Annual Report 2023

GN Store Nord A/S

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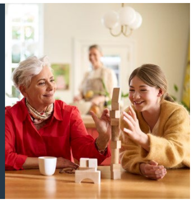

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In this Annual Report 2023, the financial reporting relates to GN's 2023 organization in GN Store Nord, GN Hearing and GN Audio. As communicated in September, 2023, the decision to transform into a one-company setup is expected to change the organizational setup and, consequently, the reporting structure. GN's expected new organization is described on pages 8-13.

Other 2023 reports
www.gn.com/remuneration2023
www.gn.com/corporategovernance2023

Reporting framework
Our annual reporting suite comprises this integrated Annual Report on GN Store Nord’s financial, environmental, social, and governance performance, our Remuneration Report, and our Corporate Governance Report. Our reporting is prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and constitutes GN’s reporting according to Section 99a, 99b, 99d, and 107d in the Danish Financial Statements Act as well as the Communication on Progress to the UN Global Compact.

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2023 performance highlights

18.1 bn

Revenue (DKK)
-1% organic revenue growth

1.8 bn

Adj. EBITA (DKK)
9.9% adj. EBITA margin

34%

reduction in scope 1 and 2 carbon emissions
vs 2022

24%

reduction in scope 3 carbon emissions
vs 2022

10.5 m

people with hearing loss helped
vs 9.8 million in 2022

1.1 bn

Free cash flow excl. M&A (DKK)

4 bn

reduction in net interest-bearing debt (DKK)
vs 2022

22%

women in GN's senior management

50%

AGM-elected women on GN's Board

ESG ratings

AA	12.3 (low risk)	B
MSCI	**Sustainalytics**	**CDP**

Guidance 2024 See more details on performance

Letter from the Chair and CEO

Building leading market positions via innovation, scale, and customer focus

Strong business execution in diverse market conditions
In 2023, GN executed well and delivered strong results in markets that presented a mix of tailwinds and headwinds.

ReSound OMNIA drove market share gains and our hearing business delivered 13% organic growth in a hearing aid market which returned to pre-COVID growth rates. The enterprise market was negatively impacted by macro economic headwinds and buyer hesitancy, however, with promising stabilization in the latter part of the year. In the enterprise category, we successfully defended Jabra's market leadership through focused execution. Consumer markets stabilized throughout 2023 and SteelSeries, in particular, took significant market share, delivering 16% organic growth.

All our businesses updated their portfolios with very strong product launches which were well received by customers and demonstrated GN's continued innovation leadership.

New capital plan provides solid foundation for strategy execution
We have during 2023 reduced our debt by DKK 4 billion through substantial positive cash flow excl. M&A of DKK 1.1 billion which - combined with a successful equity raise, a competitive debt refinancing, and attractive disposal of selected assets - extended the maturity of remaining material debt to Q3 2026.

We are confident that these actions place the company in the best position to continue and further develop our innovation strategy built on 155 years of technology-driven enhancement of vital human senses with the company's overarching purpose of Bringing People Closer.

Transforming GN into a fully integrated innovation powerhouse
In our Annual Report for 2022 we described our strategy to increase the sharing of technologies between our different R&D organizations and drive synergies between our go-to-market models to realize the benefits of an integrated GN Group.

As a natural continuation, in September 2023 we announced the next step in transforming GN's businesses into a one-company setup and simplifying the Group's governance structure.

Our business activities are now being organized in three focused divisions with accountability for customer and business success: Hearing, Enterprise, and Gaming & Consumer. These divisions are supported by strong functions to drive scale across the company: R&D, Operations, Finance, People & Culture, IT, and Strategy & Transformation. The leaders of these divisions and functions of scale together with the CEO and the CFO constitute GN's new Executive Leadership Team.

Entering 2024, the fundamental design of our new organization is largely concluded and we have now moved into the execution of new ways of working, aiming to deliver both financial benefits and multiple advantages to customers, partners, employees, and shareholders.

As part of the one-company transformation, we identified company-wide synergies which will support and accelerate margin improvement across the Group. DKK ~600 million in cost synergies will be realized by 2026 of which approximately two-thirds will be achieved in 2024.

Capturing the full potential of working as one fully integrated company will over time include accelerating our innovation output, harvesting scale benefits, becoming a best-place-to-work company, and delivering attractive value creation above peers.

This more streamlined and customer-focused organizational setup will enable GN in years ahead to further expand our competitive positions in attractive markets, returning to growth and increasing margins.

Thanks to all employees
2023 was a challenging year as GN leaders and employees were asked to drive a fundamental transformation of the company while never losing sight of our primary goal: to serve our customers well at all times.

The organization demonstrated great resilience and we are very proud of the significant strides the people of GN have taken to ensure strong performance while building an even stronger strategic foundation for GN as a fully integrated innovation powerhouse with substantial scale. We would like to sincerely thank all employees for their great efforts.

Jukka Pertola, Chair – Peter Karlstromer, CEO

2023 key events

February

GN expands ReSound OMNIA and Beltone Achieve families enabling more people to hear their best in noise

GN announces Jabra Speak2 - next-generation professional speakerphones for hybrid working

March

GN introduces Jabra Elite 4, feature-packed earbuds for both work and play

GN expands the Jabra Evolve2 range with headsets built for ultra-flexible hybrid working

March

GN ranks one of Fast Company's Most Innovative Companies 2023

Jukka Pekka Pertola takes over as new Chair of GN's Board of Directors

May

GN announces new four pillar capital plan to reduce debt and push all material debt maturities to Q3 2026

June

GN announces new AI-powered features for its Jabra PanaCast 50 and PanaCast 50 Room System, revolutionizing hybrid video conferencing

Søren Jelert is appointed new Group CFO for GN

August

GN unveils its two most advanced earbuds ever: the new military standard earbuds Jabra Elite 8 Active and the new top-tier earbuds Jabra Elite 10

SteelSeries updates its lineup of Apex Pro keyboards and makes them even faster

August

Moving towards reaching our climate targets, four major GN sites switch to renewable energy

September

GN announces one-company organization with three business divisions, group-wide functions of scale, and a new Executive Leadership Team

Peter Karlstromer appointed new Group CEO for GN

September

GN pioneers the next era of hearing through sound, design, and connectivity with ReSound Nexia and Beltone Serene

GN completes divestment of BelAudição, bringing in net proceeds of DKK ~500 million

October

SteelSeries launches Alias microphones powered by Sonar for Streamers, creating and delivering the ultimate streaming experience for gamers

November

GN announces company-wide synergies of DKK ~600 million following one-company integration

GN announces sale and leaseback agreement of the company's headquarter, generating net proceeds of DKK ~500 million

The helicopter view

GN pioneered the next era of hearing through sound, design, and connectivity with the launch of ReSound Nexia and Beltone Serene.
Top rated for speech understanding in noise, these hearing aids offer an unrivaled sound experience and are the first to support Bluetooth LE Audio including Auracast broadcast audio, the future of low energy connectivity.

Innovation and ecosystem leadership

GN stands on a 155-year proud legacy as technology innovator. Our engineers have over the years delivered multiple world's firsts. Now transforming GN into a fully integrated innovation powerhouse will further strengthen our capabilities to deliver unique customer experiences, enhancing vital human senses

2000
1st to introduce Bluetooth® headset, enabling connectivity to e.g. mobile phones

2003
1st to introduce an open mini BTE, greatly improving hearing comfort

2004
1st digital amplifier for enterprise communication with DSP

2004
1st dedicated gaming headset, improving performance for gamers

2011
1st Bluetooth headset with Active Noise Cancellation

2012
1st to introduce 2.4 GHz e2e technology, improving hearing aid connectivity

2013
1st Bluetooth® stereo headphones with Dolby

2014
1st made for iPhone hearing aids enabling audio connectivity

2014
1st wireless earbuds with built-in heart rate monitor, helping you train better

2015
Smart Hearing Alliance with Cochlear benefitting people with cochlear implants

2018
1st to introduce direct streaming from Android using Bluetooth® Low Energy

2019
1st smart panoramic - 4k-pixel plug-and-play enterprise video solution

2020
1st to introduce All Access Directionality & M&RIE, providing a more natural sound experience

2021
New advanced hearing technology developed for over-the-counter in the U.S.

2022
Hearing aids to address number one hearing aid challenge – hearing speech in noise

2023
1st hearing aid supporting Bluetooth® Low Energy Audio

In 2023, the R&D spend was DKK 1.7 bn, corresponding to an R&D revenue ratio of 9.5%

Definitions: BTE: Behind the ear; DSP: Digital Signal Processing; ANC: Active Noise Cancellation; e2e: Ear to Ear; M&RIE: Microphone & Receiver-In-Ear

Purpose and strategic focus

Bringing people closer

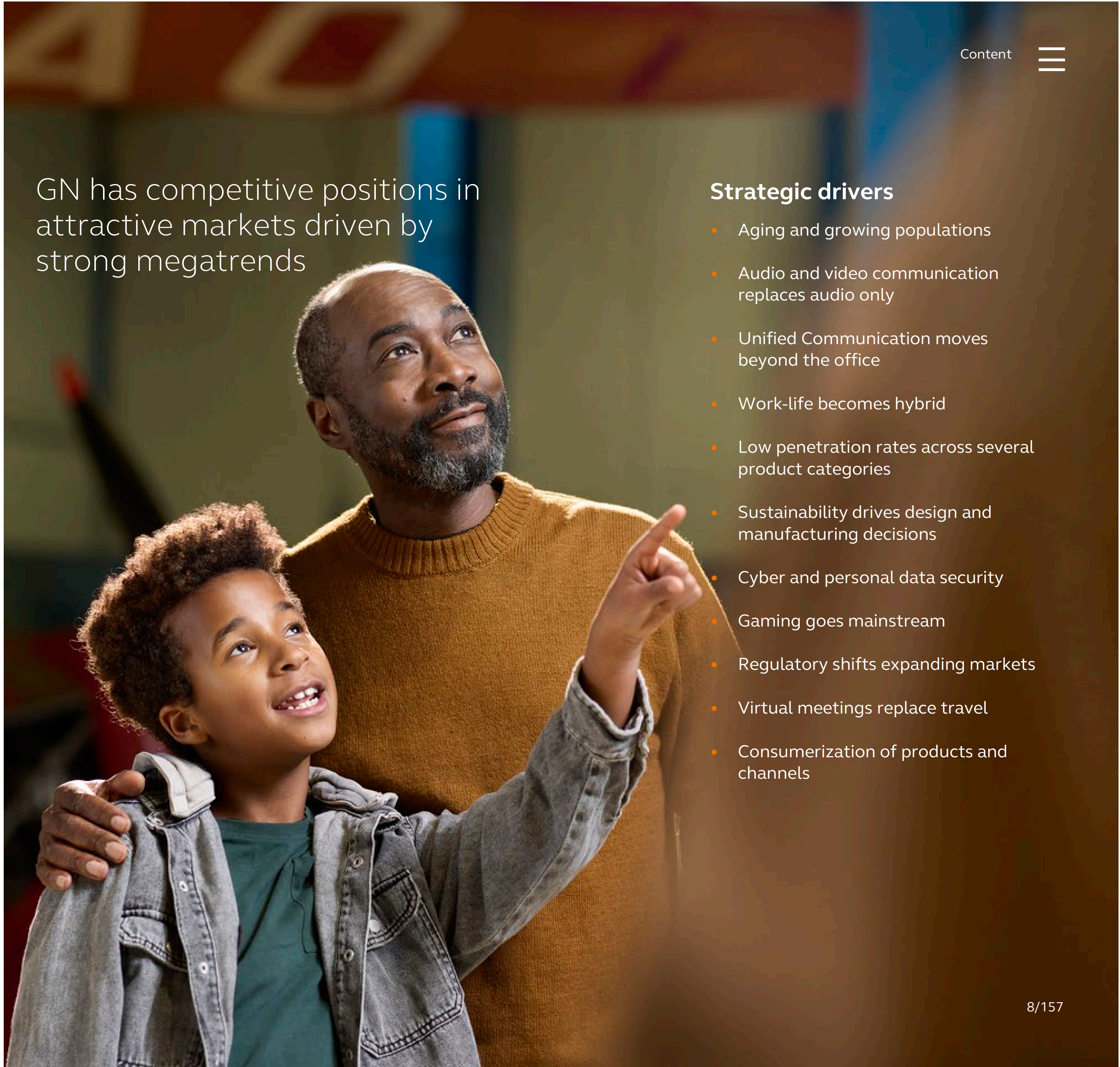
For 155 years, GN has developed technology to bring people closer. From the company's inauguration and into the 20th century, people across the world connected through GN's telegraph technology. Later, radio and mobile communication technology took over and further down the road audio and hearing aid technology came into play. Now, audio, video, gaming, and collaboration tools have become crucial in how people connect and communicate in work and play.

All along, GN's focus has been to facilitate meaningful human interactions via customer-centric technology with the purpose of **bringing people closer** to one another and what matters most to them.

Strong positions in attractive markets fueled by key megatrends

Over the past several years, GN has repositioned from mainly being perceived as a hearing aid company to being a broader technology innovation company. Today, we develop and market innovative hearing aids for people with hearing loss; headsets, speakerphones, and video gear for collaboration at work; a broad range of gear for gaming enthusiasts; and true wireless earbuds for music, calls, and an active lifestyle – products that truly bring people closer.

Driven by our innovative and market-leading portfolio of hardware and software technology solutions, GN enjoys strong positions across attractive markets characterized by high barriers to entry, strong megatrends, and multiple long-term growth drivers.



GN has competitive positions in attractive markets driven by strong megatrends

Strategic drivers

- Aging and growing populations
- Audio and video communication replaces audio only
- Unified Communication moves beyond the office
- Work-life becomes hybrid
- Low penetration rates across several product categories
- Sustainability drives design and manufacturing decisions
- Cyber and personal data security
- Gaming goes mainstream
- Regulatory shifts expanding markets
- Virtual meetings replace travel
- Consumerization of products and channels

Our strategic focus

GN continues to refine its proven growth model, focusing resources on being a dedicated developer, manufacturer, and distributor, being a trusted partner to our customers and partners throughout the globe. An integral part of this asset-light business model is a collaborative approach to important eco-systems and strategic partnerships, allowing GN to focus resources on what we do best and leverage partners where they are the best.

GN's fundamental strategy builds on hardware and software innovation, combining our world-leading expertise and technologies. We will grow our attractive hearing, enterprise, and gaming & consumer businesses leveraging our market access and our unique and synergistic technology competencies.

> GN's strategy builds on hardware and software innovation, combining our world-leading expertise and technologies

Striving to modernize hearing care in core and emerging markets
Today, 80% of people with a hearing disability are non-users due to a multitude of barriers. This is a major health and societal challenge as research suggests a clear link between untreated hearing loss and cognitive decline, and further documents that hearing aids may reduce dementia risk by half.

GN strives to modernize hearing care to deliver relevant solutions to people wherever they are and whenever they need it – whether in-person, remote, or in any combination. This is pursued via GN's innovation philosophy of Organic Hearing with world-class sound quality and connectivity. Additionally, focus is on further strengthening our service and our unique non-competitive partnership with hearing care professionals and building new ways of connecting with consumer and partners.

Utilize strong audio position to grow in video
GN's strategy for its enterprise business is to maintain Jabra's position as the world's leading enterprise audio brand and to build on the credibility this position gives GN in businesses and IT departments of all sizes to accelerate growth in enterprise grade video solutions.

With the prevalence of hybrid working models anticipated to continue – on top of further penetration for enterprise products – the enterprise audio and video markets are expected to offer growth in the future and require products closely integrated into software vendor solutions such as Microsoft Teams to best meet the needs of professionals and enterprises.

GN's growth and market share gains in enterprise audio and video will continue to be driven by product, software, and technology innovation to ensure Jabra solutions offer the best audio and video solutions for all businesses, regardless of their size or their choice of Unified Communication platform.

New market segments, such as frontline workers, and new software offerings, such as the AI-based Jabra Engage AI, will create further growth potential beyond the core enterprise audio, headset, speakerphone, and expanding video businesses.

CASE STORY

Hearing aids may reduce dementia risk by half

Health care cost is an increasing burden in many countries with growing elderly populations. Technology is part of the solution to lower cost and, not least, to improve quality of life. Many GN solutions already play a role in healthcare – from audio and video equipment facilitating physicians' online consultations to medical devices. Increasingly, sensors in earworn devices will be able to assist with early detection of various deceases, also lowering healthcare cost and making life better for individuals.

A recent study* shows that for people with hearing loss the use of hearing aids slowed cognitive decline by 48% for high-risk individuals. The study supports that hearing loss may be a modifiable risk factor for dementia, and that hearing aids may be used as an interventional tool to slow cognitive decline in individuals with higher risk of dementia.

For people with hearing loss the use of hearing aids slow cognitive decline by **48%**

The hearing industry has long suspected a clear link between untreated hearing loss and risk of cognitive decline. This study marks an important milestone as previous research between hearing loss and dementia has predominantly been based on retrospective studies relying on data collected after the fact.

*) Johns Hopkins University School of Medicine: ACHIEVE study (Aging and Cognitive Health Evaluation in Elders) www.achievestudy.org

SteelSeries continues to grow as gaming goes mainstream
In 2023, there were around 1.5 billion gamers[1] globally across PCs, console, mobile, and other devices. Gaming has become ubiquitous, replacing mainstream entertainment, and growth is expected to continue at healthy rates going forward. It has become the preeminent form of social engagement. It is more than just entertainment - it is becoming a lifestyle for all ages and genders.

SteelSeries was the original esports brand, and esports professionals have won more money using SteelSeries gear than any other brand. Over its 20+ years, it has become the brand of choice for those who want to play like the pros. The focus for SteelSeries is to provide best-in-class experiences through performance-enhancing software combined with cutting-edge hardware. As a result, SteelSeries is one of the fastest growing gaming gear brands in the world.

Focusing the product portfolio to create winners in consumer audio
GN's world-class audio technology has strong application in the DKK 105 billion true wireless earbuds market. Today, consumers are looking for products that keep up with their active lifestyles – from workout to working from anywhere. To improve our impact in the market, we have sharpened our product portfolio and our latest products, the Jabra Elite 10 and Elite 8 Active, have been racking up awards, including being recognized as the "Best running headphones of 2023"[2] and winning a CES Innovation Award.

Integrated sustainability strategy with ambitious goals

Sustainability is integrated into our business strategies. In practice this means that we aim to achieve our business goals at a minimal cost to the environment, while protecting the safety and rights of people across our value chain.

In 2020, we set sustainability goals for 2025 in three priority areas: decarbonization, products and packaging, and health. In 2022, we added science-based decarbonization targets for 2030. Due to significant progress in 2023, we are on track to meet our goals (see page 23).

> We aim to achieve our business goals at a minimal cost to the environment

Meanwhile, sustainability-related demands continue to increase from customers, employees, legislators, and investors. We strive to meet these demands proactively so that sustainability provides real value to GN and our stakeholders, whether it is increasingly offering device-as-a-service to support customers meet their circularity goals, scaling up supply chain due diligence to meet new human rights legislation, or investing in charging capacity at our sites to enable our employees to switch to cleaner cars.

[1] "Global Games Market Report", Newzoo (gamers defined as "payers")
[2] By Run Testers, leading experts in the field.

CASE STORY
Solving the hybrid challenges

Hybrid work increasingly becomes the new normal for millions of knowledge workers around the world, challenging the way we collaborate through online and hybrid meetings.

In our Jabra Hybrid Ways of Working 2023 Global Report*, we found that how people were seen and heard, as well as how well they could see and hear their colleagues in remote meetings was impacting team **trust, creativity, and innovation**.

84% increase in engagement when using optimized professional meeting-room headset and video camera

How much is the technology we're using impacting our behavior in meetings and our ability to collaborate effectively? Our key findings are:

- Giving everyone the same professional equipment has a big impact on their meeting experience
- Remote workers have increased presence, impact, and inclusion, when given the right equipment
- Meeting room equipment has a significant impact on remote users' meeting experience
- Technology influences how much we trust people in meetings and trust is an enabler for all business. It opens and closes doors, deals, and perhaps most importantly, it affects our mental wellbeing and productivity at work

*) Meeting great expectations: behaviour, emotion, and trust (jabra.com) - A Jabra study at the London School of Economics' Behavioural Lab on the impact of technology on people in modern meetings (Meeting great expectations; behaviour, emotion, and trust (jabra.com))

At the hearing health industry's International EUHA Congress held in October 2023, GN showcased its newest line of hearing technology, ReSound Nexia and Beltone Serene, which supports the new Bluetooth® LE Audio standard including Auracast™
…and as analysts and media reported: "GN stole the show".

CASE STORY

GN spearheaded the development of the next generation of connectivity

For decades GN has been a pioneer in leveraging Bluetooth® technology, bringing the first mobile headset to market and introducing the first direct-wireless hearing aid, removing the need for neck-worn devices.

Over 10 years ago, GN saw possibilities in a Bluetooth standard protocol for the hearing aid industry, not only for increased accessibility but also for the wider community. Building on our close audio business partnerships with large software vendors, GN initiated the setup of a hearing aid working group within the Bluetooth Special Interest Group (SIG), where GN took a leading role in the development of a new Bluetooth standard - Bluetooth Low Energy (LE) Audio.

GN has now introduced the first hearing aid supporting the new Bluetooth LE Audio. ReSound Nexia and Beltone Serene allow hearing aid users multiple simultaneous connections and hands-free calls with Bluetooth LE Audio compatible devices, as well as higher sound quality and significantly lower battery consumption. And, with Auracast™ broadcast audio, this new standard will allow hearing aid users to hear announcements in public spaces, stream and share audio, transforming how users experience audio in private and public spaces.

This new technology is not solely relevant to hearing aid users but will be the future of how we all consume and share audio. By taking a leading part in the development of the new standard, GN has ensured hearing aid users can benefit from this new technology equally to non-hearing aid users, and that we are ready to leverage the technology as it becomes relevant in new innovations and devices.

Building the foundation for future success

Simplifying our governance and organization, and fully utilizing GN's scale

We remain excited and committed to our key markets – hearing aids, enterprise collaboration, gaming gear, and consumer audio – where attractive megatrends and GN's strong positions will help us create significant economic value.

In recent years, GN has worked to better exploit synergies within the Group's operating entities by increasingly sharing technologies across R&D organizations, driving efficiencies in operations and supply chain, and sharing back-office functions.

Transforming into a one-company setup

To unleash the full power of our organization, we in 2023 took the decision to simplify our governance and change our organization.

We established the foundation for successfully leveraging the significant opportunities we have ahead of us. We strengthened our balance sheet, changed our governance model, and began capturing early synergies from new ways of working, in parallel with executing well and delivering solid results.

On September 4, 2023, GN announced the Board's decision to establish a unified leadership with one Group CEO, one Group CFO, and a new Executive Leadership Team, replacing the previous governance model with two sets of management for two separate companies as well as parent company management.

Three targeted business divisions supported by functions of scale

On October 1, 2023, GN prepared to organize its business activities in three divisions with clear accountability for customer and business success: Hearing, Enterprise, and Gaming & Consumer.

At the same time, support and back-office functions were merged and reorganized to drive scale and synergies across the company: R&D, Operations, Finance, IT, People & Culture, and Strategy & Transformation.

The leaders of these divisions and functions of scale together with the CEO and the CFO constitute GN's new Executive Leadership Team.

