-337	-320
EBITDA	213	223	508	695	-4	-8	717	910
Depreciation and software amortization	-40	-54	-34	-31	-32	-30	-106	-115
EBITA*	173	169	474	664	-36	-38	611	795
EBITA margin	12.8%	12.8%	19.4%	27.4%	N/A	N/A	16.1%	21.3%
Number of employees, end of period	4,492	4,280	2,300	1,783	307	229	7,099	6,292

* 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 Q3 2021 (Continued)

Balance sheet	GN Hearing		GN Audio		Other*		Consolidated total	
	Sep. 30 2021 (unaud.)	Sep. 30 2020 (unaud.)	Sep. 30 2021 (unaud.)	Sep. 30 2020 (unaud.)	Sep. 30 2021 (unaud.)	Sep. 30 2020 (unaud.)	Sep. 30 2021 (unaud.)	Sep. 30 2020 (unaud.)
(DKK million)								
ASSETS								
Goodwill	3,421	3,392	1,165	1,155	-	-	4,586	4,547
Development projects	989	1,080	655	369	-10	-16	1,634	1,433
Other intangible assets	318	461	347	399	510	335	1,175	1,195
Property, plant and equipment	476	535	351	326	405	246	1,232	1,107
Investments in associates	361	495	-	-	24	27	385	522
Deferred tax assets	364	304	148	156	-102	-57	410	403
Loans to dispensers and ownership interests	933	801	-	-	-	-	933	801
Other financial assets	390	384	-	-	-	-	390	384
Total non-current assets	7,252	7,452	2,666	2,405	827	535	10,745	10,392
Inventories	683	610	1,019	805	-	-	1,702	1,415
Trade receivables	1,111	1,025	2,057	1,860	2	-	3,170	2,885
Receivables from group companies**	-	-	2,198	730	-2,198	-730	-	-
Tax receivables	61	191	44	50	-90	-205	15	36
Other receivables	235	219	140	80	41	41	416	340
Cash and cash equivalents	164	293	177	162	1,278	1,001	1,619	1,456
Total current assets	2,254	2,338	5,635	3,687	-967	107	6,922	6,132
Total assets	9,506	9,790	8,301	6,092	-140	642	17,667	16,524
EQUITY AND LIABILITIES								
Equity	5,555	5,014	4,936	3,193	-4,730	-3,333	5,761	4,874
Bank loans and issued bonds	-	-	-	-	5,475	5,184	5,475	5,184
Lease liabilities, non-current	190	224	70	94	24	38	284	356
Pension obligations	28	28	6	5	-	-	34	33
Provisions, non-current	107	75	108	15	2	-	217	90
Deferred tax liabilities	260	238	156	184	-52	128	364	550
Other non-current liabilities	397	334	164	143	2	-	563	477
Total non-current liabilities	982	899	504	441	5,451	5,350	6,937	6,690
Bank loans	1	-	8	-	371	892	380	892
Lease liabilities, current	81	83	35	35	1	11	117	129
Trade payables	234	296	749	722	68	58	1,051	1,076
Amounts owed to group companies**	1,528	2,243	-	-	-1,528	-2,243	-	-
Tax payables	52	28	202	218	101	-215	355	31
Provisions, current	161	250	193	224	2	-	356	474
Other current liabilities	912	977	1,674	1,259	124	122	2,710	2,358
Total current liabilities	2,969	3,877	2,861	2,458	-861	-1,375	4,969	4,960
Total equity and liabilities	9,506	9,790	8,301	6,092	-140	642	17,667	16,524
Invested capital***	6,752	6,525	3,010	2,774	752	426	10,514	9,725
Average invested capital	6,639	6,883	2,892	2,622	589	371	10,120	9,876

* "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 2 – Segment disclosures YTD 2021