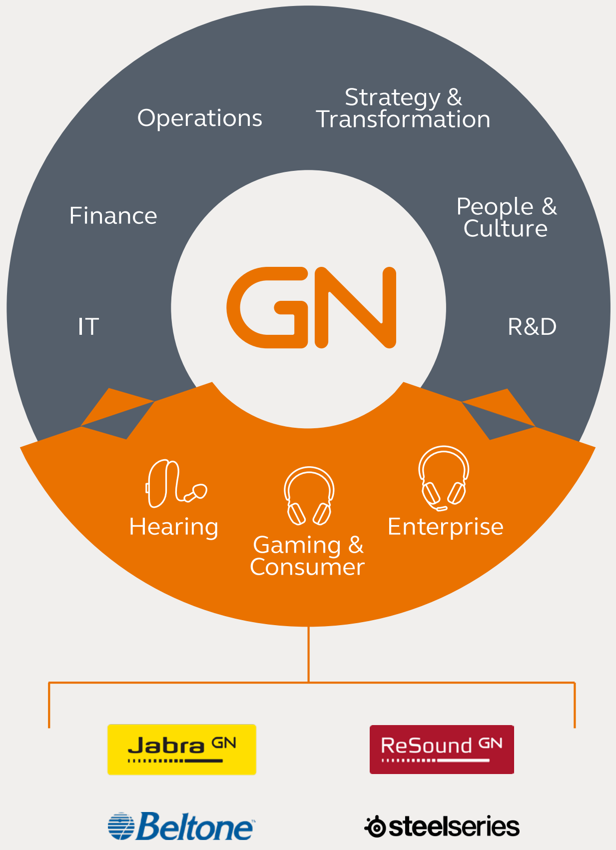
These changes simplify our governance and strengthen the way GN operates. Transforming from a dual leadership with dual organizations to a single-string leadership and one unified company will remove internal efficiency roadblocks, siloed systems and processes, and make the organization simpler, faster, and more impactful.

Utilizing common technologies and expertise across product groups

A cornerstone in driving more innovation in a fully integrated one-company setup is combining our different R&D organizations into one organization, addressing also the ongoing technology and segment convergence more effectively. Leveraging scale and competencies while maintaining a rigorous focus on different customer requirements – notably the differences between medical and consumer regulation – is a core element in creating a fully integrated innovation powerhouse.

While the types of challenges that our products are engineered to solve for customers are highly varied, the technologies inside increasingly converge, enabling better utilization of common standards and

> A simpler and more powerful company, benefitting customers, employees, and shareholders



Scale and critical mass within talents, ideas, technologies, and investments will allow us to innovate more, faster, and better

platforms. Technologies such as sound processing, Bluetooth and wireless connectivity, Artificial Intelligence, miniaturization, power management, software ecosystems, and many more are developed and applied across GN's diverse product innovation.

Scale and critical mass within talents, ideas, technologies, and investments will allow us to innovate more, faster, and better, providing our business divisions with more power to drive impact in their markets. All to the benefit of customers specifically and all other stakeholders generally.

Reliable, diverse, and agile IT, operations, and supply chain services

The advantages of scale and uniform systems and processes equally apply in Operations, where we in the first half of 2023 started to combine our diversified manufacturing and supply chain organizations.

This unified global operations organization manages a significant supply chain, delivering one product every second all year round, providing significant scale benefits from procurement and component sourcing through manufacturing and assembly to distribution and delivery. The integration provides the opportunity to transform into a more customer-centric operations and supply chain engine.

The transformation will also build on a modernization and streamlining of IT, systems, and processes to further support efficient workflows and enable GN's 7,000+ employees to more freely collaborate and utilize their unique competencies. Having a singular vision and serving a unified company will over time enhance IT's ability to leverage functional scale to benefit across all GN's business activities.

New Finance operating model

In mid-2023, GN commenced the reorganization of its separate finance functions into one organization under the leadership of CFO Søren Jelert, who joined GN in June 2023.

The finance organization now moves to a new operating model based on a more scalable platform. This includes setting up a new in-house service delivery center in Warsaw, Poland, supplementing such existing centers in North America and China, driving consistency, scalability, standardization, and automation of end-to-end core finance processes. The new Warsaw-center will become operational in 2024.

Bringing our own people closer

The transformation into one fully integrated company will help ensure GN is a great company to work for. It will free up managers' and employees' time and resources from working more unified to deliver towards innovation, provide strong learning opportunities, enhance career paths across the organization, and support employees' careers over time.

Significant One-GN cost synergies

GN has identified DKK ~600 million in cost synergies from moving to a one-company setup. Approximately two-thirds of these cost savings (across COGS and OPEX) will be achieved in 2024 and the remainder will be realized by 2026. The main sources of these synergies are shown below:

1 Operations – DKK ~200 million

- Joint sourcing of **core product components** (chipsets, hybrids, etc.)
- Joint sourcing of **commodities** (plastics, batteries, cables, electronics, mechanical parts, etc.)
- Joint sourcing of **packaging and accessories** (packaging materials, accessories, carrying cases, etc.)

2 Efficiencies & processes – DKK ~200 million

- **Indirect procurement** (IT software, marketing procurement, external consultancy, IPR services, courier, HR activities, travel, etc.)
- **Finance operating model** (three regional shared delivery centers (SDC), consolidation of European SDC in Poland)
- **Other process initiatives** (Office footprint optimization, alignment of IT systems, etc.)

3 Organization – DKK ~200 million

- **Re-organization** (reducing 300 positions in over-lapping positions in new functions of scale and capacity adjustments in new divisions)
- **New ways of working** (digitizing workflows, removing internal efficiency roadblocks, siloed systems and processes)

Global reach, local presence

GN's functions of scale develops and manufactures cutting-edge hearing aids, enterprise collaboration equipment, gaming gear, and consumer audio products that are marketed and sold in around 100 countries across the world

Research & Development

GN has R&D centers in Denmark, the United States, the Netherlands, Poland, France, and China.

The Group has a unique blend of leading expertise of the human ear, audio, video, speech, gaming, wireless technologies, software, and miniaturization.

In 2023, GN invested DKK 1.7 bn in research and development.

Manufacturing

GN has its own manufacturing sites for hearing aids in Denmark, China, and Malaysia. Regional manufacturing centers are located in the United States and Spain.

GN's audio, video, and gaming products are produced by carefully selected manufacturers mainly in China and Southeast Asia. Most components are sourced from suppliers in Asia. GN works with a small number of tier-one manufacturers supported by more than 100 sub-suppliers.

Sales and distribution

GN's hearing aids are sold in around 100 countries across the world. GN has its own customer teams in 30+ countries and operates via partners and distributors in another 70 countries.

GN's audio, video, and gaming products are sold via distributors, retailers, and GN's own web-stores in 80+ countries across the world. Partners are responsible for logistics, local customization and final packaging to optimize lead-time to the final customer, delivering from four regional centers in Mexico, Poland, China, and Hong Kong.

Financial

Jabra expanded the Evolve2 range with the most comfortable headsets built for ultra-flexible hybrid working. The Evolve2 65 Flex is the most portable professional headset with best-in-class ANC performance and fold-and-go design to support work from anywhere.

Five year overview

DKK million	2019	2020	2021	2022	2023
GN Store Nord					
Revenue	12,574	13,449	15,775	18,687	18,120
Revenue growth	19%	7%	17%	18%	-3%
Organic growth	15%	9%	20%	-3%	-1%
Gross profit margin	60.3%	54.3%	55.0%	48.9%	49.4%
EBITA*	2,321	1,866	2,619	1,560	1,200
EBITA margin*	18.5%	13.9%	16.6%	8.3%	6.6%
Operating profit (loss)	2,002	1,627	2,397	1,111	869
Financial items, net	-92	-6	-90	-405	-462
Profit (loss) before tax	1,913	1,612	2,271	725	343
Effective tax rate	23.3%	21.3%	21.2%	21.4%	22.4%
Profit (loss) for the year	1,468	1,269	1,790	570	266
Total assets	16,683	16,682	23,552	30,589	30,642
Total equity	4,849	5,178	6,229	6,800	9,587
ROIC (EBITA*/Average invested capital)	25%	19%	25%	9%	5%
Earnings per share, basic (EPS)	11.12	9.72	13.63	4.00	1.64
Earnings per share, fully diluted (EPS diluted)	10.98	9.63	13.49	3.99	1.64
Investments in property, plant and equipment	-232	-221	-457	-209	-351
Free cash flow excl. company acquisitions and divestments	1,296	1,865	702	-1,291	1,092
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA*)	56%	100%	27%	-83%	91%
Equity ratio	29.1%	31.0%	26.4%	22.2%	31.3%
Net interest-bearing debt**	4,805	3,755	4,829	14,561	10,567
Net interest-bearing debt (period-end)/EBITDA	1.8	1.6	1.6	7.1	6.0
Payout ratio	14%	16%	12%	-	-
Share buybacks***	1,626	453	1,166	-	-
Outstanding shares, end of period (thousand)	128,952	128,975	127,718	127,973	145,613
Average number of outstanding shares (thousand)	130,762	128,805	128,816	127,823	138,883
Average number of outstanding shares, fully diluted (thousand)	132,367	130,032	130,194	128,126	138,991
Treasury shares, end of period (thousand)	13,316	13,293	10,458	9,220	5,300
Share price at the end of the period	313.3	487.2	411.3	159.8	172
Market capitalization	40,401	62,837	52,530	20,444	25,016

* Please refer to Key Ratio Definitions on page 132 for definition of EBITA ** Please refer to Key Ratio Definitions on page 132 for definition of Net interest-bearing debt. NIBD figures have been adjusted to include Loans to dispensers as these are interest bearing
*** Including buybacks as part of the share-based incentive programs

DKK million	2019	2020	2021	2022	2023
GN Hearing					
Revenue	6,351	4,725	5,332	6,227	6,802
Revenue growth	9%	-26%	13%	17%	9%
Organic growth	7%	-24%	16%	5%	13%
Gross profit margin	69.0%	61.5%	63.8%	62.7%	59.9%
EBITA*	1,284	41	643	453	554
EBITA margin*	20.2%	0.9%	12.1%	7.3%	8.1%
ROIC (EBITA*/Average invested capital)	19%	1%	9%	5%	7%
Free cash flow excl. company acquisitions and divestments	672	127	198	-377	269
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA*)	52%	310%	31%	-83%	49%
GN Audio					
Revenue	6,223	8,724	10,443	12,460	11,318
Revenue growth	30%	40%	20%	19%	-9%
Organic growth	26%	42%	22%	-7%	-8%
Gross profit margin	51.5%	50.4%	50.6%	41.9%	43.0%
EBITA*	1,192	2,002	2,164	1,299	1,019
EBITA margin*	19.2%	22.9%	20.7%	10.4%	9.0%
ROIC (EBITA*/Average invested capital)	57%	81%	79%	17%	9%
Free cash flow excl. company acquisitions and divestments	849	1,729	1,288	-91	1,031
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA*)	71%	86%	60%	-7%	101%

ESG summary

	2019	2020	2021	2022	2023
Environmental					
Scope 1 and 2 emissions (tons CO2e)	-	-	10,507	8,475	5,564
Scope 3 emissions (tons CO2e)	-	-	430,242	456,562	345,081
Social					
Number of people with hearing loss helped (m)	9	9.1	9.4	9.8	10.5
Supplier ESG audits	49	39	40	31	61
Governance					
Women in senior management (%)	20%	21%	21%	23%	22%
AGM-elected women on GN's Board (%)	40%	57%	57%	66%	50%

Financial review 2023

Revenue

In 2023, the markets presented a mixed bag of tailwinds and headwinds, but the company executed well and delivered strong results. GN Store Nord's revenue ended at DKK 18,120 million including organic revenue growth of -1% compared to -3% in 2022 - in line with financial guidance. The impact from the development in foreign exchange rates was -2%.

GN Hearing

In the hearing aid business, GN executed strongly leading to market share gains as a result of 13% organic revenue growth – in line with financial guidance. The performance was broad-based across channels driven by the successful ReSound OMNIA family with 12% organic revenue growth in the Core business and 33% organic revenue growth in the Emerging business. Revenue reached DKK 6,802 million, compared to DKK 6,227 million in 2022, including M&A impact of -1% while impact from foreign exchange rates was -2%.

In North America, the hearing aid market experienced strong volume growth in 2023, somewhat higher than the historical 4-6% volume growth. On the back of the robust hearing aid market, GN delivered continued market share gains, realizing an organic revenue growth of 20% in 2023.

The performance in the U.S. Veterans Affairs (VA) was characterized by a stabilized market share position as a result of the ReSound OMNIA launch in late 2022. The VA channel has proven more sticky than the rest of the market, but the stabilization of the market share has provided a solid foundation for ReSound Nexia, which will be available by May 1, 2024.

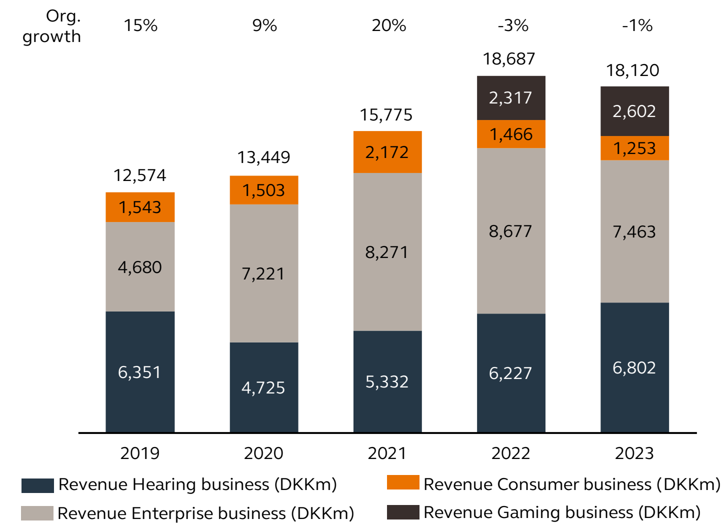
The reception of Jabra Enhance Pro 10 at a large retailer was very strong and drove a meaningful part of the overall growth for North America. By late 2023, Jabra Enhance Pro 20 was launched into the retailer with strong early feedback.

In the independent channel, GN continued to win market share driven by ReSound OMNIA and with strong initial reception of ReSound Nexia in late 2023. In the online channel/OTC, GN performed strongly with 33% organic growth in the Emerging business. The overall revenue in North America ended at DKK 3,407 million (compared to DKK 2,939 million in 2022), equal to revenue growth of 16% with M&A impact of -2%, while impact from foreign exchange rates was -2%.

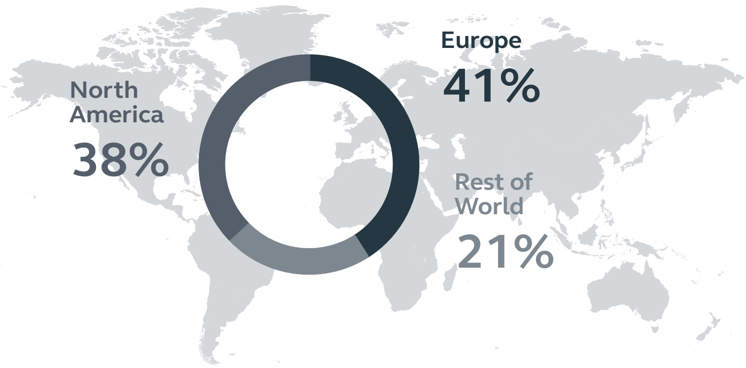
In Europe, the hearing aid market experienced volume growth slightly below the historical 4-6% growth rate. Despite the challenging market conditions and a difficult comparison base, GN took market share and delivered organic revenue growth of 5%. The performance was supported by strong execution in especially France and the U.K. The overall revenue in Europe ended at DKK 1,887 million (compared to DKK 1,794 million in 2022), equal to revenue growth of 5% with M&A impact of 1%, while impact from foreign exchange rates was -1%.

In Rest of World, the hearing aid market experienced a general catch-up following COVID-19 with market volume growth above the historical 4-6% growth rate. GN performed strongly leading to organic revenue growth of 6% driven by strong performance in Australia, China, and Japan on top of a difficult comparison base. Overall revenue in Rest of World ended at DKK 1,508 million (compared to DKK 1,494 million in 2022), equal to revenue growth of 1%, while impact from foreign exchange rates was -5%.

Revenue (DKKm) and organic revenue growth (%)



Revenue distribution



GN Audio

In the Enterprise business, GN executed solidly in challenging market conditions and against a high comparison base, while defending its global market leadership, thus positioning GN well for the anticipated enterprise market recovery. SteelSeries continued its strong execution, and once again took significant market share in a flat market, while the Consumer business took important steps to improve profitability by narrowing the product portfolio. The execution led to -8% organic revenue growth for GN Audio – in line with financial guidance. Revenue in 2023 reached DKK 11,318 million, compared to DKK 12,460 million in 2022, while impact from foreign exchange rates was -1%.

In the Enterprise business, GN was negatively impacted by challenging market conditions driven by macro uncertainty and buyer hesitancy, although with some market stabilization during the year. Moreover, the enterprise market faced a high comparison base from 2022, when supply chain constraints easened, resulting in estimated double-digit negative market growth. As a result of continued channel execution and the market-leading product portfolio, Enterprise revenue was DKK 7,463 million compared to DKK 8,677 million in 2022 translating into organic revenue growth of -13%.

In the Gaming business, SteelSeries was exposed to a flat gaming gear market development in 2023. In this stabilized market, SteelSeries continued to take advantage of its premium and innovative product portfolio and continued channel execution to once again win significant market share. In addition, SteelSeries executed very well on inventory reduction initiatives. The strong performance resulted in revenue of DKK 2,602 million compared to DKK 2,317 million in 2022 translating into organic revenue growth of 16%.

In the Consumer business, GN was exposed to a broader consumer market that saw some stabilization during the year. GN took important actions to restructure the Consumer business by narrowing the product portfolio to set the business up for growth and profitability. An important lever in the execution was related to the launch of one mid-range and two new premium true wireless earbuds, Jabra Elite 8 Active and Elite 10, which were brought to market in Q3 and drove a significant part of the revenue at the end of the year. Due to the execution across the business, the true wireless earbud category (which is the clear majority of the revenue in the Consumer business) experienced some growth in 2023. As a result, the Consumer revenue was DKK 1,253 million compared to DKK 1,466 million in 2022 translating into an organic revenue growth of -13%.

Gross Profit

GN Store Nord's adj. gross profit reached DKK 9,038 million compared to DKK 9,283 million in 2022. The adj. gross margin ended at 49.9% (compared to 49.7%) and was negatively impacted by the revenue decline in Enterprise, promotional activities in the consumer-facing businesses as well as negative mix in the hearing aid business, but somewhat offset by the easing of freight costs.

GN Hearing

Adj. gross profit reached DKK 4,169 million corresponding to a gross margin of 61.3% compared to 63.6% in 2022. The gross margin was positively impacted by pricing initiatives of the premium launches, but more than offset by retail disposals including BelAudição as well as a negative channel/country mix.

GN Audio

Adj. gross profit reached DKK 4,869 million corresponding to a gross margin of 43.0% compared to 43.5% in 2022. The development reflects a negative business mix as well as ongoing broadly promotional activities in the consumer-oriented businesses, but almost offset by a price increase in Enterprise as well as easing freight costs.

OPEX

GN Store Nord's adj. OPEX ended at DKK -7,244 million in 2023 compared to DKK -7,218 million in 2022. The development reflects continued cost reduction measures implemented throughout the year on top of inflationary impact and IT investments.

GN Hearing

Following a few years of ongoing cost reduction measures to right-size the cost base, further initiatives were executed during 2023 with the aim to keep OPEX in check compared to 2022. Consequently, total OPEX excl. non-recurring items and hedging effects ended at DKK -3,361 million, equal to a increase of 2% compared to 2022.

GN Audio

OPEX was prudently managed during the year with an 7% reduction in selling and distribution costs as a consequence of cost reduction measures. This was partly offset by investments into IT. Consequently, total OPEX excl. non-recurring items and hedging effects ended at DKK -3,672 million, equal to a decrease of 1% compared to 2022.

EBITA

GN Store Nord's adj. EBITA was DKK 1,794 million compared to DKK 2,166 million in 2022 (EBITA in Other ended at DKK -211 million excluding non-recurring items of DKK -160 million). The decline was 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. As a result, GN Store Nord's adj. EBITA margin ended at 9.9% compared to 11.6% in 2022. Reported EBITA was DKK 1,200 million, reflecting non-recurring items of DKK -594 million due to initiatives to restore profitability across the group including the announced synergy initiatives.

GN Hearing

GN Hearing's adj. EBITA was DKK 808 million, with the Core business delivering adj. EBITA of DKK 960 million, equal to an EBITA margin of 14.7% compared to 13.1% in 2022, in line with the financial guidance. The development reflects the significant market share gains on top of tightly managed OPEX driving operating leverage. The Emerging business delivered EBITA of DKK -152 million due to continued investments in lead generation to drive topline growth. Reported EBITA for GN Hearing amounted to DKK 554 million reflecting non-recurring items of DKK -254 million.

GN Audio

GN Audio's adj. EBITA ended at DKK 1,197 million, translating into an adj. EBITA margin of 10.6%, compared to 14.1% in 2022, which was in line with financial guidance. The development reflects the revenue decline, partly off-set by tightly managed OPEX. Reported EBITA was DKK 1,017 million, reflecting DKK -180 million in non-recurring items.

Other profit & loss items

In 2023, amortization of acquired intangible assets amounted to DKK -392 million compared to DKK -440 million in 2022. Financial items were DKK -462 million in 2023 compared to DKK -405 million in 2022, primarily driven by increasing financing costs as a consequence of the increasing interest rate levels.

In 2023, share of profit (loss) in associates was DKK -64 million compared to DKK 19 million in 2022. Gain (loss) on divestment of operations, etc. was DKK 61 million compared to DKK -9 million in 2022 primarily due to a non-cash gain from the disposal of BelAudição. Adj. profit before tax was DKK 937 million (reported profit before tax was DKK 343 million) compared to DKK 1,349 million in 2022.

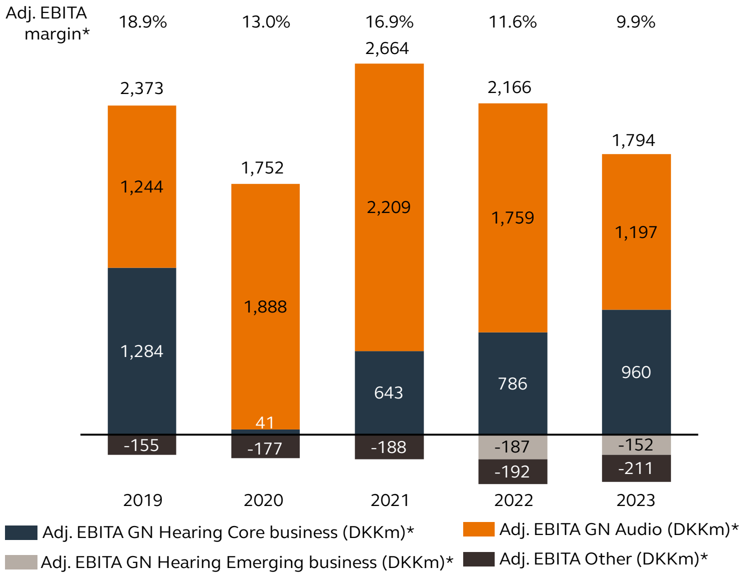
The effective tax rate was 22.4% (an increase of around 1 percentage point due to a previous R&D tax relief scheme in Denmark not being prolonged), translating into an adj. net profit of DKK 727 million (reported net profit of DKK 266 million) compared to DKK 1,060 million in 2022.

Free cash flow

GN Store Nord delivered a substantial free cash flow excl. M&A of DKK 1,092 million compared to DKK -1,291 million in 2022, mainly driven by the solid earnings level and a positive change in working capital related to inventory reductions as well as a significant improvement in trade payables driven by a new commercial agreement with a major manufacturing and logistics provider.

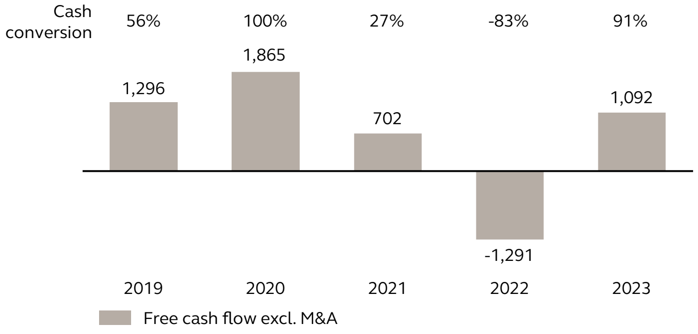
In addition to the strong operational cash flow, M&A contributed with an additional DKK 405 million primarily explained by the disposal of BelAudição. As a result, total free cash flow ended at DKK 1,497 million.

Adj. EBITA (DKKm) and Adj. EBITA margin (%)



*Excluding non-recurring items in 2019, 2020, 2021, 2022, and 2023

Free cash flow excl. M&A (DKKm) and cash conversion (%)



Capital structure

Net interest-bearing debt decreased significantly by 27% to DKK 10,567 million compared to DKK 14,561 million by the end of 2022, driven by the strong free cash flow generation including the disposal of BelAudição as well as the private placing of 17 million shares. The adj. leverage ended at 4.5x as a result of the strong decrease in net interest-bearing debt, only partly offset by the negative impact on adj. EBITDA from the revenue decline. Reported leverage ratio was 6.0x reflecting DKK -594 million non-recurring items. By the end of 2023, GN had cash and cash equivalents of DKK 2,162 million. Moreover, GN has access to an undrawn revolving credit facility of DKK 3.9 billion (EUR 520 million) with maturity in Q2 2027.

Capital plan

In May, 2023, GN announced a new capital plan to prepare for repayment of approximately DKK 7 billion debt that matures in 2024 and effectively pushes all material debt maturities to Q3 2026. Execution of the four pillars of the plan continues to progress 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:** New DKK 6.0 billion (EUR 800 million) term loan facility maturing in 2026 replaced existing DKK 3.9 billion (EUR 520 million) term loan. The new loan was signed and finalized on September 27, 2023
- **Disposals:** DKK 1.0 – 2.0 billion to be generated by disposals of selected assets. Disposal of BelAudição generated DKK ~500 million in Q3 2023. Moreover, GN has arranged a sale and leaseback of the company's headquarter, which generated net proceeds of DKK ~500 million during Q4 2023
- **Operational measures:** Cash at hand and positive free cash flow excl. M&A for 2023 and 2024 at Group level; DKK 1.1 billion cash flow excl. M&A generated in 2023

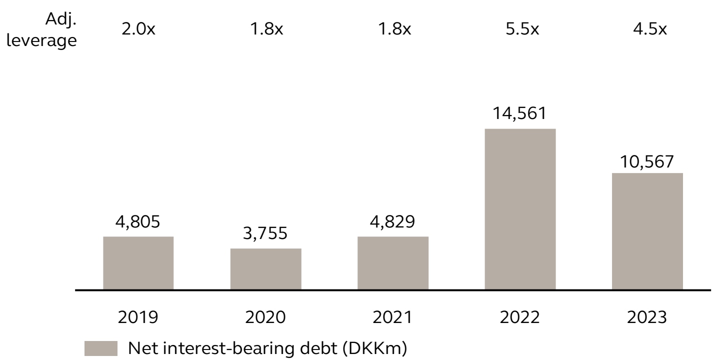
Financial overview 2023

	GN Hearing			GN Audio			
DKK million - 2023	Core business	Emerging business	GN Hearing	Enterprise	Consumer	SteelSeries	GN Audio
Revenue	6,535	267	6,802	7,463	1,253	2,602	11,318
Organic growth	12%	33%	13%	-13%	-13%	16%	-8%
Adj. EBITA**	960	-152	808				1,197
Adj. EBITA margin**	14.7%		11.9%				10.6%

	Group total*			GN Hearing			GN Audio		
DKK million	2023	2022	Growth	2023	2022	Growth	2023	2022	Growth
Revenue	**18,120**	**18,687**	**-3%**	**6,802**	**6,227**	**9%**	**11,318**	**12,460**	**-9%**
Organic growth	-1%	-3%		13%	5%		-8%	-7%	
Adj. Gross profit**	**9,038**	**9,384**	**-4%**	**4,169**	**3,963**	**5%**	**4,869**	**5,421**	**-10%**
Adj. Gross profit margin**	49.9%	50.2%	-0.3%p	61.3%	63.6%	-2.3%p	43.0%	43.5%	-0.5%p
Adj. EBITA**	**1,794**	**2,166**	**-17%**	**808**	**599**	**35%**	**1,197**	**1,759**	**-32%**
Adj. EBITA margin**	9.9%	11.6%	-1.7%p	11.9%	9.6%	2.3%p	10.6%	14.1%	-3.5%p
Adj. Earnings per share (EPS)***	**6.82**	**10.54**	**-35%**						
Free cash flow excl. M&A	1,092	-1,291	2,383	269	-377	646	1,034	-91	1,125

* Including "Other"
** Excluding non-recurring items (DKK -180 million in OPEX in GN Audio, DKK -93 million in COGS in GN Hearing, DKK -161 million in OPEX in GN Hearing and DKK -160 million in OPEX in Other) in 2023. Excluding non-recurring items (DKK -196 million in COGS in GN Audio, DKK -264 million in OPEX in GN Audio, DKK -56 million in COGS in GN Hearing and DKK -90 million in OPEX in GN Hearing) in 2022
*** Excluding non-recurring items (DKK -594 million in 2023 and DKK -624 million in 2022) and amortization of acquired intangible assets

Net interest-bearing debt (DKKm)



Financial guidance 2024

GN Store Nord

2% to 8% organic revenue growth

12% to 14% EBITA margin

>700 Free cash flow excl. M&A (DKKm)

Key assumptions

Hearing division

Following a very strong market growth in 2023, GN expects the markets to return to historical growth rates supported by ongoing favorable demographic trends. As such, GN projects 4-6% market volume growth and -1% to -2% market ASP decline.

Driven by the overwhelmingly positive feedback on ReSound Nexia, GN expects continued strong market share gains on top of a very successful 2023. Consequently, the Hearing division assumes to contribute with organic revenue growth of 8% to 12%. Moreover, the underlying assumptions include an EBITA margin in the core hearing aid business of 18% to 20%.

Enterprise division

Following some very difficult years in the broader Enterprise equipment market, 2023 saw some general volume stabilization. Supported by early signs of a healthier PC market at the end of 2023 and an expected increase in broader IT equipment spend during 2024, GN projects that the addressable Enterprise market will return to positive value growth sometime during 2024.

GN expects to be able to continue to defend its market-leading position in Enterprise headsets driven by the updated and innovation-led product portfolio and to win market share in Enterprise video due to our industry-leading offering, channel access strength, and strong partnerships with leading software vendors. Consequently, the Enterprise division assumes to contribute with organic revenue growth of -3% to 5%.

Gaming & Consumer division

The broader Consumer market experienced general stabilization during 2023, following a very difficult 2022. Despite the current macro economic headwinds and related impact on consumer sentiment, GN projects a slightly growing value market for GN's addressable Gaming & Consumer market in 2024.

GN expects to be able to defend its market share in the true wireless segment driven by continued innovation and continue to gain market share within SteelSeries because of the very strong brand and innovation leadership. Consequently, the Gaming & Consumer division assumes to contribute with organic revenue growth of 2% to 10%.

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 as well as foreign exchange rates, 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).

For more information, please see the "Management's report" and "Risk management" sections in this Annual Report. This Annual Report should not be considered an offer to sell securities in GN.

ESG

The Arctis Nova Pro wireless headset from SteelSeries provides high fidelity audio, 360 degrees spatial audio, Sonar audio software suite, and Pro Grade Parametric EQ - and is the first gaming headset to gain TCO certification, the leading sustainability certification for headsets.

ESG progress

In 2023, we made significant progress towards our ESG goals

Our current ESG agenda is centered around three pillars: Health, climate, and products and packaging.

In the **health** pillar, we during 2023 met our target to help 10 million people with hearing loss ahead of our 2025 target.

In the **climate** pillar, we made significant progress towards our decarbonization goal in scopes 1 and 2, and have also reduced emissions in scope 3. With the plans and activities we have initiated, we expect the major decarbonization effects in scope 3 to take place 2025-2030.

In the **products and packaging** pillar, we have significantly increased the use of recycled plastics in our products and are on track to meet our 2025 target, while the vast majority of our packaging already now meets the sustainability requirements set for 2025.

Health

Target	*Help 10 million people with hearing loss by 2025*	*Create awareness of hearing loss and add new health functionality to our products by 2025*	*Support unmet hearing health needs through donations and capacity-building (ongoing)*
2023 progress	We estimated that we helped 10.5* million people with hearing loss (see page 37)	We continued to invest in cognitive health research and greater awareness of hearing health (see page 37)	We have engaged in several philanthropic activities (see page 37)

Climate

Target	*Reduce carbon emissions in scopes 1 and 2 by 80% by 2030*	*Reduce carbon emissions in scope 3 by 25% by 2030*	*Halve the carbon footprint of company air travel per employee compared to 2019 (ongoing)*
2023 progress	We have reduced scope 1 and 2 emissions by 47% compared to our 2021 baseline (see page 27)	We have reduced scope 3 emissions by 20% vs our 2021 baseline (see page 27)	We have reduced the carbon footprint of business travel per employee by 17% vs a 2019 baseline

Products and packaging

Target	*Use at least 50% non-virgin material** in new products by 2025*	*Minimal plastic, small size, FSC-certified packaging for all new products by 2025*	*Give more products a second life through take-back schemes, repair, or refurb by 2025*
2023 progress	We launched nine products containing recycled plastic, of which four already meet the 50% target (see page 30)	62% of our newly launched products met our sustainable packaging requirements (see page 30)	We have taken several circularity initiatives (see page 31)

* Calculated using sales volumes of GN hearing aids and assumptions based on EHIMA figures for binaural treatment and replacement rates (five years for high-income countries and eight years for low-income countries)
** Measured as % of total weight of mechanical parts

Impact across our value chain

Key resources

Engaged and focused people
Innovation and ecosystem leadership
Global reach, local presence

Value chain

- Maximize positive impact
- Minimize negative impact

Value created

Our customers and partners
Creating products, services, and experiences that thrill customers and partners

Our people
Providing a great, safe, and rewarding place to work with equal opportunity for all

Our world and environment
Pursuing responsible and inclusive business practices. Designing environmentally conscious products, services, and operations

Our investors
Delivering shareholder value by executing on the company strategy

Double materiality assessment

Getting ready for EU CSRD reporting

GN is subject to the EU's Corporate Sustainability Reporting Directive (CSRD), and in accordance with this directive, our Annual Report for 2024 will comply with its reporting standards. As specified in the standards, in 2023 we have executed a double materiality assessment to set the scope for CSRD-compliant reporting from next year onwards.

Methodology
We executed the double materiality assessment by scoring 132 ESG sub-topics contained in the 12 standards on a scale from 0-5 on two parameters:

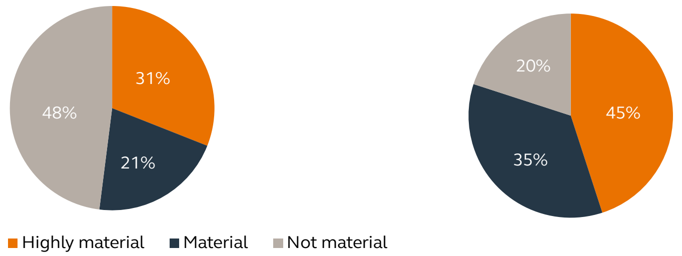
- Actual or potential impact of GN on people and environment (e.g. air pollution as a consequence of manufacturing of our products)
- Actual or potential financial risk to GN as a consequence of this topic (e.g. the cost to GN's operations of climate adaptation)

A scoring key and methodology were developed in accordance with the standard and 27 internal and 8 external stakeholders were consulted in the scoring process. We made a distinction between 'own operations', which will all be in scope for full-year 2024 reporting and 'value chain' topics, some of which will phase in as reporting requirements over the next years. Topics that are scored a 2 or above are considered material to GN, while topics that are scored 3 or above are considered highly material to GN.

Results
Based on our current understanding, we assess around half of sub-topics to be either material or highly material for our own operations. We continuously review materiality of topics based on additional EU guidance and/or data and insights, and will adjust materiality scores accordingly ahead of FY2024 reporting if needed. For our value chain, our assessment shows that a larger number of topics are material, reflecting a higher number of (potential) ESG impacts in some of the industries on which we depend. Our reporting on value chain topics will reflect that some of these topics require less quantitative data and will phase in after financial year 2024.

Materiality of topics in own operations

Materiality of topics in value chain



Next steps
In 2024, we will implement an updated ESG reporting framework with robust reporting processes, systems, and controls to report on all highly material topics (score ≥3) for disclosures related to our own operations, and where relevant our value chain, in accordance with the standards.

For material topics (score ≥2-3) we will closely track evolving guidance and consensus from the EU, assurance providers, and within our industries in several areas in which there is currently a lack of clarity on how to interpret the standards. Where this impacts scoring, we will make required adjustments to the scope of our full-year 2024 reporting.

Overview of highly material topics

Environment	Social	Governance
Own operations		
Carbon emissions in scope 1+2	Health and safety	Dependence on suppliers to mitigate ESG impacts
Energy use	Violence and harassment	
Resource inflow and outflow	Gender equality	
Substances of concern	Adequate wage (blue collar)	
Waste		
Value chain		
Carbon emissions in scope 3	Health and safety	Dependence on suppliers to mitigate ESG impacts
Energy use	Secure employment	
Water, soil, and food pollution	Violence and harassment	
Substances of (very high) concern and microplastics	Work-life balance and adequate wages	
Water withdrawal and discharge	Social dialogue	
Biodiversity (land use, species extinction, and pollution)	Freedom of association and collective bargaining	
Resource inflow	Child and forced labor	
Production waste	(Gender) diversity and inclusion	

Environment

Jabra PanaCast 50 Video Bar System facilitates next-level hybrid meeting experiences with a full suite of flexible, scalable deployment options, offering a more collaborative and inclusive experience on native Unified Communications applications like Microsoft Teams Rooms and Zoom Rooms.

Decarbonization

Total emissions have decreased 20% since 2021

By 2030, GN will reduce absolute CO_2 emissions from our own operations by 80% and from our value chain by 25% from a 2021 baseline. These targets were validated by the Science Based Targets initiative in 2022. We are committed to reaching net-zero by 2050, at the latest.

Scopes 1 and 2 – Our major sites now run on renewable power

Approximately 68% of our scope 1 and 2 emissions come from electricity use. To achieve our scope 1 and 2 target, we are focusing on energy efficiency and rapidly increasing the share of energy consumption from renewable sources. Read more about energy efficiency on page 28.

In 2023, we increased renewables share from 9% to 30% mainly by securing renewable power for our largest sites (see calculation methodology on page 57). Together, the initiatives implemented reduce scope 1 and 2 emissions by 34% from 2022 and by 47% from 2021.

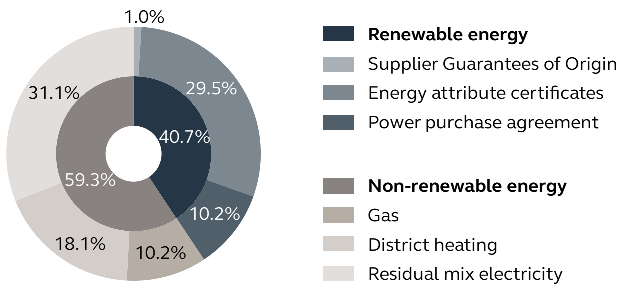
As of July 2023, the GN headquarters and production in Denmark have been powered by a new solar farm in Jutland, Denmark, via a power purchase agreement (PPA). The PPA reduces annual scope 1 and 2 emissions by ~20% compared to 2021.

Our largest production site in Johor, Malaysia, accounted for ~15% of GN's power consumption and 34% of location-based scope 2 emissions in 2023. To ensure our transition to renewable energy leads to real decarbonization, 'additionality' is a requirement when we procure clean power. This means that we purchase energy attribute certificates (EACs) from local, newly built projects. For at least 2023-2026, our Malaysian site will be running on renewable power through a long-term energy attribute certificate (EAC) purchase agreement. The energy is generated from a solar rooftop installation at an industrial facility in Malaysia, which was commissioned in 2021.

Finally, we procured EACs from a hydropower project in China and a wind power project in the U.S., covering electricity consumed at our production sites in Xiamen and Bloomington, Minnesota, respectively. This cut scope 1 and 2 emissions by ~1526 tCO_2e (15%) from 2021.

GN's energy consumption in 2023

Split of non-/renewable energy sources and contractual instruments for sites where GN holds the contract with the energy provider.



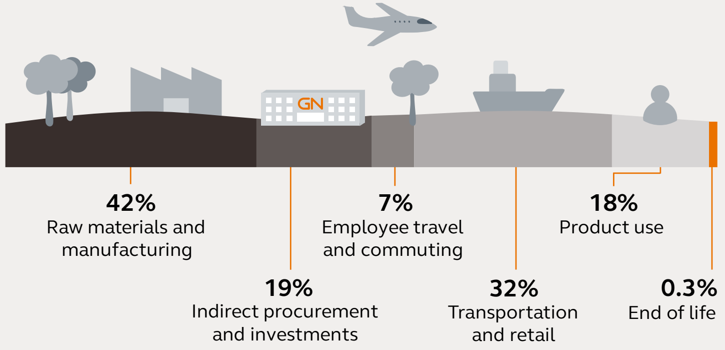
Scope 3 – Freight emissions reduced by 29% since 2022

GN's largest climate impact comes from our products and their transportation to customers around the world. These activities therefore lie at the heart of our decarbonization strategy. Products and packaging decarbonization initiatives, including product design and supply chain engagement, are detailed on pages 29-30 and 32.

In 2023, we increased ocean freight share, which cut inbound freight emissions by ~40,250 tCO_2e. This makes up 72% of the 55778 tCO2e reduction in scope 3 (category 4) in 2023 compared to 2021.

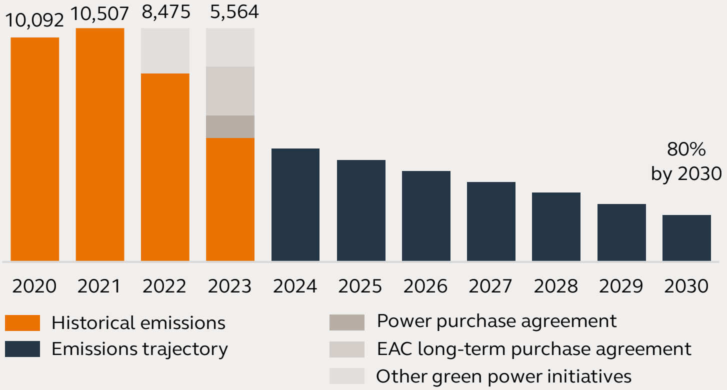
Our carbon footprint

We completed a full scope 3 inventory aligned with the GHG Protocol Corporate Standard. The chart shows the relative size of emission sources along our value chain.



Scope 1 and 2 emissions roadmap

We will close the gap to our 2030 scope 1 and 2 emission reduction target by increasing energy efficiency at our major sites and moving to renewable energy where possible for all remaining sites.



Responsible manufacturing

Environmental management
To ensure we continuously minimize the environmental impact of our manufacturing processes and comply with relevant legislation, our global manufacturing sites in China and Malaysia are ISO14001 certified, alongside our repair center in China.

Manufacturing of products outside of our hearing aid portfolio is outsourced. Here, all tier 1 manufacturing suppliers are ISO14001 certified. See page 32 for how we engage more broadly on environmental topics with our suppliers.

Energy
Energy efficiency is a high priority across all our sites. An energy audit was conducted at our global production site in Johor, Malaysia, which is our most power intensive manufacturing site. The audit identified a potential reduction in annual electricity consumption of up to 6%. The expected saving mainly comes from changes to the chiller system, which currently accounts for around 46% of the site's total power consumption.

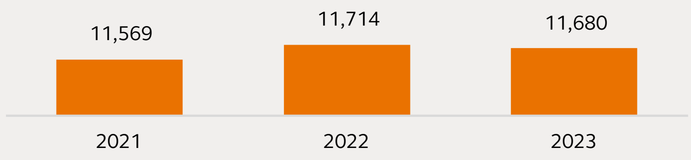
In early 2023, we also finished changing all our lighting to LEDs at our regional operations center in Bloomington, Minnesota, U.S.

Waste
Local licensed waste management providers collect and treat hazardous and non-hazardous waste generated by all GN manufacturing sites.

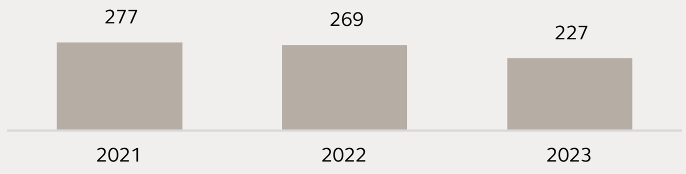
At our global production site in Xiamen, China, we have implemented a recycling initiative for Isopropanol (IPA) - a hazardous cleaning agent used in the manufacturing process. By purchasing specialist equipment, the site expects to reduce annual IPA waste by 80%.

Water
Water consumption at GN's facilities is limited and primarily used for heating, cooling, and sanitary purposes. Initiatives to reduce water consumption include daily monitoring of water use, stormwater collection, and using auto stop water. Total water use at GN's manufacturing facilities increased by 3% from 2022.

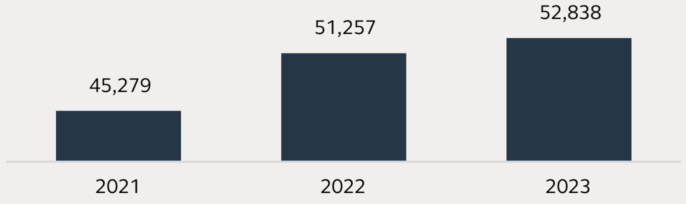
Energy consumption
Total energy use in GN-operated manufacturing sites (MWh)



Waste
Total waste generated by all GN manufacturing sites (mt)



Water use
Total water use at GN manufacturing sites (m^3)



Product sustainability

Sustainability is a key consideration in how we design, manufacture, package and transport our products

Product safety and compliance

At the foundation of our product development, we make no compromises when it comes to the safety of the users of our products. To ensure our products do not contain hazardous or harmful materials, we comply with the European Restriction of Hazardous Substances Directive (RoHS) and Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulations, as well as various regional regulations. We closely monitor additional emerging product-related legislation, such as EcoDesign, right to repair, and further restrictions on chemicals, and aim to proactively make required changes to comply.