Income statement	GN Hearing		GN Audio		Other**		Consolidated total	
	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)
(DKK million)								
Revenue	3,903	3,347	7,772	6,018	-	-	11,675	9,365
Production costs	-1,411	-1,315	-3,806	-2,943	-	-	-5,217	-4,258
Gross profit	2,492	2,032	3,966	3,075	-	-	6,458	5,107
Development costs	-448	-393	-540	-409	-70	-61	-1,058	-863
Selling and distribution costs	-1,152	-1,317	-1,394	-1,110	-	-	-2,546	-2,427
Management and administrative expenses	-457	-441	-332	-293	-77	-67	-866	-801
Other operating income and costs, net	-11	7	20	97	2	-	11	104
EBITA*	424	-112	1,720	1,360	-145	-128	1,999	1,120
Amortization and impairment of acquired intangible assets	-71	-125	-52	-59	-	-	-123	-184
Gain (loss) on divestment of operations etc.	-9	-2	-	1	-	-	-9	-1
Operating profit (loss)	344	-239	1,668	1,302	-145	-128	1,867	935
Share of profit (loss) in associates	-12	-9	-	-	-	-	-12	-9
Financial items	-112	25	-35	22	23	-18	-124	29
Profit (loss) before tax	220	-223	1,633	1,324	-122	-146	1,731	955
Tax on profit (loss)	-47	54	-348	-305	26	38	-369	-213
Profit (loss) for the period	173	-169	1,285	1,019	-96	-108	1,362	742

Cash flow statement	GN Hearing		GN Audio		Other**		Consolidated total	
	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)
(DKK million)								
Operating activities before changes in working capital	775	392	2,025	1,768	-46	-36	2,754	2,124
Cash flow from changes in working capital	-237	198	-327	-198	69	67	-495	67
Cash flow from operating activities excluding financial items and tax	538	590	1,698	1,570	23	31	2,259	2,191
Cash flow from investing activities:								
Development projects, investment	-213	-249	-325	-198	-	-	-538	-447
Other investing activities	101	-361	-135	-206	-417	-127	-451	-694
Cash flow from operating and investing activities before financial items and tax	426	-20	1,238	1,166	-394	-96	1,270	1,050
Tax and financial items	-203	-155	-152	-169	26	97	-329	-227
Cash flow from operating and investing activities (free cash flow)	223	-175	1,086	997	-368	1	941	823
Cash flow from M&A activities	-36	-39	-4	-107	-	-	-40	-146
Free cash flow excl. M&A	259	-136	1,090	1,104	-368	1	981	969

Additional information	GN Hearing		GN Audio		Other**		Consolidated total	
	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)	YTD 2021 (unaud.)	YTD 2020 (unaud.)
(DKK million)								
Revenue distributed geographically								
Denmark	60	71	190	113	-	-	250	184
Europe	982	885	3,773	2,823	-	-	4,755	3,708
North America	1,885	1,636	2,348	1,890	-	-	4,233	3,526
Rest of World	976	755	1,461	1,192	-	-	2,437	1,947
Revenue	3,903	3,347	7,772	6,018	-	-	11,675	9,365
Incurred development costs	-384	-429	-723	-413	-74	-65	-1,181	-907
Capitalized development costs	213	249	325	198	-	-	538	447
Amortization, impairment and depreciation of development projects***	-277	-213	-142	-194	4	4	-415	-403
Expensed development costs	-448	-393	-540	-409	-70	-61	-1,058	-863
EBITDA	547	34	1,818	1,448	-50	-37	2,315	1,445
Depreciation and software amortization	-123	-146	-98	-88	-95	-91	-316	-325
EBITA*	424	-112	1,720	1,360	-145	-128	1,999	1,120
EBITA margin	10.9%	-3.3%	22.1%	22.6%	N/A	N/A	17.1%	12.0%
Number of employees, end of period	4,492	4,280	2,300	1,783	307	229	7,099	6,292

* 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 3 – Incentive plans

As of September 30, 2021, the total number of outstanding warrants in GN Hearing was 1,571 (0.2% of the shares issued in GN Hearing). The total number of outstanding warrants in GN Audio was 1,553 (0.4% of the shares issued in GN Audio). The total number of outstanding options in GN Store Nord is 1,900,145 (1.4% of the shares issued in GN Store Nord)

Note 4 – Shareholdings

On September 30, 2021, members of the board of directors and the executive management, respectively, own 86,677 and 131,739 shares in GN Store Nord.

On September 30, 2021, GN owns 10,399,641 treasury shares, equivalent to 7.5% of the 138,175,982 shares issued.

The GN stock is 100% free float, and the company has no dominant shareholders. APG Asset Management N.V. 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 – September 30, 2021.

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

September 30, 2021, and of the results of the group's operations and cash flows for the period January 1 – September 30, 2021.

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, October 29, 2021

Executive Management

René Svendsen-Tune
CEO, GN Store Nord & GN Audio

Gitte Aabo
CEO, GN Hearing

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

Board of Directors

Per Wold-Olsen
Chairman

Jukka Pekka Pertola
Deputy Chairman

Wolfgang Reim

Hélène Barnekow

Ronica Wang

Montserrat Maresch Pascual

Anette Weber

Leo Larsen

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