In 2023, for our hearing products, we conducted required biological evaluations of all new products according to ISO 10993-1:2020. This means the hearing device is tested to evaluate the interaction with users' tissue, cells, or body fluids. We continuously monitor regulatory changes and adjust internal processes accordingly. Our hearing products are developed under a highly regulated quality system complying with ISO 13485 and FDA 21CFR 820 CGMP, as well as other national standards including the latest regulations in Europe (EU MDR 2017/745/EU).

TCO Certification as a minimum standard for relevant products

Our ambitions for product sustainability go further than simply following legislation. To meet highest industry standards in product sustainability, we have assessed the relevance of a wide variety of sustainability certifications. To ensure legitimacy, we applied two criteria when selecting certifications to strive for: full value chain coverage and based on a standard developed independently of GN. TCO Certified was the only certification that matches both criteria, and is therefore our sustainability baseline for all products for which TCO Certified provides certification.

This means our products, processes, and corporate governance undergo rigorous testing to ensure we meet strict requirements in socially and environmentally responsible manufacturing, user health and safety, product performance and durability, reduction of hazardous materials and packaging. The latest TCO standard for our headsets can be found here.

In 2023, SteelSeries' Arctis Nova Pro Wireless became the first gaming headset in the world to become TCO Certified. We also continued to certify many of our Jabra products including four product lines from our Elite true wireless range, adding to the products that were already certified. As TCO Certified develops standards for additional product categories such as video, we will strive to get more products certified. For a full overview of TCO Certified GN products, search for GN brands on https://tcocertified.com/product-finder/.

Our approach to sustainable product development

When developing new products we consider sustainability in every lifecycle phase, from inception to end-of-life (see graphic). Beyond making sure we meet legislative and TCO Certified requirements, we use product-level life-cycle assessments (LCAs) of existing products to optimize for decarbonization in subsequent products. GN conducted LCAs on 20 products, with our first LCAs being completed for Gaming and Hearing products. Through these LCAs we have learned that:

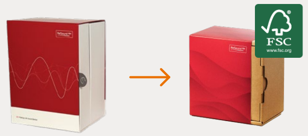
- Rechargeable hearing aids have a **29% lower climate impact** than hearing aids using disposable batteries (excluding charging or end user case)

Decarbonizing our packaging

79% lower carbon emissions

Jabra Elite 65t **Jabra Elite 10**

47% lower carbon emissions



All new hearing products sold from the end of 2024 onwards

Sustainability in the product lifecycle

Pre-concepting
Execute studies for sustainability areas that cannot be captured in a single product development process

Concepting
Set minimum requirements and targets

Product development
Implement minimum requirements and targets

Launch
Clearly communicate qualities of product without greenwashing

In-market
Assess user demand for additional features that can be implemented in-market

End-of-life
Contribute to giving products a second life through WEEE compliance and circularity initiatives

- For our **video products**, the use phase accounts for a significant proportion of the total footprint, meaning **energy efficiency is an effective decarbonization lever** for this product category
- Though the impact differs across product categories, we expect that substitution of virgin plastics and metals to **recycled alternatives will reduce emissions across our product portfolio substantially**
- Across our product categories, transportation contributes considerably to the footprint, meaning that **our transition towards ocean freight will result in lower product carbon footprints in the future**

Our LCAs are conducted in accordance with the ISO 14044:2006 and ISO 14067:2018 standards. Our input data includes: bills of material; supplier energy consumption; transport distance to London, UK (the use case location); product power consumption or battery capacity; the UK grid emission factor, and end-of-life data from our partners under the WEEE Directive. Our LCAs are externally verified by Bureau Veritas. More details on our LCAs can be found on our brand websites.

In 2024, we will expand our LCA coverage to more categories in our product portfolio and build our capacity to model the impact of design choices on product carbon footprints.

Moving away from virgin materials

We will continue to move away from virgin materials to achieve both our decarbonization and circularity ambitions. We focus on plastics and metals, as these are the most widely used non-electronic components in our products for which non-virgin alternatives exist at scale.

In 2023, we launched nine Jabra products containing recycled plastic. In 2024, we will expand our portfolio of products with recycled plastics both through new product developments and in-market changes. We will also continue to investigate recycled metals and implement where feasible.

By 2025, we aim to have all our new products (where feasible) to contain at least 50% non-virgin material (measured as % of total weight of mechanical parts).

Taking the next step in sustainable packaging

Our 2025 goal is for all our packaging to be FSC certified, as compact as possible, and only contain plastic when strictly necessary.

In 2023, we continued to make progress towards this goal with 62% of our newly launched products in 2023 already meeting our 2025 sustainable packaging target. We expect all other new packaging across our product portfolio to meet the same standards ahead of the target date. In addition to making FSC certified packaging a product requirement, we are also working to transition existing products where possible, and in 2023 we achieved this for 17 SteelSeries product lines.

In addition to these minimum requirements, we constantly look for ways to reduce the carbon footprint of our packaging by adopting low carbon materials and paints, as well as innovative solutions to further reduce material usage. We use LCAs to track the carbon impact of these changes to our packaging. For our hearing products, our LCAs show that our new packaging has 47% lower carbon emissions than the previous version, while for the Jabra Evolve2 packaging we have achieved 84% carbon reduction since 2018.

Life-cycle assessments

ReSound OMNIA (rechargeable battery)

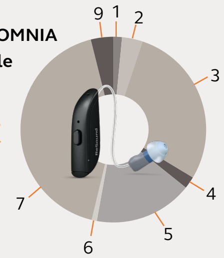
8.93
kg CO_2eq

Jabra Evolve2 65 Flex

7.86
kg CO_2eq

ReSound OMNIA (disposable battery)

12.62
kg CO_2eq



SteelSeries Arctis Nova 7

10.94
kg CO_2eq

	ReSound OMNIA (r)	*ReSound OMNIA (d)*	*Jabra Evolve2 65 Flex*	*SteelSeries Arctis Nova 7*
1 Plastics	**2.2%**	**1.5%**	**8.7%**	**13.5%**
2 Metals	**~0.0%**	**3.6%**	**5.5%**	**5.0%**
3 Electronic components	**4.1%**	**28.5%**	**5.6%**	**15.4%**
4 Printed circuit board	**7.6%**	**2.1%**	**15.5%**	**16.9%**
5 Manufacturing energy	**19.9%**	**17.1%**	**16.0%**	**1.8%**
6 Packaging	**1.8%**	**0.9%**	**4.2%**	**1.9%**
7 Transport	**27.0%**	**42.3%**	**42.9%**	**41.6%**
8 Usage	**34.5%**	**0.0%**	**1.0%**	**0.9%**
9 Other (foams and EoL)	**2.9%**	**3.9%**	**0.6%**	**2.8%**

Circularity

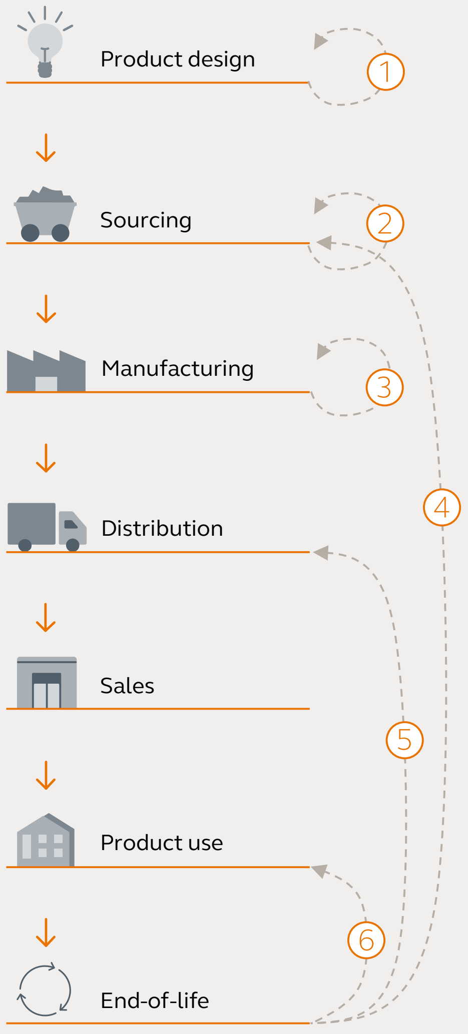
Our circularity agenda focuses on ensuring that we maximize the value we extract from every resource we use

Our double materiality assessment (page 25) and life-cycle assessments (page 30) show that across our value chain the most significant environmental impacts are a consequence of the winning of raw materials for our products.

To decouple the growth of our company from negative environmental impact, the key challenge, therefore, is to reduce dependency on virgin materials, while avoiding our products end up as electronic waste in landfill or are incinerated unnecessarily.

In 2024, we will develop clearer metrics to set targets and track our progress in circularity, aligned with the requirements set out in the relevant standard of EU's new ESG reporting directive (CSRD).

Circularity initiatives across our value chain



1 Circular design
Design is the key enabler for circularity. Design for repair and disassembly is a key element in our sustainability requirements (see pages 29-30).

2 Circular materials
We are rapidly increasing our use of non-virgin materials in new products, launching nine products in 2023 containing re-cycled plastic (see page 30).

3 Low-waste manufacturing
Among other initiatives to reduce manufacturing waste, in 2023, we reduced the use of IPA, which is a hazardous form of alcohol used in the washing process for production.

4 Recycling
To comply with product recycling legislation, we finance recy-cling infrastructure according to the EU WEEE directive in EU markets. In the U.S. states where our products are covered by Extended Producer Responsibility legislation, we established a partnership with ERI in 2023 to enable users to send their products in for recycling.

5 Repair, takeback, and refurbishment
GN offers return and repair for selected products as well as a 'screen and clean' scheme, where unsold or returned products are tested and repacked for resell. For out-of-warranty prod-ucts, we will in 2024 launch additional repair and takeback of-ferings in relevant markets for our video and audio products.

6 Device-as-a-service
In 2023, we launched a global device-as-a-service offering for our enterprise customers, with a built-in free-of-charge take-back option, enabling us to give products a second life at the end of the contract.

Sourcing

In 2023, we made significant investments in developing our supply chain management systems to support the delivery of our sustainability strategy and mitigate material supply chain risks.

Understanding supplier ESG performance is an essential part of delivering on our sustainability strategy, and our sourcing team has integrated this into their processes throughout the year.

First, to measure overall ESG performance, we commenced the implementation of the EcoVadis supply chain data platform. We are in the process of engaging with our key suppliers to onboard them so we can begin requesting data through the platform. This process will provide us with timely and standardized supplier performance data so that we can monitor, measure, and manage this more proactively and transparently.

Second, in the area of decarbonization, we have started collecting data from all tier 1 and selected tier 2 suppliers, starting with a range of environmental data, including carbon metrics and targets. The data obtained through this process provided a baseline on the environmental performance, ambition level and climate maturity of our key suppliers, as well as providing important input data for our product LCAs (see page 30).

Sourcing in support of our sustainability agenda

Beyond applying sustainability standards across all suppliers, we also have sustainability strategies for relevant sourcing categories.

Mechanics and packaging: Achieving our 2025 targets for sustainable materials and packaging (see page 23) requires that we establish solid supply of recycled, renewable and/or bio-based alternatives, which is a priority in our mechanics sourcing. In 2023, we launched our first nine products containing recycled plastic. For packaging, we prioritize working with suppliers that can provide FSC certified paper and cardboard. To further decarbonize our packaging, we also select suppliers capable of providing local sourcing of raw materials and customization close to the customer.

Acoustics: The production of speakers currently relies heavily on neodymium, a rare element for which demand is expected to exceed supply. We have started the process of engaging with suppliers providing alternative solutions, such as recycled neodymium.

Batteries: The transition to a low carbon society requires a solution to potential scarcity of raw materials for batteries. Aside from enabling battery recycling by designing for repair and disassembly, we also seek to source recycled batteries in the future if these become available at scale.

Indirect procurement: Achieving our target to aggressively reduce our scope 1 and 2 carbon emissions requires that we engage with suppliers able to offer renewable energy. In other areas of indirect procurement, such as building renovation, furniture, and IT, we consider sustainability as a key consideration in supplier selection.

Social

GN expanded the very successful ReSound OMNIA portfolio to offer a full range of popular styles, including BTE and custom-made styles as well as GN's smallest rechargeable hearing aid yet, the miniRIE, allowing more people than ever to benefit from technology which addresses the No.1 hearing aid challenge: hearing speech in noise.

Safeguarding human rights

GN is committed to safeguarding human rights across our supply chain. The double materiality assessment (see page 25) confirmed that there are material human rights-related risks in our supply chain in relation to workers in our value chain and affected communities, particularly in relation to extractive and manufacturing industries.

Due to the nature of our products and industry and the location of manufacturing sites, we assess potential human rights-related risks in this part of our supply chain to be mostly in the areas of working conditions, occupational health and safety, and excessive overtime hours.

We are committed to ensuring that human rights are safeguarded throughout our value chain. This commitment is anchored in our Supplier Code of Conduct, updated in 2023 to align with industry best practices set out by the Responsible Business Alliance (RBA). Beyond that, we have more specific human rights due diligence processes where required.

Conflict minerals

At the first stage of our value chain, we depend on mining of minerals. As stipulated in our Conflict Minerals Policy, GN will not use minerals from mines controlled by military groups in conflict regions. Failure to comply with our policy can ultimately lead to GN discontinuing to use a supplier.

GN requires suppliers to exclude conflict minerals from GN products, encourages suppliers to move to externally certified smelters and refiners, and requires suppliers to comply with our Code of Conduct.

GN uses the due diligence guidance laid out by OECD for establishing a due diligence process.

In 2023, GN received the requested information from all relevant suppliers. For cobalt, we received the requested information from all relevant suppliers, using cobalt reporting templates (CRTs).

Occupational health and safety

The safety, health, and wellbeing of our employees and supply chain workers is a top priority for us. In our own operations, rigorous occupational health and safety processes are in place across our main manufacturing sites, including training, incident reporting, and tracking of key metrics. All our major manufacturing sites are ISO45001 certified.

This year we also expanded our Lost Time Incident (LTI) reporting processes to include our warehousing sites in addition to our manufacturing sites. In 2023, there have been 3 incidents leading to lost time at our manufacturing sites, all as a consequence of minor injuries.

Forced labor

A human rights risk that exists across our supply chain is forced labor. In 2023, we set up a forced labor taskforce to ensure we do not depend on forced labor in our supply chain. Through this taskforce we will also ensure compliance with the U.S.' Uyghur Forced Labor Prevention Act and future similar legislation.

Supplier audits

All tier 1 contract manufacturers are audited every year, tier 2 suppliers every second year. For our hearing aid suppliers, we audit tier 1 and tier 2 suppliers based on supplier classification and historical performance. Audits are based on the UN Global Compact principles of responsible business and the SA8000 standard, which addresses the key human rights risks. In practice, during an audit, workers are randomly selected for an interview and an assessment to ensure their working hours, treatment by superiors, safety, and salary are compliant with our standards and local legislation. We require major audit findings to be addressed through corrective actions.

61 audits were conducted among GN. The major human rights related findings are grouped into four overall areas (see graphic). All major findings have either been resolved or are currently subject to mandatory corrective action.

Next steps

In 2024, we will perform a human rights impact assessment in line with the UN Guiding Principles to enhance our ability to identify, measure, monitor, and remediate our salient human rights impacts, and prepare for compliance with the upcoming Corporate Sustainability Reporting Directive and Corporate Sustainability Due Diligence Directive.

People and culture drive performance

Building a diverse organization with an inclusive culture is the right thing to do – and improves performance

Diversity, equity, and inclusion are strategic priorities

GN fundamentally believes that diverse leadership and organization are key to success as an innovation leader and, thus, we welcome differences. To stay relevant as a business we need access to all employees' competencies, creativity, engagement, and loyalty. We need the best talents, and we need diverse talents. Therefore, diversity, equity, and inclusion (DEI) are a strategic priority for GN.

GN's policy for advancing the underrepresented gender is prepared in accordance with Section 139c of the Danish Companies Act and sets out GN's policy for increasing gender diversity in Senior Management levels, including initiatives within employer branding, recruitment, inclusive talent review and succession planning, and leadership accountability with the aim to translate the policy into action. GN's activities to advance gender diversity and reach its gender diversity target as carried out in accordance with the policy and in general are described in the following.

GN sets inclusion first as a prerequisite for diversity

We aspire to be a human-centered business that places people at the front and center of everything it does. By connecting compassionately with customers, partners, and colleagues we aim to foster strong and meaningful relationships and better and more inclusive experiences for everybody we touch. Aligned with our company values, we **listen** to what everyone has to say, **challenge** the status quo and strive to **transform** the world by creating a more equal, inclusive, and understanding workplace.

In 2023, we continued our journey towards a more diverse and inclusive organization. With active executive leadership engagement, our DEI Executive Committee identified the overall purpose and ambition for DEI as well as necessary strategic initiatives to make improvements. Further, a series of workshops were held, both to educate and to initiate concrete actions to continue to improve, while recognizing that it is challenging to obtain diversity, equity, and inclusion in a global organization.

Advancing diversity and equity through inclusive recruitment

In our commitment to foster a diverse and inclusive workplace, we recognize the pivotal role that recruitment plays in shaping the composition of our teams. Inclusive recruitment is not merely a goal but a fundamental value that guides our hiring practices.

Making sure that GN's talent attraction practice is inclusive and equitable is a strategic DEI priority with a clear link to ensuring a level playing field and fairness for all. Consequently, in 2023 an analysis of our recruitment practice was conducted to identify pivotal gaps. The gaps identified have been closed with relevant tools that – from a DEI perspective – will improve the global recruitment practice and bring our approach on par with best practice inclusive recruitment.

The following initiatives have been implemented:

- **Hiring manager support**: guidance to avoid biases in the candidate screening and interview process
- **Standardized job ads:** including template to promote inclusive language
- **Search partner alignment:** on diversity as well as extending the support to hiring managers working with search partners

7,165 employees globally (-10% compared to 2022)

50+ nationalities in headquarter alone

1,369 new colleagues onboarded during 2023

40+ countries where GN has own staff located

88% **Participation rate** in GN's latest employee engagement survey

8.2 **Engagement score** on a 10-scale score, which is 0.5 points above industry benchmark

51 **Employee Net Promoter Score**, demonstrating high employee engagement, which is a cornerstone in GN's vision to be a great place to work

Age distribution of employees

≤ 22 years	22 – 37 years	38 - 53 years	54+ years
2%	42%	42%	14%

49% Women in new hires

46% Women in workforce

36% Women managers

22% Women in senior management

Inclusive leadership training

Inclusive leadership is about creating a trusting, open, and respectful culture in the team as a prerequisite for unlocking the team's creative potential arising from their differences. In 2023, we have commenced the design of development journeys for different target groups across GN. This work will continue into 2024 based on the new one-company organizational structure with workshops on inclusive leadership and psychological safety as well as webinars for people managers on DEI and inclusive leadership.

Leveraging insights from Employee Resource Groups

GN also continued to support employee-led Employee Resource Groups (ERGs) to further underline that we want our company to be a place that brings out the best in all people and enables them to reach their potential. Our current ERGs – Black@GN, WomensNetwork@GN, and Pride@GN – are part of this work.

Equal playing field for all

Creating an equal playing field is a cornerstone to instill fair and just practices and policies that ensure all employees can thrive, be themselves, and exercise their full potential. To become a truly equitable employer, we embed inclusion and diversity in our people processes.

As a company, we do not tolerate discrimination or harassment of any kind based on racial or ethnic characteristics, gender, religion, age, sexual orientation, disabilities, or any other classification as stated in GN's Ethics Guide.

Strengthening a diverse leadership pipeline and talent development

As we embark on the journey of cultivating a more diverse leadership pipeline, we recognize it not only as a reflection of our values but as a strategic imperative that propels us toward a future of sustained growth, resilience, and innovation.

> In 2023, 68% of our “Transform” talents are female leaders…and 12 different nationalities

By ensuring a profound talent practice, GN can use talent reviews as a strategic tool to identify and develop a diverse pool of talented individuals, including more of the underrepresented gender, and fostering a culture of equity and inclusion.

GN yearly conducts a global Talent Review and Succession planning process to ensure that a bigger part of the organization is calibrated to build stronger diverse talent and leadership pipelines at more levels.

GN’s strategy calls for a still broader range of leadership competencies and capabilities, why an increased focus aims to ensure that leadership talents have the right qualifications to efficiently lead a business.

GN wants to use talent development to build a strong, diverse talent pool across the Group. Consequently, more effort is put into strengthening development plans for senior leaders, and a major lever to support this is “Transform”, an individual and data-driven Talent Development Centre to drive senior leadership development. In 2023, 68% of our Transform talents are female leaders compared to 47% in 2022. The Transform cohort consist of 12 different nationalities.

Additional relevant documents

GN’s Ethics Guide is available in 10 languages: www.gn.com/responsibilitydocuments

GN’s Diversity, Equity, and Inclusion policy: www.gn.com/diversitypolicy

Gender diversity at Board and Management level

The percentages as of December 31, 2023, of the underrepresented gender and the set targets for GN’s Board and Management are reflected in the table below. As of October 1, 2023, GN changed its governance structure including management levels, why 2023 percentages cannot meaningfully be compared to previous years. By the end of 2023, the gender composition of GN’s first three management levels were as follows:

Diversity in leadership levels	2023
1 - Board of Directors	
Total number (elected by General Meeting)	4
Underrepresented gender (%)	50
Target (%)*	N/A
Target year	N/A
2 - Senior Leadership**	
Total number	18
Underrepresented gender (%)	17
Target (%)	25
Target year	2025
3 - Other Senior Management***	
Total number	341
Underrepresented gender (%)	22
Target (%)	25
Target year	2025

* The target for the Board of Directors is to have 40% of the underrepresented gender among members elected by the General Meeting which has been surpassed with 2 men and 2 women elected

** Senior Leadership (as defined in section 139 (c) of the Danish Companies Act) comprises the Executive Management, the Executive Leadership Team, and other managers reporting directly to Executive Management. For historical reasons, these managers are formally employed in different GN legal entities, but constitute the actual management structure in GN’s new one-company setup. The set target has not yet been met why activities described on these pages are maintained to continue to make progress.

*** To better reflect GN’s managerial talent pipeline, GN has chosen to also report on its broader senior management as defined by GN’s job grades. The set target has not yet been met why activities described on these pages are maintained to continue to make progress.

Supporting communities

Bringing people closer through clever engineering is in our DNA

We work every day to bring people closer, and we take great pride in the results that our efforts provide for people. Helping people with hearing loss live their lives to the fullest extent possible through great technology.

More than 10 million people have already received help

It is our goal to help 10 million people with hearing loss by 2025, and we already reached that milestone. By the end of 2023, we estimate that we are helping 10.5 million people with hearing loss live healthier and happier lives. This number is calculated using sales volumes of GN hearing aids and assumptions based on EHIMA figures for binaural treatment and replacement rates (five years for high-income countries and eight years for low-income countries).

Beyond that, we try to help as many people as we can through access, awareness, and advocacy:

Access

We drive several initiatives to improve access to hearing health. First, by introducing new product categories with a lower threshold to enjoying the benefits of hearing health. Our over-the-counter hearing aids for mild to moderate hearing loss are sold without the need to visit a hearing care professional.

Second, we seek to help people with hearing loss without direct access to hearing health due to their circumstances.

During a one-week trip to Poland, GN employees were able to fit around 80 hearing aids for Ukrainian refugees.

Through different charitable campaigns globally, we donated a further 1,048 ReSound hearing aids.

The Beltone Hearing Care Foundation is a charitable organization on a mission to help individuals in need of hearing assistance, who may face financial barriers. We believe that everyone deserves the chance to hear and engage with the world around them. In 2023, the Beltone Hearing Care Foundation donated an estimated 900 hearing aids, bringing the gift of sound to 440 people with hearing loss. These numbers represent the tangible impact we strive to achieve, one person at a time.

Awareness

We seek to increase awareness of hearing health through our efforts to break down the stigma around hearing loss and by campaigning for the benefits of early treatment. Our annual campaign called The Gift of Hearing runs during Thanksgiving each year. When a healthcare professional participates in the campaign, they are gifted a hearing aid that they can fit free of charge for someone who needs it.

Advocacy

Advocacy around hearing loss is closely linked to the work we do on awareness. In 2023, GN partnered with Soundly, a consumer education resource for hearing wellness, to present Inside the Ear. A digital art campaign aimed at demystifying hearing loss and empowering individuals to make informed decisions about their hearing health. Through a series of fascinating and educational videos illustrating the complex inner workings of the ear, our mission is to cultivate education surrounding the crucial significance of maintaining optimal hearing health.

In addition, the GN Foundation, founded by GN in 1956, provides grants to support a range of scientific, technical, non-profit and humane purposes (see more at gnfoundation.dk).

Governance

Jabra's most advanced earbuds ever mark the brand's leadership in premium true wireless. The Jabra Elite 10 are the new top tier earbuds optimized for Dolby Atmos with Dolby Head Tracking, engineered for all-day comfort and crystal clear calls.

Shareholder information

Through an open and active dialogue, GN strives to provide all stakeholders with timely and relevant information

The GN share
The total market value of GN's shares, excluding treasury shares, was DKK 25 billion at the end of 2023. The price of the GN share was DKK 171.8 on December 31, 2023, which is equivalent to an increase of 8% compared to the end of 2022.

GN is, among other indices, included in the C25 index and Large Cap index on Nasdaq Copenhagen, as well as the Stoxx Europe 600 index and the Stoxx Europe Sustainability index.

Ownership
The GN share is 100% free float, and the company has no dominant shareholders. GN has approximately 60,000 registered shareholders where around 35% of shareholders are located in Denmark, around 45% in rest of Europe, around 20% in North America, and less than 1% in Rest of World.

The 10 largest registered shareholders held in total around 35% of the GN share capital at the end of 2023 (including GN's holding of treasury shares). By the end of 2023, one shareholder, William Demant Invest A/S, has reported an ownership interest in excess of 10% of GN's share capital.

Share capital and voting rights
GN's share capital of DKK 603,650,860 consists of 150,912,715 shares, each carrying four votes. GN has one share class with no restrictions on ownership or voting rights.

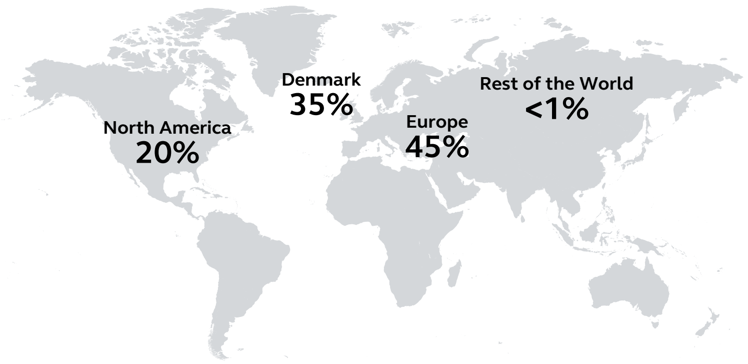
Treasury shares
On December 31, 2023, GN held 5.3 million treasury shares corresponding to 3.5% of the share capital, and the value of the treasury shares was DKK 911 million.

Until the Annual General Meeting on March 13, 2024, the Board of Directors is authorized to acquire shares in GN. The company's holding of treasury shares may at no time exceed 15% of the share capital of the company.

Dividend policy and share buyback programs
GN's overall financial target is to deliver a competitive shareholder return through a combination of dividend payments and share price appreciation. GN aims to pay out a dividend corresponding to 15 - 25% of the annual net profit and to distribute additional excess cash to shareholders through share buyback programs.

Dividend payments and share buybacks are subject to, among other, cash requirements to support the ongoing operations, strategic opportunities, and the company's capital structure. Given the current adj. leverage of 4.5x, GN prioritizes to reduce the leverage until it is back at the long-term target of 2.0x. As a result. GN will not pay out dividend in respect of the financial year 2023 and share buyback programs have been paused for the time being.

Geographical split of shareholders (% of share capital)



Major indices including GN Store Nord

Index	Focus
OMX C25	Denmark
OMX C20	Denmark
STOXX Europe 600	Europe
OMX Nordic Large Cap	Nordics
STXE Health Care	Europe

As announced previously, GN's current capital structure policy remains a long-term target of 1-2x NIBD/EBITDA.

Incentive programs

By the end of 2023, the total number of outstanding options in GN Store Nord were 4,044,858 (2.7%) of the share capital in GN Store Nord.

Investor relations policy

As part of GN's investor relations activities, an active dialogue is pursued with existing and potential shareholders as well as with financial analysts. GN ensures that relevant and timely information is provided to the financial community to ensure that the GN share is fairly priced. This is accomplished through information continually announced to the market as company announcements and press releases, combined with investor meetings, conferences and presentations of the company's interim and annual results.

Following the release of interim and annual results, GN conducts roadshows where the Executive Management and the Investor Relations team inform investors and financial analysts about the recent developments in the company. GN is covered by sell-side analysts, who continually release analyst research reports on GN and the industry dynamics.

Additional relevant information

GN's investor relations policy is available at:
www.gn.com/aboutIR
A full list of the analysts covering GN is available at:
www.gn.com/analysts

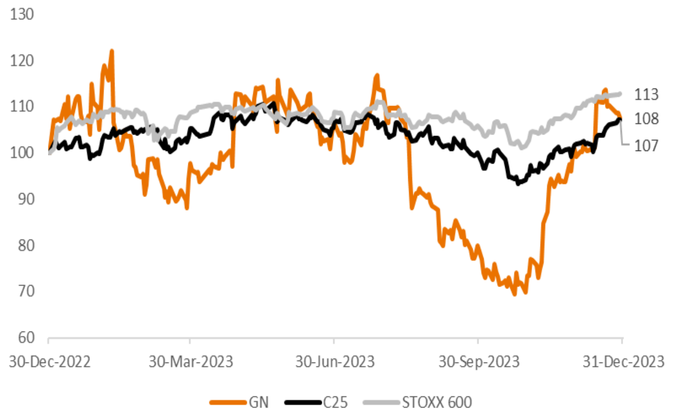
GN has a 30-days silent period prior to publication of a financial report. During these silent periods, any communication with stakeholders is restricted.

GN's website, www.gn.com, contains historic and current information about GN, including company announcements and press releases, current and historic share price data, investor presentations, and annual and interim reports. The Investor Relations team can be contacted at: Investor@gn.com.

Notices for the Annual General Meeting

GN sends notices to convene Annual General Meetings by email. Letters are sent to shareholders who have requested this instead of emails. Thus, GN encourages all registered shareholders to sign up at the investor portal with their email addresses and check the box labelled "subscribe/unsubscribe" in the field "Notice for the Annual General Meeting". Shareholders will then receive the notice by email in the future.

Share price development



* Index: 30-12-2022 = 100

Financial calendar for 2024

Event	Date
Annual General Meeting	March 13, 2024
Interim Report Q1 2024	May 2, 2024
Capital Markets Day	May 7, 2024
Interim Report Q2 2024	August 22, 2024
Interim Report Q3 2024	November 7, 2024

Read company announcements on www.gn.com.

Risk management

GN manages business, finance, and climate related risks across its businesses. Its risk management governance structure and processes are fully aligned with the ISO 31000 standard for enterprise risk management.

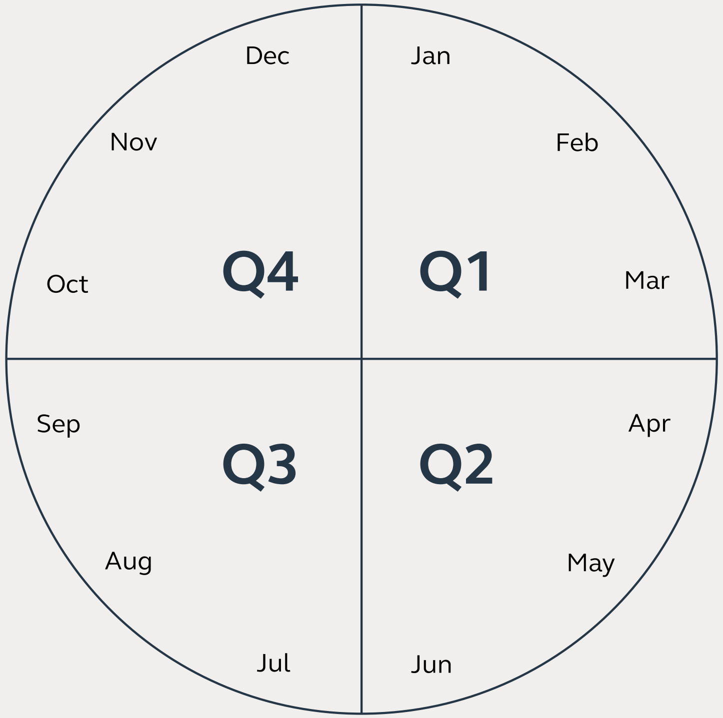
All value chains, enabling functions, and business management teams participate in the recurring risk process. The main types of risk associated with GN's businesses, and the main risk mitigation taken to manage these, are outlined on the following pages.

Risk identification and mitigation process

Board Top Risk Review
Board of Directors' risk review.

Executive impact review
Meeting with Executive Leadership Team who collectively challenges, validates, and prioritizes risks and risk handling activities.

Financial review
Meeting with Finance to assess and validate impact of potential risks, measured as % of EBITA.



Initial risk assessment process
Prioritized areas receive automated risk and maturity questionnaires.

The responses are automatically calculated into risk likelihood and risk impact. Hereafter, the results are evaluated and challenged by the Corporate Risk Governance team and consolidated in meetings with managers from prioritized areas.

Board Audit Committee Risk Governance Review
Audit Committee reviews Organization Risk Governance process.

Geo and macro environment

Characteristics
Inflationary pressures and general economic uncertainty decrease households' discretionary spending. Similarly, companies faced with increasing input costs and uncertain demand patterns tighten operational expenses. Even though inflationary pressures have decreased during the second half of 2023, uncertainties related to the economy continues, which may result in declining demand for GN's products.

GN's supply chains, including component sourcing, remain heavily dependent on availability of components and manufacturing capacity in China and Asia. Escalating geopolitical instability and deteriorating trade relations may impact key suppliers and GN's operations. And this in turn may impact GN's ability to continue to supply key markets.

Mitigating actions
GN's supply chain teams have undertaken several resilience measures within sourcing of components, assembly of products and transportation. GN will continue long-term global sourcing and production diversification efforts in line with the industry in general. Long-term, GN will ensure diversified supply chains and mitigate risk of market access restrictions.

GN continues to invest in current product portfolios and future roadmaps where it sees high revenue certainty, while maintaining operational readiness to accommodate future demand. Further, GN focuses on operational expenses, reducing inventory, cash generation, and maintaining access to necessary funding.

Climate risk

Characteristics
Climate change is projected to increase the frequency, severity, and duration of extreme weather, impacting communities and economies worldwide. Governments are moving to mitigate this threat through regulation and investment in innovation. Consumer awareness of climate issues is also growing rapidly. Consequently, GN faces both climate-related physical and transitional risks.

Physical risks
Global production of electronic components is concentrated in areas projected to be significantly exposed to floods and storms. Climate-related disruption could reduce GN's production capacity, negatively impacting revenues, and possibly incurring costs to cover repair and contingency plans.

Transitional risks
While GN is not a direct player in carbon-intensive industries, our supply chains begin with mining activities and require the transportation of goods globally, which has a substantial climate impact. If GN's suppliers do not decarbonize at a sufficient rate, GN could be adversely affected by regulation and changing consumer preferences.

The shift towards electrification and digitalization is increasing the demand for critical minerals used in GN products. This could increase direct costs in the short to medium term.

Mitigating actions
GN has set science-based targets to reduce absolute scope 1 and 2 emissions by 80% by 2030 from a 2021 base year, and absolute scope 3 emissions by 25% within the same timeframe. GN is also committed to reaching net-zero by 2050, at the latest.

GN is integrating assessment and monitoring of climate-related risks – based on transition scenarios and climate impact analysis – in existing risk management procedures to enable proactive mitigation of any potential impact.

GN is establishing production capacity across different geographies, as well as innovating to increase production efficiency and circularity, to mitigate the risks rooted in supply chain disruption and lack of raw materials or components.

For an overview of GN's alignment with the Taskforce for Climate-related Financial Disclosure (TCFD) guidance for climate action, see page 64.

Product innovation

Characteristics
GN operates on the cutting edge of technological advances to provide new relevant user experiences and functionalities to its customers. Any failure to gain access to and deploy the latest technologies and competencies within hardware and software in a timely manner would impact GN's future earnings potential.

In addition to maintaining technological leadership, GN must ensure that products and services operate without defects or other quality issues from their launch through their lifecycle. Quality deficiencies could cause significant reputational harm, and ultimately jeopardize GN's ability to remain a relevant player in key markets.

Mitigating actions
GN continuously updates product roadmaps to remain competitive in all current and future categories and assesses new categories where GN could have a meaningful impact. GN's research and development teams remain at the forefront of new technologies to be harnessed in future product roadmaps.

To gain the required competencies, GN sources engineering and software development talent globally.

GN spends significant effort in protecting its intellectual property and ensuring freedom to operate in its development efforts.

Competition and markets

Characteristics

Highly competitive dynamics characterize the product categories in which GN operates. Products must provide compelling user experiences to compete. GN experiences market consolidation, product commoditization, and attempts at conquering market share from incumbents and new competitors from adjacent industries.

As purchase decisions within some GN categories potentially migrate from professional buyers to the end-user, brand awareness becomes increasingly important in defending and expanding market share.

Mitigating actions

GN continues to build relationships and robust interfaces with its B2B channels.

Direct-to-consumer sales of hearing aids remain a small business for GN, but long-term focus on this segment remains a priority as GN believes this to be a future growth opportunity to compete in the newly opened U.S. over-the-counter market.

Compliance

Characteristics

Authorities and customers require compliance with legislative and regulatory regimes and standards. Failure to explicitly fulfil such requirements could compromise GN's license to operate and risk irreversible loss of customer confidence, effectively giving up large markets to competitors.

Mitigating actions

GN is dedicated to responsible and ethical business practices and does its utmost to safeguard its businesses and protect the safety and privacy of customers.

To ensure robust and accountable ongoing compliance, GN maintains several corporate functions to monitor current and emerging requirements and map vulnerabilities and compliance gaps in case of future requirements.

IT and data

Characteristics

IT and data are foundational business enablers for GN across all value chain components. All platforms are required to be available and provide the functionalities needed. Additionally, systems must protect data and privacy.

Increasing cyber-attacks threaten the availability of business critical systems and could result in data breaches. With the increasing amount of software embedded in GN devices or its services, and the interconnectedness with customer systems, GN devices or services could become vehicles for "supply chain cyber-attacks" at customer organizations where malicious code within GN's software could compromise the customers' cyber defenses.

Poor availability, consequences of cyber-attacks, lack of functionality in business-critical systems, or data breaches could impact GN's operations and reputation and may result in significant fines and financial loss.

Mitigating actions

GN pursues a cloud-migration strategy for its business applications to achieve more resilience and security. It also invests in core enterprise resource planning and e-commerce platforms to serve current business needs and accommodate likely future needs.

GN cyber defenses evolve to accommodate the ever-changing threat profiles and fulfil the requirements in network information security regulations and other information security certification frameworks. Also, GN is assessing the vulnerability for "supply chain attacks" to identify any gaps and devise relevant remedial actions.

Transformation to a one-company setup

Characteristics

GN's decision to bring its previously independently managed business entities together in a one-company setup is critical to GN's efforts to reorganize the company to operate in simpler, faster, and more impactful manner, ensuring efficient and optimal use of resources in an increasingly competitive environment. The initial assessment is that the transformation will allow GN to reap significant benefits. The transformation will require strong leadership, change management, and commitment throughout the organization. The transformation is progressing well, but GN still has risks related to realizing all the planned and expected synergies from a full and successful integration.

Mitigating actions

GN has set up an Integration Management Office with experienced internal resources and supported by external advisory consultants to assist GN's Executive Leadership Team in the transformation. This includes significant efforts to ensure genuine buy-in from the organization, design of the future-state organization, and assigned ownership of processes and tasks. The Integration Management Office ensures close control and follow-up on deliverables and deadlines.

Financial risk

Characteristics

Due to the nature of its operations, investments, and financing activities, GN is exposed to a number of financial risks. GN has centralized the handling of these financial risks in Group Treasury except for commercial risks, which are managed by the Group's operating businesses (divisions).

The financial risks are managed in accordance with the overall financial risk management guidelines set out in GN's Group Treasury Policy, which is reviewed on an ongoing basis.

GN's net interest-bearing debt decreased during 2023 to DKK 10,567 million (2022: DKK 14,561 million). As a result, the net interest-bearing debt to EBITDA ratio ended at 6.0x (2022: 7.1x) driven by the execution of the group's capital plan and strong cash flow generation.

GN's loans and bonds are primarily long-term with maturities until 2036 with mostly fixed interest rates.

Annual EBITA impact from a 5% increase in currency before hedging (DKK million)

Currency	GN Store Nord
USD	-50
GBP	35
JPY	15
AUD	12

Mitigating actions

GN has hedged a substantial part of the expected net EBITA 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. GN is also monitoring the combined impact of minor trading currencies and hedges those on a case-by-case basis.

On September 27, 2023, GN has entered into a three-year EUR 800 million term loan with its commercial banking group to refinance its short-term funding requirements including EUR 220 million EMTN bond, EUR 330 million Convertible Bond, and EUR 600 million EMTN Bond.

GN has short-term, uncommitted Money Market lines and Overdraft facilities in place to diversify its borrowing instruments and manage working capital. The total size is EUR 442 million, with a utilization of EUR 214 million on December 31, 2023.

GN also has a short-term, uncommitted Euro Commercial Paper program ("ECP") in place to diversify its borrowing instruments. The program size is up to EUR 250 million, with a utilization of EUR 32 million on December 31, 2023.

In total, GN has outstanding senior unsecured bonds and Private Placements of around EUR 695 million in aggregate under the EMTN program by December 31, 2023, with maturities from 2023 to 2036. Moreover, GN currently has R&D loans outstanding of EUR 310 million with maturities from 1 to 7 years with fixed interest rates.

To mitigate potential liquidity or refinancing risks, GN has access to a Revolving Credit Facility of EUR 520 million, which was undrawn as of December 31, 2023.

Please refer to note 4.2 in the financial statements for further information about financial risks.

Business ethics governance

Policy management and compliance training

GN continues its commitment to doing things the right way, complying with relevant international regulations. This work is anchored in our Code of Conduct, the GN Ethics Guide, our anti-corruption policies, our Supplier Code of Conduct and other policies and guidelines. These outline the fundamental requirements for how GN operates and describe the responsibilities and ethical standards expected of all employees and relevant business partners and offers support and guidance for employees in case they require help in ensuring GN's high standards.

To ensure and document that employees are familiar with the GN Ethics Guide and other key policies, employees are annually required to sign off on complying with GN policies within specific areas. Likewise, employees annually complete GN's e-learning courses within key topics such as anti-corruption, information security, data security, and competition compliance. Every year, this is supplemented with tailored compliance training for selected business areas and employees, live trainings conducted based on risk assessment and on request.

Anti-corruption compliance reviews

As part of GN's anti-corruption compliance program, on-site reviews of selected GN business areas are conducted to identify and assess relevant risk areas, to review whether adequate controls are in place to ensure compliance, and to assist with corrective actions where required. The selection of business areas for compliance reviews is based on an annual country and market risk assessment based on a set of predefined risk indicators. In 2023, four compliance reviews were conducted in tight cooperation between various functions within the organization.

Third-party due diligence

In 2023, GN continued the granular roll-out of the third-party due diligence screening program for assessing and managing corruption, sanctions, and supply chain risks associated with third-party business partners. This involves questionnaires and screenings focusing on the potential reputational and legal risks and a thorough check of beneficial owners to ensure GN is at no risk of violating international sanctions regimes. GN is focused on ensuring that no partners violate international sanctions and that all partners understand and comply with GN's positions in the area.

Whistleblower system

GN's whistleblower hotline, the GN Alertline, is independently managed by a third party. All investigations are managed internally by trusted GN employees. The hotline can be used by employees as well as external parties to report concerns and experienced or perceived misconduct. This is an important tool for ensuring that alleged illegal or unethical conduct is reported and immediately addressed. All complaints are treated with the required confidentiality, and GN is committed to deal with any employee who takes action and/or participates in an investigation in a fair and respectful manner. This is emphasized in GN's non-retaliation policy. GN ensures that our policies and systems are fully compliant with all local and international regulatory requirements on whistleblower systems. In 2023, GN updated the setup to comply with the final implementation if the EU Whistleblower directive.

Additional relevant information

GN's Codes of Conduct and policies:
www.gn.com/responsibilitydocuments

Reporting and additional details on GN's whistleblower hotline:
www.gn.com/alertline

More details on GN's compliance efforts and policies at
www.gn.com/documents

Policy management and compliance training

- To support online training, GN continues to emphasize the value of live training sessions to supplement and add to the online training
- A comprehensive mandatory Anti -Harassment Awareness Training was delivered to all GN employees in Q4 2023

GN whistleblower system

28 countries where GN's whistleblower system is available

24 different languages that GN's whistleblower system accommodates

29 concerns reported through GN's whistleblower system

12 of the reported cases were considered substantial

Reported cases were mainly related to harassment, bullying, inappropriate behavior, conflicts of interest, fraud, violation of confidentiality, and misappropriation of information. All cases have been properly investigated, and appropriate actions, including disciplinary actions, have been taken.

Data privacy, security, and ethics

Data privacy
GN is committed to protecting the personal data entrusted to us by customers, partners, users, and employees.

In 2023, we have further refined the processes surrounding our digital systems in compliance with the principles of EU's General Data Protection Regulation (GDPR) and the China Personal Information Protection Law (PIPL). Further, we are continuously implementing processes and solutions that meet the increasing global data privacy regulatory demands.

Our internal awareness training facilitates mandatory data privacy e-learning, and we are applying internal data privacy review to ensure continual compliance and awareness.

In 2024, GN will continue to strengthen our data protection posture to provide excellent, secure, and trustworthy solutions.

Additional relevant information
GN's data privacy policy:
www.gn.com/privacy-policy

GN's Data Ethics Policy:
www.gn.com/dataethicspolicy

Information security
GN is committed to ensuring a high level of cyber security in our infrastructure, products and services, and adherence to legislation across the entire organization. Information security management systems are in place based on ISO 27000. In addition, we have Information Security Policies in place with training materials, and all training is conducted annually for all employees. The information security management system is being reviewed and approved on an annual basis by the Board of Directors and Executive Management.

We ensure continuous IT Security monitoring through our Security Operations Center. This enables us to discover and disable threats early and keep our organization safe. Equally, security by design is pivotal in our products lifecycles and services.

Data ethics
GN uses data for various purposes, which entail benefits for GN and its customers. GN is committed to act ethically responsible with data and comply with ethical principles. By actively considering data ethics, GN intends to ensure human dignity, equality, fairness, responsible use of data, transparency, and awareness by minimizing risk of algorithm bias and discrimination, lack of transparency, lack of control, and lack of responsibility and accountability.

GN is implementing appropriate organizational and technical security measures to ensure that any use of data happens in a safe and secure manner. GN will periodically review the contents of GN data ethics taking into consideration input from employees and partners, development in trends, technology, legislation, and ethical data values.

Corporate governance

Management structure

GN is governed by a two-tier management structure. The Board of Directors is responsible for the overall governance of the company, and the Executive Management handles the daily management of the company's affairs under the guidelines and supervision of the Board. The ultimate authority rests with the shareholders in the General Meeting.

On September 4, 2023, GN announced that its Board of Directors had decided to execute the next step of integration and transition into a more streamlined one-company setup with one Group Chief Executive Officer and one Group Chief Financial Officer, simplifying the Group's governance structure. The changes to the Executive Management took effect from October 1, 2023.

As a consequence thereof, as from January 2024, board members elected by the Annual General Meeting of GN Store Nord will only serve as board members of GN Store Nord, and not also as board members of each of GN Hearing and GN Audio. Going forward, the Board of Directors in GN Hearing and GN Audio will consist of GN's senior management in line with other operational subsidiaries in the GN Group.

Board of Directors

GN's Board currently comprises seven members, of which four have been elected by the shareholders at the Annual General Meeting, and three by the employees in accordance with the Danish Companies Act.

In accordance with GN's Articles of Association, the Board will be replenished at the next Annual General Meeting so that at least five members are elected by the shareholders.

Competencies of the Board

GN's Board strives to recruit members with diverse and complementary competencies. The current Board is a diverse group in terms of global experience, functional competencies, and industry background. The composition is a mix of members with executive positions and professional board members, providing a good balance between knowledge, competencies, experience, and availability for a substantial workload.

The board members possess global expertise within med-tech & healthcare, ESG, innovation, product development, IT, software, digital transformation, online marketing, commercialization, technology & professional services, finance, and change management. See pages 50-51 for a description of the Directors' competencies and experience.

The Board of Directors' annual self-evaluation

In 2023, the Board of Directors performed its annual evaluation of the Board with the assistance of an external advisor. This is consistent with the recommendations of the Danish Committee on Corporate Governance that companies conduct an external, objective evaluation at least every three years.

The Process

The evaluation was based on the input of eight board members, seven executives, and two auditors. It encompassed comprehensive personal interviews, tailored online questionnaires, a mapping of the board composition, board composition benchmarking, and analysis of time spent during board meetings.

Additionally, various documents were reviewed, including agendas, board material, and committee charters. Individual board members received constructive feedback on their performance and contributions as part of the evaluation.

GN's framework for corporate governance

The board members of GN are elected at GN's General Meeting. The Board of Directors has established Audit, Remuneration, Nomination and Strategy Committees, and appoints the members of the Executive Management. In addition, GN has established an Executive Leadership Team.

The result of the general board evaluation, including practical recommendations, was discussed at a board meeting in December 2023.

General conclusions
The board members are empowered to express their thoughts and opinions; they are perceived to be well-prepared and highly committed. The Board has diverse experiences, personal styles, cultural backgrounds, and a good gender balance. The Chair is seen as an inclusive and seasoned professional, well trusted by the management and with a sincere ambition to do what is right.

As part of the general evaluation conclusions, the external advisor provided certain recommendations, which the Board intends to take into consideration going forward.

As the Board has had a year of maneuvering turbulent macroeconomic and geopolitical times, introducing a new company structure, and recruiting a new CEO and CFO, this has required significant time and effort spent on tactical topics.

In the future, the Board should and will allocate relatively more time to long-term strategic questions and continue building an encouraging and valuable relationship with the (new) management team.

The Chair of the Board will account for the process and the general conclusions in his statement at the Annual General Meeting.

Additional information on the evaluation process and the general conclusions of the 2023 evaluation may be found on the company's website: www.gn.com/boardevaluation2023

Board committees

As part of the overall governance of the company, the Board has established Audit, Nomination, Remuneration, and Strategy committees to assist with monitoring and preparatory work relating to key areas of the Board's responsibilities. The committees' work in 2023 are summarized below:

Audit Committee
The Audit Committee continued to provide oversight of the financial reporting process, the audit process, GN's system of internal controls, and compliance with laws and regulations.

The committee reviewed the whistleblower reporting system, material legal cases, main accounting principles, tax strategy and compliance, risk management processes covering key risks, and monitoring of ESG targets and reporting thereon. Further, the committee considered the need for an internal audit function, which was not deemed necessary at this time.

Remuneration Committee
The Remuneration Committee supervised and reviewed the remuneration policy, salary, bonus, long-term incentive process and results, and assisted with the preparation of the Remuneration Report.

The Committee also considered grants under GN's long term incentive program, talent development and succession planning process and results.

Finally, the Committee reviewed remuneration, incentive plans, and severance packages for the Executive Management and the new Executive Leadership Team.

Report on Corporate Governance cf. section 107b of the Danish Financial Statements Act

The Board and the Executive Management continuously strive to maintain a good corporate governance level.

The website of the Committee on Corporate Governance - https://corporategovernance.dk/english – lists its recommended best practice guidelines.

GN is required to report on its compliance with these recommendations according to the "comply or explain" principle. GN's compliance with the individual recommendations is reviewed once a year by the Board.

Download GN's 2023 Corporate Governance Report: www.gn.com/corporategovernance2023

Risk management related to financial reporting is described in this report on page 44. Internal control systems are described in the above-mentioned Corporate Governance Report. This constitutes GN's statutory report on corporate governance as required under section 107b of the Danish Financial Statements Act.

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

GN's Remuneration Report for 2023 is available at: www.gn.com/remuneration2023

Nomination Committee
The Nomination Committee focused on ensuring that Board and Executive Management composition and competencies continue to support GN sufficiently and in line with GN's strategy and purpose.

This includes competencies in relation to GN's transformation to a one-company structure, extensive succession and recruitment processes to adequately plan and prepare talent pipeline for Board and Executive Management positions, while ensuring good culture and sound values as an integral part of all nominations, appointments, and succession planning.

The Committee also monitored Board performance and competencies and conducted a thorough Board assessment with external assistance.

Finally, the current structure and diversity of the Board have been reviewed and found to meet relevant governance requirements.

Strategy Committee
The Strategy Committee oversaw a series of existing projects as well as new projects to explore technological innovations within the broader technology space. Further, the committee explored the further development of collaboration and synergies between GN's business entities and support functions.

See charters and composition of the four committees at: www.gn.com/boardcommittees

Chairmanship
The Chair and the Deputy Chair form the Chairmanship of the Board, which prepares and organizes the work of the Board and performs preparatory tasks for and advise the Board in relation to strategy, implementation of strategy, business development, budget, and projects, and performs in-depth business reviews of selected areas.

Remuneration
GN pursues a policy of offering the Board of Directors and Executive Management remuneration that is competitive with industry peers and other global companies to retain and attract competent professional leaders of the business and members of the Board of Directors.

GN's Remuneration Policy is available at www.gn.com/remunerationpolicy, and GN's Remuneration Report for 2023 is available at: www.gn.com/remuneration2023.

Meeting attendance 2023

Meeting attendance 2023	Chairmanship	Audit Committee	Nomination Committee	Remuneration Committee	Strategy Committee	GN Store Nord A/S Board	GN Hearing A/S Board	GN Audio A/S Board
Jukka Pekka Pertola	(C) 16/16		10/10	14/14	(C) 4/4	(C) 22/22	(C) 6/6	(C) 6/6
Klaus Holse	(DC) 9/16*	3/4**	10/10**		3/4**	(DC) 12/22*	(DC) 3/6*	(DC) 3/6*
Hélène Barnekow		4/4	(C) 10/10	(C) 9/14**		(B) 17/22	(B) 6/6	(B) 6/6
Anette Weber		(C) 4/4	9/10**			(B) 22/22	(B) 6/6	(B) 6/6
Leo Larsen					3/4**	(B) 21/22		
Cathrin Inge Hansen						(B) 21/22		
Claus Holmbeck-Madsen						(B) 21/22		

(C) Chairman (DC) Deputy Chairman (B) Board member
Please visit www.gn.com/About/Management for more elaborate descriptions of the Board members' competencies and management duties.
#/# signifies the number of Board and Committee meetings in which each member has participated followed by the total number of Board and Committee meetings.
* Was not a member of the Board for the full year.
** Was not a member of the Committee for the full year.

Board of Directors

Jukka Pekka Pertola
(Chair)
M.Sc. (Electrical Engineering.)
Professional board member. Former CEO of Siemens A/S
Chair since 2023

Chair of the Boards of Tryg A/S*, Tryg Forsikring A/S, Cowi Holding A/S, and Siemens Gamesa Renewable Energy A/S.
Member of the Board of Asetek* A/S.
Committee memberships: Strategy (Chair), Nomination and Remuneration (Member); in Tryg A/S: Remuneration (Chair), Nomination (Chair), and IT-Data; in COWI Holding A/S: Nomination and Remuneration Committee (Chair); in Asetek A/S: Remuneration Committee (Chair).

Broad international background with more than 20 years of management experience in the ICT, energy, industry, infrastructure, and healthcare sectors, solid experience with various business models stretching from B2C to complex project business, IT outsourcing solutions, technology services, and professional services.

Board member since	2020
Term	2023/2024
Considered independent	Yes
Nationality	Finnish
Year of birth	1960

Klaus Holse
(Deputy Chair)
M.Sc. (Computer Science.) Professional board member. Former CEO of SimCorp A/S
Deputy Chair since 2023

Chair of the Boards of Danish Industry, Macrobond Financial AB, Vizrt Group AS, EG A/S, and SuperOffice AS. Member of the Boards of Terma A/S and Zenegy ApS. Committee memberships: Audit (Member), Nomination (Member), and Strategy (Member).

Broad international background with more than 20 years of management experience in the IT and software industry and brings to the company's Board of Directors a vast experience and insight into the green agenda and digitalization.

Board member since	2023
Term	2023/2024
Considered independent	Yes
Nationality	Danish
Year of birth	1961

Hélène Barnekow
M.Sc. (International Business). Partner, Gaia Leadership. Former CEO, Microsoft Sweden

Chair of the Board of Mindler AB. Member of the Boards of Voyado AB and Handelsbanken AB*. Committee memberships: Nomination (Chair), Remuneration (Chair), and Audit (Member).

Long international experience, mainly in the technology sector and in different C-level positions. Experience ranging from product development to sales and marketing. Managed significant digital transformations across companies and geographies with focus on inclusive transformation leadership.

Board member since	2013
Term	2023/2024
Considered independent	Yes
Nationality	Swedish
Year of birth	1964

Anette Weber
Lic.oec HSG, Finance & Accounting. Group CFO of BUCHERER AG

Member of the Supervisory Board of New Work SE*
Committee memberships: Audit (Chair) and Nomination (Member), in New Work SE; Audit (Chair).

Extensive global leadership expertise and knowledge from various leadership positions in the global healthcare, IT, and luxury retail industry. In-depth knowledge of finance, digitalization, development, general and change management, platform economies, and M&A.

Board member since	2020
Term	2023/2024
Considered independent	Yes
Nationality	German
Year of birth	1971

* Company listed on a regulated market

Board of Directors

Leo Larsen
(Employee-elected member)
M.Sc. (Electrical Engineering) and a diploma in business administration and international trade. Senior Director, Audio Research

Board & Committee positions	Member of the Board of the GN Store Nord Foundation and of the Strategy Committee
Board member since	2007
Term	2022/2026
Nationality	Danish
Year of birth	1959

Cathrin Inge Hansen
(Employee-elected member)
B.Sc. (International Marketing), Graduate Diploma (Business Administration & International Trade), Senior Regulatory Process Compliance Specialist

Board & Committee positions	-
Board member since	2022
Term	2022/2026
Nationality	Danish
Year of birth	1969

Claus Holmbeck-Madsen
(Employee-elected member)
Academy Foundation Degree (Business). Global Head of Knowledge & Learning, Global Customer Experience

Board & Committee positions	Member of the Board of the GN Store Nord Foundation
Board member since	2022
Term	2022/2026
Nationality	Danish
Year of birth	1968

Executive Leadership Team

On September 4, 2023, GN announced that its Board of Directors had decided to execute the transformation to a more streamlined one-company setup with one Group Chief Executive Officer and one Group Chief Financial Officer, simplifying the Group's governance structure. The changes to the Executive Management and the establishment of the new Executive Leadership Team, announced on September 28, 2023, took effect from October 1, 2023.

Read more about our Executive Leadership Team and their back-grounds at https://www.gn.com/About/Management

Peter Karlstromer

Chief Executive Officer (CEO)

(CEO GN Audio as of January 2, 2023, and CEO GN Store Nord and GN Hearing as of October 1, 2023)

Member since	2023
Year of birth	1971

Member of Executive Management

Peter brings a strong international senior leadership track record, working with multiple aspects of technology around the world.

Peter holds a M.Sc. Management, Business Administration and Economics, and a M.Sc. Electrical and Electronics Engineering from Lund University. Prior to joining GN Peter held leadership positions with McKinsey & Company, Cisco Systems, and Securitas Group.

Søren Jelert

Chief Financial Officer (CFO)

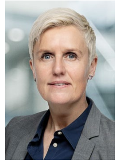
(as of June 1, 2023)

Member since	2023
Year of birth	1972

Member of Executive Management

Søren is an internationally experienced finance professional, who contributes with strong financial and business leadership, building strong teams and solid relationships with investors.

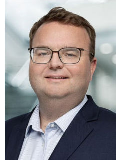
Søren graduated with a B.Sc., M.Sc. Management Accounting from Copenhagen Business School. His career spans operational and finance leadership positions with Maersk Oil & Gas, Novo Nordisk, NNE Pharmaplan, and prior to joining GN as CFO of ALK-Abello.



Ann Fogelgren

Chief Information Officer (CIO)

Joined GN in 2020



Christoph Schmid

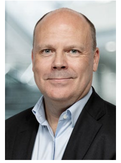
Chief R&D Officer

Joined GN in 2021

Pierre Berkmann

Chief People Officer

Joined GN in 2016



Stefan Bergfors

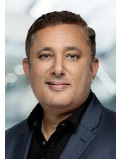
Chief Operations Officer (COO)

Joined GN in 2017

Calum MacDougall

President Enterprise division (interim)

Joined GN in 2015



Ehtisham Rabbani

President Gaming & Consumer division

Joined GN in 2022

Scott Davis

President Hearing division

Joined GN in 2019

Trine Finnemann

Chief Strategy & Transformation Officer

Joined GN in 2019

Consolidated ESG data

Jabra Speak2 - the next generation of Jabra's successful professional speakerphones features advanced full duplex audio, creating natural two-way conversation, as if everyone speaking was there in person.

ESG accounting processes

This report covers the environmental, social, and governance (ESG) issues that are deemed relevant for GN and its stakeholders. Key issues are identified through ongoing stakeholder engagement and our double materiality assessment (see page 25), informed by data-driven analysis and addressed by programs or action plans with clear and measurable targets. We use ESG data to support our business and to disclose relevant and transparent information to our stakeholders. The accounting policies have been applied consistently for all the years presented. Any changes to historical data are only made if considered material.

Reporting period

All reported data covers the financial year: January 1 to December 31, 2023.

Baseline

The baseline year for our science-based climate targets is 2021.

Reporting boundaries

Entities included in the reported performance data are GN Store Nord and its majority-owned subsidiaries following the operational control approach, which in practice means where GN controls more than 50% of the voting rights or that GN otherwise controls. If a majority-owned entity is acquired during the financial year, it will be included in our performance data as soon as possible but not later than the end of the following financial year.

Significant changes to reporting boundary

No material changes were made to the reporting boundary.

Data quality and consolidation

We have processes at market, regional, and global levels governing the collection, review, and validation of ESG data included in this report.

While we make every effort to capture all information as accurately as possible, it is neither feasible nor practical to measure all data with absolute certainty. Where we have estimated or exercised judgement, this is highlighted in the accounting policies and notes.

Environmental data is collected and reported for sites where we have operational control. The number of sites in scope for data collection increased in 2023, as the reporting threshold of 50 employees was removed. Social data related to our own workforce is collected and reported through our global HR system for all GN employees globally. All data reported follows these principles unless otherwise stated.

Restatements

We may restate historical data due to structural changes, including from acquisitions or divestments; improvements in data accuracy and calculation methodologies; and changes to accounting policies.

We recalculate comparatives if any such changes impact a given metric by more than 5%. We may also recalculate for changes less than 5%, for example to reflect changes in our business and operating model. We recalculate our baseline GHG emissions in accordance with this policy, which also complies with the GHG Protocol.

Emissions, waste and women in senior management in 2021 and 2022 have been restated to reflect changes to emission factors, improved input data and calculation methodologies, as well as changes to accounting policies.

Other relevant documents

This report is in accordance with the GRI Standards. See www.gn.com/About/Corporate-sustainability for a full GRI content index.

ESG data – climate related

Dimension	Units	Method	Emission Factors	2021	2022	2023
GHG emissions in scope 1						
Stationary emission sources	tons CO2e	Fuel-based	DEFRA	444	402*	414*
Mobile emission sources	tons CO2e	Fuel and distance-based	DEFRA	1,888	1,751*	1,942*
Fugitive emission sources	tons CO2e		GHG Protocol	79	71*	58*
Total	tons CO2e			**2,411**	**2,224***	**2,414***
GHG emissions in scope 2	tons CO2e					
Location-based	tons CO2e		IEA, EPA, DEFRA	6,353	6,431*	6,479*
Market-based	tons CO2e		Instruments, supplier specific and residual mix	8,096	6,251*	3,150*
Total GHG emissions in scopes 1 and 2 (market-based)	tons CO2e			**10,507**	**8,475***	**5,564***
GHG emissions in scope 3	tons CO2e					
Scope 3.1: Purchased goods and services	tons CO2e	Spend-based and LCAs	DEFRA	144,020	188,102	131,463
Scope 3.2: Capital goods	tons CO2e	Average spend-based	DEFRA	17,992	11,107	7,500
Scope 3.3: Fuel and energy-related activities	tons CO2e	Average-data method	DEFRA	1,920	1,831	2,069
Scope 3.4: Upstream transportation and distribution	tons CO2e	Distance-based and average-data	DEFRA, supplier specific	151,985	135,307	96,207
Scope 3.5: Waste generated in operations	tons CO2e	Waste-type-specific	DEFRA	112	120	136
Scope 3.6: Business travel	tons CO2e	Distance and spend-based	DEFRA	2,650	11,185	13,100
Scope 3.7: Employee commuting	tons CO2e	Distance-based	DEFRA	7,122	9,572	10,059
Scope 3.8: Upstream leased assets	tons CO2e	Asset-specific	IEA, EPA, DEFRA	1,631	1,538	1,548
Scope 3.9: Downstream transportation and distribution	tons CO2e	Distance-based and average-data	DEFRA	16,972	16,174	16,974
Scope 3.11: Use of sold products	tons CO2e	Direct use-phase emissions (electricity)	IEA, EPA, DEFRA	80,349	75,127	62,116
Scope 3.12: End-of-life treatment of sold products	tons CO2e	Waste-type-specific	DEFRA	794	885	1,153
Scope 3.15: Investments	tons CO2e	Average-data method	DEFRA	4,695	5,613	2,757
Total for reported categories	tons CO2e			**430,242**	**456,562**	**345,081**
Out of scope emissions	tons CO2e		DEFRA	66	78	123

* 2023 data in scope for limited assurance by PwC. Scope 2 market-based emissions have been restated in 2022, based on work performed to improve reporting processes and data quality. Emissions in scope 3 categories 1-6 and 8-12 have been restated due to improved data quality and updated emission factors.

Scopes 1 and 2

Combined, scope 1 and (market-based) scope 2 emissions have de-creased by 47% from the 2021 baseline and 34% from 2022, which marks a significant step towards our science-based reduction target of 80% by 2030.

Stationary emissions have increased due to a new site with gas consumption in 2023 and a small increase in natural gas consumption at existing sites. Mobile emissions have increased, due to better data availability in relation to fuel consumption.

Location-based scope 2 emissions have increased from 2022, despite a de-crease in electricity and district heat consumption at sites. The change is due to increased emissions from electric and plug-in hybrid cars.

Market-based scope 2 emissions have significantly decreased since 2021 be-cause of a rapidly growing share of renewable power.

Scope 3

Total scope 3 emissions have decreased by 20% compared with the 2021 baseline and 24% from 2022. Emissions intensity per unit revenue across all scopes has also decreased by 31% from 2021. The largest reductions are in category 1 (products and indirect procurement), caused by decreased direct procurement in the Enterprise, Gaming & Consumer divisions linked to high inventory at the start of 2023, which outweighed increased direct procurement in the Hearing division to meet growing market demands, and category 4 (transportation and distribution), because of a greater share of ocean and rail freight (vs. air).

New data have significantly improved the data quality and assumptions be-hind the scope 3 accounting. The most material changes have occurred in categories 1 and 11 (emissions from products and product use), mainly be-cause of increased LCA coverage of the GN product portfolio. The new LCA data has also improved modelling accuracy in category 12 (product disposal).

See page 27 for details of our decarbonization initiatives in 2023.

§ Accounting policies

Scope 1 and 2 emissions

Direct emissions (scope 1) are from the combustion of purchased fuels for energy. GN's direct emissions arise from natural gas consumed at production sites, offices and retail locations, and from vehicles that are owned or leased by the company. Direct emissions also include fugitive emissions, which arise from GN's use of refrigerant gases in production facilities.

Indirect emissions (scope 2) are from purchased electricity and district heating for production sites and offices and electric or hybrid vehicles that are owned or leased by the company.

Only fuel, electricity, and heat that is purchased directly from the vendor by GN is accounted for in scopes 1 and 2 (GN applies the operational control approach). Natural gas, electricity, and district heating consumption is reported based on actual consumption from invoices, where possible.

Emissions from vehicles is calculated using the fuel-based method. Fuel or electricity consumption from vehicles is obtained from either invoices or system-generated reports from vendors, including leasing companies and fuel card vendors. Where consumption data is unavailable, emissions from vehicles are accounted for using the distance-based method.

Where actual data is not available for the reporting period, consumption is estimated based on the relevant historical period. Where consumption data is not available, spend data is converted to consumption data using an average price for the closest available time period.

The quantity of energy consumed is multiplied by the relevant emission factor as part of the consolidation process in our environmental management system. The emission factors are determined from internationally recognized sources: DEFRA factors for emissions from UK electricity, heat, fuel, and transport, US EPA factors for US electricity, and IEA factors for electricity consumed in other locations. GHG emission attributes (from Energy Attribute Certificates), supplier-specific and residual mix factors are used to calculate market-based scope 2 emissions. Otherwise, location-based factors are used.

Scope 3 emissions

Our scope 3 GHG reporting is based on the GHG Protocol guidance. Categories 10 (Processing of goods sold), 13 (Downstream leased assets) and 14 (Franchises) are not relevant to GN and are not reported.

Actual data is used where available. Otherwise, industry averaged data or data available from academic studies or similar businesses are used. Where activity data quality is insufficient, spend data is used as a proxy. All transport-related emissions are calculated on a Well-to-Wheel basis.

Category 1 – Purchased goods and services
Emissions from goods and services purchased by GN, calculated using categorized spend data. This includes both direct and indirect procurement. To further improve the accuracy of this category, in 2023 data derived from product LCAs across all divisions was used instead of spend data.

Category 2 – Capital goods
Emissions from property, plant, and equipment (PPE), calculated using categorized spend data. In this case, PPE includes factory and office buildings, leasehold improvements, plant and machinery, operating assets and equipment, and assets under construction.

Category 3 – Fuel and energy-related activities
Upstream emissions from energy consumption at sites where GN has operational control and for fleet vehicles. Emissions are calculated on a location-based basis, using actual energy consumption data from sites and the fleet.

Category 4 – Upstream transportation and distribution
Hearing: All transportation and distribution of goods, including freighting and warehousing carried out by the supplier and paid for by GN. Data on the distance, weight and transport mode are collected from GN Hearing's transportation providers. Enterprise, Gaming & Consumer: Emissions from transportation and warehousing of GN products from global distribution centers to retailers or web shop and B2B customers (excluding transportation of SteelSeries products to APAC customers, which are reported in scope 3 category 9). Emissions are calculated using inhouse and vendor shipment data. All freight emissions are calculated using DEFRA freight factors. Warehouse emissions are modelled using a floorspace estimation and industry averaged emission factors from the US EPA, unless included by the vendor.

Category 5 – Waste generated in operations
Collection and treatment emissions associated with waste generated by GN offices and production sites. Emissions are calculated using data from waste management providers serving four of our five major production sites and headquarters. For remaining sites, estimates are made based on production volumes (production sites) and employee numbers (office and retail sites).

Category 6 – Business travel
Emissions from business air and train travel, calculated using ticket data gathered from travel partners, uplifted using spend data to include travel not booked through GN's travel partners. Air travel emissions are uplifted to account for the indirect effects of non-CO_2 emissions. Emissions from fuel purchased by employees for business travel and hotels are accounted for in scope 3 category 1.

Category 7 – Employee commuting
Emissions from GN employees' commuting is based on an employee survey conducted in 2021, scaled for country-level changes in employee numbers.

Category 8 – Upstream leased assets
Energy use at sites not included in scopes 1 and 2. Emissions are calculated with a market-based approach using actual data obtained from building management providers and estimated data, where necessary. Since 2022, some scope 1 and 2 emissions have been recategorized into scope 3 category 8.

Category 9 – Downstream transportation and distribution
Hearing: Emissions associated with the retail of GN products via retail locations not owned by GN, calculated using average energy intensity per product sold, by major market, and location-based emission factors. Enterprise and Gaming & Consumer: Estimated warehousing emissions not paid for by GN and SteelSeries product freighting not directly paid for by GN.

Category 11 – Use of sold products
Emissions from the power consumption of all GN products, excluding Hearing accessories, calculated using estimated average use cases and product lifetimes for main product categories.

Category 12 – End-of-life treatment of sold products
Collection and waste treatment of GN products and packaging, calculated using averaged products and packaging weights by grouped market locations.

Category 15 - Investments
Estimated scope 1 and 2 emissions of GN's investments calculated using revenue and proxy data, combined with EEIO data and allocated based on share of investment.

ESG data – other

Dimension	Units	2018	2019	2020	2021	2022	2023	2025 target
Environmental								
Energy consumption	MWh				28,636	29,459	30,270	
Renewable energy share	%				3%	9%	30%	
Total waste generated	metric tons			575	656	781	673	
Water consumption	m3			71,594	73,975	73,073	74,948	
TCO Certified products	# certified products	0	0	4	17	29	38	
FSC certified packaging - share of total sold products	% sold products	0%	0%	4.9%	15%	20%	26%	
FSC certified packaging - share of newly launched sold products	% sold products	0%	0%	40%	100%	51%	62%	100%
Product LCAs completed and externally verified	# LCAs	0	0	0	0	9	20	
E-waste recycling financed	tons	2,788	3,671	4,210	4,777	4,302	3,921	
Social								
Number of people with hearing loss helped	# m people		9.0	9.1	9.4	9.8	10.5	>10
Supplier ESG audits	# supplier audits	39	49	39	40	31	61	
Lost time incidents (LTI) at GN-operated manufacturing sites	# incidents			5	2	11	3	
Lost time incidents frequency rate at GN-operated manufacturing sites	rate						0.44	
Lost time incidents severity rate at GN-operated manufacturing sites	rate						0.74	
Days lost due to injury at GN-operated manufacturing sites	# days						5	
Employee turnover	% of total workforce					22.0%	20.8%	
Conflict Minerals Reporting Templates received	%CMRTs received	98%	98%	97%	100%	100%	100%	100%
Governance								
AGM-elected women on GN's Board	% women	50%	40%	57%	57%	66%	50%	>40%
Women in senior management*	% women	20%	20%	21%	22%	23%	22%	>25%
Whistleblower cases	Number of cases	10	15	14	29	37	29	

* 2023 data in scope for limited assurance by PwC. 2021 and 2022 data for women in senior management has been recalculated based on the updated accounting policy.

Notes – Environmental

Energy, waste, and water consumption

Energy consumption includes electricity, fuel, and heating used at all GN sites under operational control and in the GN car fleet. Energy consumption is estimated based on similar sites in terms of size and geography, where actual data is not available.

Waste reported here amounts to all waste generated at all GN sites. Actual data is used to calculate the waste volumes from the main production sites and headquarters. Waste volume for GN's hearing aid production site in the U.S. was estimated based on the other production sites in Denmark, China, Malaysia, and Spain, while smaller offices' waste volumes were estimated based on similar sites in terms of size and geography. Waste figures for 2020-2022 have been restated to correct for a calculation error. Water consumption was calculated in the same way as waste generation.

Renewable energy share

The percentage of GN's energy consumption within the operational control boundary that comes from renewable sources, as stipulated by contractual instruments, such as green tariffs, energy attribute certificates purchased by GN or where GN has entered into power purchase agreements.

TCO Certified products

A TCO Certified product is defined as a product that has received separate certification from TCO Certified. For an overview of current GN products with TCO certification, see https://tcocertified.com/product-finder/index?brand=Jabra&tq=&pp=1.

FSC certified packaging

These data points are calculated by dividing the total number of products sold in 2023 with FSC certified packaging with the total number of sold products. To calculate the number that represents the share of newly launched products only, the same number is divided by the total number of sold products that were launched in 2023 only.

LCAs completed

This includes all completed product LCAs that have been externally verified by Bureau Veritas. LCAs have been completed for Jabra, SteelSeries, and ReSound products.

E-waste recycling financed

GN Audio is required as part of the WEEE Directive in the EU to help finance e-waste collection and recycling infrastructure in line with the volume of electronic equipment put on the market in countries above a set threshold. This requirement only applies to GN Audio and includes products, batteries, and packaging (both plastic and cardboard). Per law, our compliance with WEEE in Denmark was subject to an external audit.

Notes - Social

People with hearing loss helped
This number is calculated using sales volumes of GN hearing aids and assumptions based on EHIMA figures for binaural treatment and replacement rates (five years for high-income countries and eight years for low-income countries).

Supplier ESG Audits
This includes any on-site audit executed by GN of tier 1 and key tier 2 suppliers dedicated to environmental, social, and governance compliance with local law and our Codes of Conduct.

Lost time incidents (LTI)
An injury sustained by an employee that leads to loss of productive work in the form of absenteeism or delays. In 2023, the definition was expanded to include both manufacturing and warehousing sites. Although occupational health and safety procedures apply across all GN's sites, the metric is limited to these sites as it is where LTIs are most probable and pose the highest risk to employee wellbeing. For the LTI frequency and severity rates, we divided the number of cases and the total number of days lost respectively by the average number of total hours worked in GN by the blue collar workforce, multiplied by 1 million.

Employee turnover
Includes both voluntary and involuntary turnover for both white collar and blue collar. As the integration of HR and IT systems is ongoing, this number excludes SteelSeries.

Notes – Governance

Women in Board of Directors
The percentage of female Board members on December 31, 2023.

For the above two data points, we will include other underrepresented genders in this number in future reporting, if this becomes a relevant distinction either based on gender identification of GN employees or through additional disclosure requirements.

Whistleblower cases
The number of cases reported through our whistleblower hotline, the GN Alertline. Benchmarked against companies of similar size and geography, the current number of cases seems representative of a well-functioning whistleblower system.

§ Accounting policies

Accounting policy for women in senior management positions

The percentage of female employees holding senior management positions on December 31, 2023, where senior management is defined as employees occupying a position at GN level 17.1 or above (equivalent to a Mercer IPE score 56 or above). The accounting policy has been updated to more accurately and robustly define senior management positions based on job levels, rather than seniority being based on membership of the Global Leadership Group, as it was in previous years.

Data is collected directly from the global HR system and employees are categorized into the relevant senior management employee group based on a clear set of criteria based on the chain of command assigned in the HR system.

Stakeholder engagement

We are in continuous dialogue with our stakeholders to ensure we understand their requirements and find ways to work in partnership to strengthen our business and the societies in which we operate.

Customers

We proactively engage with customer groups to improve our products. We are keen to understand our customers' and partners' sustainability requirements and aim to meet these standards. In 2023, sustainability became an even more prominent topic of engagement with customers, including packaging, LCAs, certifications, decarbonization, and circularity.

Employees

All employees engage biannually in professional development discussions. All employees are encouraged to participate in the annual engagement survey, a tool that enables leaders and employees to address strengths as well as areas of improvement. Employees can approach their HR business partner for confidential discussions, as well as report any concerns to a confidential whistleblower hotline, GN Alertline.

Investors

As a public company, GN discloses ESG data in relevant areas via our integrated annual report, our Annual General Meeting, and where relevant on request to ESG rating agencies and investors. To ensure our ESG disclosures always meet investor requirements, we welcome dialogue with our investors on ESG topics at any time. In 2023, we continued to make ESG a prominent part of our proactive communication to investors.

Regulatory authorities

GN assesses relevant regulations on an ongoing basis to ensure we comply with all relevant legislation. New legislation is emerging in the area of product sustainability, including further chemical restrictions, right to repair, and battery legislation. On a corporate level, aside from CSRD (see page 25), we closely monitor legislation in the area of ESG due diligence (CSDDD) and human rights-related laws across many different geographies.

Suppliers

We expect our suppliers to uphold the same standards as we set for ourselves. We audit our suppliers to ensure they comply with GN's Supplier Codes of Conduct and other relevant policies. We work in partnership with our suppliers to support their compliance and to jointly achieve sustainability goals (see page 32).

Interest groups

We support the United Nation's SDGs through our membership of the UN Global Compact. Our efforts to raise awareness of hearing loss and the benefits of early treatment include our participation in industry groups such as the European Hearing Instrument Manufacturers Association (EHIMA) and promotion of the World Health Organization's World Hearing Day.

Memberships, certifications, and ratings

Memberships	Rating/ certification	Page reference	Last updated
UN Global Compact	Affiliate member	34	2010
Responsible Business Alliance	Affiliate member	34	2022
Certifications			
Forest Stewardship Council	Certified	57	2023
TCO Certified	Certified	TCO certified GN products	2023
EcoVadis	Bronze	32	2023
ISO	Certified	29	2023
ESG reporting and performance			
Global Reporting Initiative	Aligned	54	2023
MSCI ESG Ratings	AA		2023
Sustainalytics ESG Rating	12.3 (low risk)		2023
CDP Climate Change	B		2023
CDP Water	C		2023

Policy overview and governance

Policy	What it covers
Policies guiding internal processes	
Sustainability | ESG Policy	GN's general approach to sustainability across all ESG areas.
Diversity, Equity and Inclusion Policies	GN's initiatives and tools to drive greater diversity, equity, and inclusion across GN.
Quality Policies	GN's processes that ensure we foster a quality culture with the objective to develop, manufacture, and market products and services with superior quality as perceived by customers.
Ethics Guide*	Our internal Code of Conduct. The responsibilities and guidelines that describe the ethical standard expected of all GN employees, as well as a decision-making process supporting the resolution of ethical issues.
Privacy Policy	How GN protects personal data belonging to customers, users, and employees.
Anti-corruption Policy*	How GN employees, suppliers, customers, and third-party representatives are expected to conduct business the right way, in compliance with all applicable anti-bribery and anti-corruption laws, including (but not limited to) the US Foreign Corrupt Practices Act and the UK Bribery Act 2010.
Gifts, travel, and entertainment Policy*	Guidelines for gifts, travel, and entertainment in GN, within the wider anti-corruption policy.
Non-retaliation Policy**	GN's commitment to ensure that any employee who reports detected or suspected misconduct to a manager will not suffer any kind of retaliation or repercussion as a result thereof.
Tax Policy	How GN pays its taxes in a responsible way.
Remuneration Policy	The guidelines for remuneration, including incentive pay, to members of GN's registered management and such members' remuneration in GN's wholly-owned subsidiaries, as well as remuneration to GN's Board of Directors, in accordance with Section 4 of the Recommendations on Corporate Governance and Section 139 of the Danish Companies Act.
Flexible Work Policy	How GN ensures a healthy work-life balance for employees by allowing for optimization of work arrangements based on individual circumstances.
Requirements for relevant suppliers	
Supplier Code of Conduct	How suppliers are expected to conduct business with respect to human rights, environmental standards, and ethical business practices across the value chain.
Modern Slavery and Supply Chain Disclosure	GN's policies and procedures to comply with the UK Modern Slavery Act (2015) and the California Transparency in Supply Chains Act (2012).
Conflict Minerals Policy	GN's requirements and supporting due diligence process to ensure our suppliers do not source conflict minerals to be used in our products.

*All relevant employees required to sign.

**All managers required to sign.

Sustainability governance

The Board of Directors

The Board approves the strategic direction and key decisions in all sustainability areas.

Executive Leadership Team

The leaders of GN's business divisions and functions of scale together with the CEO and the CFO constitute the Executive Leadership Team (ELT).

The ELT is responsible for including sustainability in business decisions and for driving and tracking initiatives at an operational level and as part of the company's strategy.

Each member of the ELT has sustainability objectives as part of their annual incentives.

Group Sustainability

Group Sustainability, reporting to the CFO, holds overall responsibility for supporting the business in driving the sustainability agenda and external reporting.

EU Taxonomy Regulation disclosure

In accordance with Article 8 of the delegated act for reporting in compliance with the EU Taxonomy regulation, as a non-financial listed company, GN assessed the eligibility and alignment of our economic activities with the EU Taxonomy, based on activities listed in Annexes to the climate and environmental delegated acts.

Methodology and materiality

For the purpose of this disclosure, we executed a full screening of all GN's core and secondary economic activities against the eligible activities listed in the Taxonomy Compass. For eligible activities, we have assessed the feasibility of obtaining the required data to prove substantial contribution to the environmental objectives, only considering parts of our activities for which we have detailed data available due to their significant contribution to GN's overall business model. As an example, it is not feasible to apply extensive alignment criteria on a very minor building renovation project that does not directly contribute to GN's core activities. This feasibility forms a threshold for reporting on alignment.

Accounting policies for Turnover, OPEX, and CAPEX

The turnover KPI is defined as Turnover-eligible turnover divided by total turnover. The total turnover is GN's total revenue. Our consolidated net turnover can be reconciled to our consolidated financial statement, see the income statement on page 82 ('Revenue').

The CAPEX KPI is defined as Taxonomy-eligible CAPEX divided by total CAPEX. The total CAPEX consists of additions to tangible and intangible fixed assets before depreciation, amortization, and any re-measurements. It includes acquisitions of property plant and equipment, intangible assets, leases with usage rights, investment properties, additions due to acquired business and excludes current and non-current assets, goodwill.

The OPEX KPI is defined as Taxonomy-eligible OPEX divided by the total OPEX. The total OPEX consists of research and development, excluding overhead; building renovation; short-term lease agreements; maintenance/upkeep and repairs: and any other direct expenditure related to the routine maintenance of tangible assets by the company or by the third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

Eligibility and alignment with climate and environmental related objectives

Core activities

One of GN's core activities is eligible to the circular economy objective, as this activity falls in category 1.2 of the EU . Taxonomy: Manufacture of electrical and electronic equipment, which includes the manufacturing of our hearing aids, and excludes outsourced manufacturing for all other product categories. In accordance with the regulation, we will assess alignment with the circular economy objective for this activity in 2024.

Secondary activities

In addition, our screening yielded that in 2023, GN was involved in three secondary economic activities that match taxonomy-eligibility criteria (see tables for details). As these are secondary activities, these logically do not represent any turnover. Neither of these activities meet the materiality threshold as described above to justify a detailed alignment assessment.

Turnover

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Turnover (3)	Prop. of turnover, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Prop. of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		*(DKKm)*	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional			0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Manufacture of electrical and electronic equipment		6,802	37.53%	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		6,802	37.53%	0%	0%	0%	0%	0%	0%								0%		
A. Turnover of Taxonomy eligible activities (A1 + A2)		**6,802**	**37.53%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		11,318	62,47%																
Total		**18,120**	**100%**																

CAPEX

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	CAPEX (3)	Prop. of CAPEX, year 2023 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Prop. of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		*(DKKm)*	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional			0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Renovation of existing buildings	CCM 7.2 / CCA 7.2	9	0.60%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								3.15%		T
Installation, maintenance, and repair of charging stations for electric vehicles	CCM 7.4 / CCA 7.4	2	0.15%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0.08%	E	
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12	0.75%	0%	0%	0%	0%	0%	0%								3.24%		
A. CAPEX of Taxonomy eligible activities (A1 + A2)		**12**	**0.75%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities		1,537	99.25%																
Total		**1,548**	**100%**																

OPEX

Financial year 2023		**2023**		**Substantial contribution criteria**						**DNSH criteria ('Does Not Significantly Harm')**									
Economic activities (1)	Code (2)	OPEX (3)	Prop. of OPEX, year 2023 (4)	Climate change mitiga-tion (5)	Climate change adapta-tion (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiver-sity (10)	Climate change mitiga-tion (11)	Climate change adaption (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiver-sity (16)	Minimum safe-guards (17)	Prop. of Taxonomy aligned (A.1) or eli-gible (A.2) turno-ver, year 2023 (18)	Category enabling activity (19)	Category transi-tional ac-tivity (20)
Text		*(DKKm)*	*%*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y;N;N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		
Of which Enabling			0%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%	E	
Of which Transitional			0%	0%						Y	Y	Y	Y	Y	Y	Y	0%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL;N/EL	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*	*EL;N/EL*										
Renovation of existing buildings	CCM 7.2 / CCA 7.2	3	0.09%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0.02%		T
Installation, maintenance, and repair of charging stations for electric vehicles	CCM 7.4 / CCA 7.4	0	0.00%	*EL*	*EL*	*N/EL*	*N/EL*	*N/EL*	*N/EL*								0%		
Manufacture of electrical and electronic equipment	CE 1.2	1,306	36.82%	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								0%		
Repair, refurbishment, and remanufacturing	CE 5.1	128	3.61	*N/EL*	*N/EL*	*N/EL*	*N/EL*	*EL*	*N/EL*								0%		
OPEX of Taxonomy-eligible but not environmentally sustaina-ble activities (not Taxonomy-aligned activities) (A.2)		1,437	40.53%	0%	0%	0%	0%	0%	0%								0.02%		
A. OPEX of Taxonomy eligible activities (A1 + A2)		**1,437**	**40.53%**	0%	0%	0%	0%	0%	0%										
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities		2,109	59.47%																
Total		**3,546**	**100%**																

TCFD index

GN continues to develop our climate-related risk management and disclosure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

This table provides an overview of our TCFD alignment, along with references to where you can find further information in this report.

TCFD Pillar	Recommendation	Details	Reference
Governance	Disclose company's governance around climate-related risks and opportunities	GN's governance of climate-related issues is outlined in the Sustainability Governance section of this report.	Sustainability governance - page 60
Strategy	Disclose actual and potential impacts of climate-related risks and opportunities on business, strategy, and financial planning, where material	For an overview of GN's climate-related risks please see page 42. We anticipate that increasing investments in low-carbon technology, including batteries, and increasing availability of circular infrastructure and services will provide opportunities to meet demand for low-impact products, comply with new regulations, and reduce raw material costs. Sustainability is a key enabler of GN's strategy. Climate change impact is a strategic decision-making factor across the business and GN's activities are evaluated using a set of success criteria that pay attention to climate-related issues as well as traditional business objectives. Financial resources allocated to supporting GN's low-carbon transition have increased over the past year, e.g. enabling sourcing of materials with lower carbon footprints, supply chain engagement to collect data via EcoVadis, and implementing energy efficiency and renewable energy measures at key production sites.	Environmental performance - pages 27-32
Risk management	Disclose how the company identifies, assesses, and manages climate-related risks	Climate-related risks and opportunities are included in ongoing enterprise risk management. High-level climate scenario analysis was conducted using the IEA's new Net Zero Roadmap report and the Net-Zero Emissions by 2050 Scenario, as well as regional-level climate change impact projections from the IPCC's Working Group II report from the Fifth Assessment Report (2014). More comprehensive climate-related scenario analysis will be phased in to align our approach with TCFD recommendations.	Risk management - page 42
Metrics and targets	Disclose metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	Metrics The principal metrics used to assess climate-related risks and opportunities are: - Absolute scope 1, 2, and 3 greenhouse gas emissions - Renewable energy share (as % of total energy consumption) Performance on these metrics and other material ESG KPIs are disclosed in this report. Targets GN has set near-term science-based targets through the Science Based Targets initiative (SBTi). GN commits to reduce absolute scope 1 and 2 GHG emissions 80% by 2030 from a 2021 base year. GN also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe. These targets were validated by SBTi in December 2022. GN will reach net-zero emissions, in line with the SBTi Net-Zero Standard, by 2050 at the latest. GN also has a short-term target to reduce emissions from business travel per employee by 50% by 2025 from a 2019 baseline. GN will draw up a transition plan within the next two years, outlining how we will reach our science-based targets, and work towards being net-zero before 2050.	ESG data - climate-related - pages 55-56

Additional financial information 2023

(unaudited)

Q4 financial highlights

GN Hearing

Revenue

GN Hearing's revenue in Q4 2023 was DKK 1,808 million compared to DKK 1,807 million in Q4 2022, driven by an organic revenue growth of 7%. Revenue growth was 0% including around -3% impact from the development in foreign exchange rates and around -4% impact from M&A.

In North America, GN Hearing delivered continued strong performance in Q4 2023 in a very healthy hearing aid market. The initial launch of ReSound Nexia as well as the continued strong performance of ReSound OMNIA, drove an organic revenue growth of 24% in North America. In Europe, GN Hearing delivered an organic revenue growth of -3% in a soft hearing aid market on top of a larger than normal revenue in Q4 2022 from GN's strategic partner Cochlear. In Rest of World, organic revenue growth was -16% driven by strong growth in Australia and China on top of a larger than normal revenue in Q4 2022 from GN's strategic partner Cochlear.

Earnings and other financial highlights

GN Hearing's adj. gross profit ended at DKK 1,099 million in Q4 2023 (compared to DKK 1,205 million in Q4 2022. The development reflects an annualization of increasing input costs as well as the disposal of retail activities including BelAudição.

GN Hearing's adj. EBITA was DKK 282 million, with the Core business delivering adj. EBITA of DKK 311 million corresponding to an adj. EBITA margin of 18.0%. The Emerging business, primarily JabraEnhance.com, delivered an EBITA of DKK -29 million. Reported EBITA amounted to DKK 143 million reflecting non-recurring items of DKK -139 million in Q4 2023.

In Q4 2023, free cash flow excl. M&A reached DKK 155 million, compared to DKK 64 million in Q4 2022.

GN Audio

Revenue

GN Audio's revenue in Q4 2023 was DKK 3,261 million compared to DKK 3,463 million in Q4 2022, due to -4% organic revenue growth. Revenue growth was -6% including around -2% impact from the development in foreign exchange rates.

The development was driven by -9% organic revenue growth in Enterprise, and by -14% organic growth in Consumer. SteelSeries delivered organic revenue growth of 17% while gaining market share in a stabilized market. The growth was driven by the strong and updated product line-up.

In North America, GN Audio delivered organic revenue growth of -4%, while Europe saw organic revenue growth of -8%. Organic revenue growth in the Rest of World region was 7% in Q4 2023.

Earnings and other financial highlights

GN Audio delivered a gross margin of 43.5% in Q4 2023 compared to 39.7% in Q4 2022, driven by easing freight costs on top of negative business mix.

Financial overview Q4 2023

	GN Hearing			GN Audio			
DKK million – Q4 2023	Core business	Emerging business	GN Hearing	Enterprise	Consumer	Steel-Series	GN Audio
Revenue	**1,727**	**81**	**1,808**	**1,997**	**368**	**896**	**3,261**
Organic growth	6%	28%	7%	-9%	-14%	17%	-4%
Adj. EBITA**	**311**	**-29**	**282**				**432**
Adj. EBITA margin**	18.0%		15.6%				13.2%

	Group total*			GN Hearing			GN Audio		
DKK million	Q4 2023	Q4 2022	Growth	Q4 2023	Q4 2022	Growth	Q4 2023	Q4 2022	Growth
Revenue	**5,069**	**5,270**	**-4%**	**1,808**	**1,807**	**0%**	**3,261**	**3,463**	**-6%**
Organic growth	0%	2%		7%	14%		-4%	-3%	
Adj. Gross profit**	**2,518**	**2,581**	**-2%**	**1,099**	**1,205**	**-9%**	**1,419**	**1,376**	**3%**
Adj. Gross profit margin**	49.7%	49.0%	0.7%p	60.8%	66.7%	-5.9%p	43.5%	39.7%	3.8%p
Adj. EBITA**	**644**	**744**	**-13%**	**282**	**472**	**-40%**	**432**	**344**	**29%**
Adj. EBITA margin**	12.7%	14.1%	-1.4%p	15.6%	26.1%	-10.5%p	13.2%	9.6%	3.6%p
Adj. Earnings per share (EPS)***	**2.86**	**3.92**	**-27%**						
Free cash flow excl. M&A	769	-217	986	155	64	91	659	-21	680

* Including "Other"

** Excluding non-recurring items (DKK -79 million in OPEX in GN Audio, DKK -60 million in COGS in GN Hearing, DKK -79 million in OPEX in GN Hearing and DKK -160 million in OPEX in Other) in 2023. Excluding non-recurring items (DKK -152 million in OPEX in GN Audio, DKK -11 million in COGS in GN Hearing and DKK -25 million in OPEX in GN Hearing) in 2022

*** Excluding non-recurring items (DKK -378 million in 2023 and DKK -188 million in 2022) and amortization of acquired intangible assets

GN Audio's adj. EBITA ended at DKK 432 million in Q4 2023, translating into an adj. EBITA margin of 13.2%, compared to 9.6% in Q4 2022 reflecting the gross margin impact and tightly managed OPEX. Reported EBITA was DKK 353 million, reflecting DKK -79 million in non-recurring items related to the initiatives to improvement margins including One-GN initiatives.

In Q4 2023, free cash flow excl. M&A reached DKK 659 million, compared to DKK -21 million in Q4 2022 driven by the improved profitability and a decrease in working capital as a result of the inventory reductions.

GN Store Nord

GN Store Nord's adj. EBITA was DKK 644 million compared to DKK 744 million in Q4 2022 (EBITA in Other amounted to DKK -70 million excluding non-recurring items), negatively impacted by the high comparison base in GN Hearing. This corresponds to an adj. EBITA margin of 12.7% in Q4 2023 compared to 14.1% in Q4 2022. Reported EBITA was DKK 266 million, reflecting non-recurring items of DKK -378 million due to costs related to unlocking synergies as part of the One-GN transformation.

In Q4 2023, amortization of acquired intangible assets amounted to DKK -90 million compared to DKK -116 million in Q4 2022. Financial items were DKK -117 million in Q4 2023 compared to DKK -82 million in Q4 2022, driven by run-rate effects from the higher net interest-bearing debt.

In Q4 2023, free cash flow excl. M&A reached DKK 769 million, compared to DKK -106 million in Q4 2022 driven by strong profitability and a decrease in working capital as a result of the inventory reductions.

Development compared to 2022 (statutory results)

DKK million	Adjusted 2023	Non-recurring adjustments	Reported 2023	Reported 2022
Revenue	18,120	-	18,120	18,687
Production costs	-9,082	-93	-9,175	-9,555
Gross profit	**9,038**	**-93**	**8,945**	**9,132**
Development costs	-1,343	-203	-1,546	-1,405
Selling and distribution costs	-4,296	-101	-4,397	-4,563
Management and administrative expenses	-1,613	-197	-1,810	-1,587
Other operating income and costs, net	8	-	8	-17
EBITA	**1,794**	**-594**	**1,200**	**1,560**

In 2023, the markets presented a mixed bag of tailwinds and headwinds, but the company executed well and delivered strong results. GN Store Nord's revenue ended at DKK 18,120 million including organic revenue growth of -1% compared to -3% in 2022 - in line with financial guidance. The impact from the development in foreign exchange rates was -2%. Gross margin of 49.4% in 2023 was slightly higher than the 48.9% reported in 2022, driven by DKK -252 million non-recurring items in 2022 versus DKK -93 million in 2023. The 2022 non-recurring items included a DKK -196 million non-cash PPA related to the SteelSeries acquisition. The development in OPEX reflects the increase of non-recurring items of DKK-147 million in 2023 compared to 2022. These costs primarily relate to the One-GN integration, which was announced in Q3 2023. Excluding these non-recurring items, the development in OPEX primarily reflects continued cost reduction measures implemented throughout the year on top of inflationary impact and IT investments. The development in other profit & loss items and, free cash flow and capital structures are consistent with those reported under the "Financial review 2023" section of this report.

Quarterly financial highlights

DKK million	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Full year 2023 (aud.)	Full year 2022 (aud.)
GN Store Nord				
Revenue	5,069	5,270	18,120	18,687
Revenue growth	-4%	29%	-3%	18%
Organic growth	0%	3%	-1%	-3%
Gross profit margin	48.5%	48.8%	49.4%	48.9%
EBITA*	266	556	1,200	1,560
EBITA margin*	5.2%	10.6%	6.6%	8.3%
Profit (loss) before tax	48	354	343	725
Effective tax rate	18.8%	21.5%	22.4%	21.4%
ROIC (EBITA*/Average invested capital)	5%	9%	5%	9%
Earnings per share, basic (EPS)	0.25	2.06	1.64	4.00
Earnings per share, fully diluted (EPS diluted)	0.25	2.05	1.64	3.99
Free cash flow excl. M&A	769	-105	1,092	-1,291
Cash conversion (Free cash flow excl. M&A/EBITA*)	289%	-19%	91%	-83%
Equity ratio	31.3%	22.2%	31.3%	22.2%
Net interest-bearing debt	10,567	14,561	10,567	14,561
Net interest-bearing debt (period-end)/EBITDA	6.0	7.1	6.0	7.1
	-	-	-	-
Outstanding shares, end of period (thousand)	145,613	127,973	145,613	127,973
Average number of outstanding shares (thousand)	145,562	127,964	138,883	127,823
Average number of outstanding shares, fully diluted (thousand)	145,579	128,120	138,991	128,126
Treasury shares, end of period (thousand)	5,300	9,220	5,300	9,220
Share price at the end of the period	171.8	159.8	171.8	159.8
Market capitalization	25,016	20,444	25,016	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.

DKK million	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Full year 2023 (aud.)	Full year 2022 (aud.)
GN Hearing				
Revenue	1,808	1,807	6,802	6,227
Revenue growth	0%	26%	9%	17%
Organic growth	7%	14%	13%	5%
Gross profit margin	57.5%	66.1%	59.9%	62.7%
EBITA*	143	436	554	453
EBITA margin*	7.9%	24.1%	8.1%	7.3%
ROIC (EBITA*/Average invested capital)	7%	5%	7%	5%
Free cash flow excl. M&A	155	64	269	-377
Cash conversion (Free cash flow excl. M&A/EBITA*)	108%	15%	49%	-83%
GN Audio				
Revenue	3,261	3,463	11,318	12,460
Revenue growth	-6%	30%	-9%	19%
Organic growth	-4%	-3%	-8%	-8%
Gross profit margin	43.5%	39.7%	43.0%	41.9%
EBITA*	353	182	1,017	1,299
EBITA margin*	10.8%	5.3%	9.0%	10.4%
ROIC (EBITA*/Average invested capital)	9%	17%	9%	17%
Free cash flow excl. M&A	659	-21	1,034	-91
Cash conversion (Free cash flow excl. M&A/EBITA*)	187%	-12%	102%	-7%

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.

Quarterly reporting by segment

DKK million	Q1 2022 (unaud.)	Q2 2022 (unaud.)	Q3 2022 (unaud.)	Q4 2022 (unaud.)	Q1 2023 (unaud.)	Q2 2023 (unaud.)	Q3 2023 (unaud.)	Q4 2023 (unaud.)	YTD 2022 (aud.)	YTD 2023 (aud.)
Income statement										
Revenue										
GN Hearing	1,337	1,529	1,554	1,807	1,622	1,719	1,653	1,808	6,227	6,802
GN Audio	2,522	3,328	3,147	3,463	2,592	2,675	2,790	3,261	12,460	11,318
Total	**3,859**	**4,857**	**4,701**	**5,270**	**4,214**	**4,394**	**4,443**	**5,069**	**18,687**	**18,120**
Organic growth										
GN Hearing	2%	4%	0%	14%	15%	15%	15%	7%	5%	13%
GN Audio	-30%	10%	-2%	-3%	2%	-18%	-8%	-4%	-7%	-8%
Total	**-21%**	**8%**	**-1%**	**3%**	**7%**	**-8%**	**0%**	**0%**	**-3%**	**-1%**
Gross profit										
GN Hearing	801	924	988	1,194	979	1,039	1,019	1,039	3,907	4,076
GN Audio	1,006	1,502	1,341	1,376	1,062	1,183	1,205	1,419	5,225	4,869
Total	**1,807**	**2,426**	**2,329**	**2,570**	**2,041**	**2,222**	**2,224**	**2,458**	**9,132**	**8,945**
Gross profit margin										
GN Hearing	59.9%	60.4%	63.6%	66.1%	60.4%	60.4%	61.6%	57.5%	62.7%	59.9%
GN Audio	39.9%	45.1%	42.6%	39.7%	41.0%	44.2%	43.2%	43.5%	41.9%	43.0%
Total	**46.8%**	**49.9%**	**49.5%**	**48.8%**	**48.4%**	**50.6%**	**50.1%**	**48.5%**	**48.9%**	**49.4%**
Development costs										
GN Hearing	-138	-142	-146	-124	-166	-130	-126	-167	-550	-589
GN Audio	-189	-166	-188	-238	-188	-226	-190	-290	-781	-894
Other*	-21	-16	-10	-27	-13	-14	-19	-17	-74	-63
Total	**-348**	**-324**	**-344**	**-389**	**-367**	**-370**	**-335**	**-474**	**-1,405**	**-1,546**
Selling and distribution costs and administrative expenses etc.										
GN Hearing	-733	-776	-761	-634	-760	-741	-703	-729	-2,904	-2,933
GN Audio	-672	-804	-713	-956	-711	-751	-720	-776	-3,145	-2,958
Other*	-38	-23	-22	-35	-30	-29	-36	-213	-118	-308
Total	**-1,443**	**-1,603**	**-1,496**	**-1,625**	**-1,501**	**-1,521**	**-1,459**	**-1,718**	**-6,167**	**-6,199**
EBITA										
GN Hearing	-70	6	81	436	53	168	190	143	453	554
GN Audio	145	532	440	182	163	206	295	353	1,299	1,017
Other*	-59	-39	-32	-62	-43	-43	-55	-230	-192	-371
Total	**16**	**499**	**489**	**556**	**173**	**331**	**430**	**266**	**1,560**	**1,200**
EBITA margin										
GN Hearing	-5.2%	0.4%	5.2%	24.1%	3.3%	9.8%	11.5%	7.9%	7.3%	8.1%
GN Audio	5.7%	16.0%	14.0%	5.3%	6.3%	7.7%	10.6%	10.8%	10.4%	9.0%
Total	**0.4%**	**10.3%**	**10.4%**	**10.6%**	**4.1%**	**7.5%**	**9.7%**	**5.2%**	**8.3%**	**6.6%**
Depreciation and software amortization										
GN Hearing	-38	-41	-42	-41	-42	-41	-36	-38	-162	-157
GN Audio	-45	-48	-54	-47	-46	-45	-43	-47	-194	-181
Other*	-35	-37	-36	-21	-21	-27	-29	-136	-129	-213
Total	**-118**	**-126**	**-132**	**-109**	**-109**	**-113**	**-108**	**-221**	**-485**	**-551**

Quarterly reporting by segment (continued)

DKK million	Q1 2022 (unaud.)	Q2 2022 (unaud.)	Q3 2022 (unaud.)	Q4 2022 (unaud.)	Q1 2023 (unaud.)	Q2 2023 (unaud.)	Q3 2023 (unaud.)	Q4 2023 (unaud.)	YTD 2022 (aud.)	YTD 2023 (aud.)
EBITDA										
GN Hearing	-32	47	123	477	95	209	226	181	615	711
GN Audio	190	580	494	229	209	251	338	400	1,493	1,198
Other*	-24	-2	4	-41	-22	-16	-26	-94	-63	-158
Total	**134**	**625**	**621**	**665**	**282**	**444**	**538**	**487**	**2,045**	**1,751**
EBITA	**16**	**499**	**489**	**556**	**173**	**331**	**430**	**266**	**1,560**	**1,200**
Amortization and impairment of acquired intangible assets	-103	-96	-125	-116	-102	-101	-99	-90	-440	-392
Gain (loss) on divestment of operations etc.	-1	-6	-	-2	-1	1	60	1	-9	61
Operating profit (loss)	**-88**	**397**	**364**	**438**	**70**	**231**	**391**	**177**	**1,111**	**869**
Share of profit (loss) in associates	17	5	-1	-2	-1	-46	-5	-12	19	-64
Financial items, net	-156	-77	-90	-82	-125	-129	-91	-117	-405	-462
Profit (loss) before tax	**-227**	**325**	**273**	**354**	**-56**	**56**	**295**	**48**	**725**	**343**
Tax on profit (loss)	49	-70	-58	-76	13	-13	-68	-9	-155	-77
Profit (loss)	**-178**	**255**	**215**	**278**	**-43**	**43**	**227**	**39**	**570**	**266**
Balance sheet										
Inventories										
GN Hearing	770	816	892	850	842	841	856	790	850	790
GN Audio	2,012	2,282	2,968	2,666	2,506	2,449	2,353	1,867	2,666	1,867
Total	**2,782**	**3,098**	**3,860**	**3,516**	**3,348**	**3,290**	**3,209**	**2,657**	**3,516**	**2,657**
Trade receivables										
GN Hearing	1,144	1,262	1,266	1,442	1,446	1,398	1,451	1,489	1,442	1,489
GN Audio	1,975	2,890	2,729	2,589	2,314	2,429	2,827	2,953	2,589	2,953
Other*	2	2	-	-	-	-13	-	-	-	-
Total	**3,121**	**4,154**	**3,995**	**4,031**	**3,760**	**3,814**	**4,278**	**4,442**	**4,031**	**4,442**
Net working capital										
GN Hearing	1,036	1,078	1,052	1,323	1,380	1,281	1,196	1,077	1,323	1,077
GN Audio	1,646	2,021	2,145	1,937	2,222	1,872	1,930	1,548	1,937	1,548
Other*	-165	-319	-259	-151	-43	-102	-120	16	-151	16
Total	**2,517**	**2,780**	**2,938**	**3,109**	**3,559**	**3,051**	**3,006**	**2,641**	**3,109**	**2,641**
Free cash flow excl. M&A										
GN Hearing	-175	-326	60	64	-132	131	115	155	-377	269
GN Audio	-140	49	21	-21	-304	464	215	659	-91	1,034
Other*	-242	-135	-298	-148	-142	27	-51	-45	-823	-211
Total	**-557**	**-412**	**-217**	**-105**	**-578**	**622**	**279**	**769**	**-1,291**	**1,092**
Acquisitions and divestments of companies	**-7,037**	**-216**	**-15**	**11**	**-36**	**-**	**441**	**-**	**-7,257**	**405**
Free cash flow	**-7,594**	**-628**	**-232**	**-94**	**-614**	**622**	**720**	**769**	**-8,548**	**1,497**

* "Other" comprises Group Functions, GN Ejendomme and eliminations.
Note: Quartely splits have not been adjusted for the impacts, if any, of purchase price allocation finalisations.

Regional growth composition

Regional growth, Q4 2023	GN Hearing		GN Audio		Consolidated total	
(DKK million)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)
Europe - revenue	**451**	**525**	**1,588**	**1,704**	**2,039**	**2,229**
Organic growth	-3%	8%	-8%	9%	-7%	9%
FX growth	0%	0%	1%	0%	1%	0%
M&A growth	-11%	14%	0%	20%	-3%	18%
Revenue growth	**-14%**	**22%**	**-7%**	**29%**	**-9%**	**27%**
North America - revenue	**996**	**839**	**1,019**	**1,109**	**2,015**	**1,948**
Organic growth	24%	11%	-4%	-18%	8%	-5%
FX growth	-3%	15%	-4%	9%	-4%	12%
M&A growth	-2%	5%	0%	45%	-1%	27%
Revenue growth	**19%**	**31%**	**-8%**	**36%**	**3%**	**34%**
Rest of World - revenue	**361**	**443**	**654**	**650**	**1,015**	**1,093**
Organic growth	-16%	22%	7%	-9%	-2%	3%
FX growth	-3%	2%	-6%	4%	-5%	3%
M&A growth	0%	0%	0%	26%	0%	16%
Revenue growth	**-19%**	**24%**	**1%**	**21%**	**-7%**	**22%**
Total revenue	**1,808**	**1,807**	**3,261**	**3,463**	**5,069**	**5,270**
Organic growth	7%	14%	-4%	-3%	0%	3%
FX growth	-3%	6%	-2%	4%	-3%	5%
M&A growth	-4%	6%	0%	29%	-1%	21%
Revenue growth	**0%**	**26%**	**-6%**	**30%**	**-4%**	**29%**

Regional growth, YTD 2023	GN Hearing		GN Audio		Consolidated total	
(DKK million)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)	YTD 2023 (unaud.)	YTD 2022 (unaud.)
Europe - revenue	**1,887**	**1,794**	**5,473**	**5,936**	**7,360**	**7,730**
Organic growth	5%	10%	-9%	-1%	-6%	1%
FX growth	-1%	1%	1%	0%	1%	0%
M&A growth	1%	11%	0%	13%	0%	13%
Revenue growth	**5%**	**22%**	**-8%**	**12%**	**-5%**	**14%**
North America - revenue	**3,407**	**2,939**	**3,432**	**3,990**	**6,839**	**6,929**
Organic growth	20%	0%	-11%	-19%	2%	-11%
FX growth	-2%	13%	-3%	10%	-2%	12%
M&A growth	-2%	3%	0%	35%	-1%	21%
Revenue growth	**16%**	**16%**	**-14%**	**26%**	**-1%**	**22%**
Rest of World - revenue	**1,508**	**1,494**	**2,413**	**2,534**	**3,921**	**4,028**
Organic growth	6%	8%	0%	-6%	2%	0%
FX growth	-5%	4%	-5%	7%	-5%	6%
M&A growth	0%	0%	0%	26%	0%	15%
Revenue growth	**1%**	**12%**	**-5%**	**27%**	**-3%**	**21%**
Total revenue	**6,802**	**6,227**	**11,318**	**12,460**	**18,120**	**18,687**
Organic growth	13%	5%	-8%	-7%	-1%	-3%
FX growth	-2%	7%	-1%	4%	-2%	5%
M&A growth	-1%	5%	0%	22%	0%	16%
Revenue growth	**10%**	**17%**	**-9%**	**19%**	**-3%**	**18%**

Q4 segment disclosures

Income statement	GN Hearing		GN Audio		Other*		Consolidated total	
(DKK million)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)
Revenue	1,808	1,807	3,261	3,463	-	-	5,069	5,270
Production costs	-769	-613	-1,842	-2,087	-	-	-2,611	-2,700
Gross profit	**1,039**	**1,194**	**1,419**	**1,376**	**-**	**-**	**2,458**	**2,570**
Development costs	-167	-124	-290	-238	-17	-27	-474	-389
Selling and distribution costs	-517	-538	-570	-601	-	-	-1,087	-1,139
Management and administrative expenses	-218	-125	-206	-323	-214	-35	-638	-483
Other operating income and costs, net	6	29	-	-32	1	-	7	-3
EBITA	**143**	**436**	**353**	**182**	**-230**	**-62**	**266**	**556**
Amortization and impairment of acquired intangible assets	-6	-19	-84	-97	-	-	-90	-116
Gain (loss) on divestment of operations etc.	1	-2	-	-	-	-	1	-2
Operating profit (loss)	**138**	**415**	**269**	**85**	**-230**	**-62**	**177**	**438**
Share of profit (loss) in associates	-1	-2	-11	-	-	-	-12	-2
Financial items	-105	-65	-42	111	30	-128	-117	-82
Profit (loss) before tax	**32**	**348**	**216**	**196**	**-200**	**-190**	**48**	**354**
Tax on profit (loss)	9	-43	-	30	-18	-63	-9	-76
Profit (loss) for the period	**41**	**305**	**216**	**226**	**-218**	**-253**	**39**	**278**

Additional information	GN Hearing		GN Audio		Other*		Consolidated total	
(DKK million)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)	Q4 2023 (unaud.)	Q4 2022 (unaud.)
Revenue distributed geographically								
Denmark	12	29	65	132	-	-	77	161
Europe	439	496	1,523	1,572	-	-	1,962	2,068
North America	996	839	1,019	1,109	-	-	2,015	1,948
Rest of World	361	443	654	650	-	-	1,015	1,093
Revenue	**1,808**	**1,807**	**3,261**	**3,463**	**-**	**-**	**5,069**	**5,270**
Incurred development costs	-138	-170	-239	-374	-17	-29	-394	-573
Capitalized development costs	76	128	132	234	-	-	208	362
Amortization, impairment and depreciation of development projects**	-49	-82	-183	-98	-	2	-232	-178
Expensed development costs	**-111**	**-124**	**-290**	**-238**	**-17**	**-27**	**-418**	**-389**
EBITDA	181	477	400	229	-94	-41	487	665
Depreciation and software amortization	-38	-41	-47	-47	-136	-21	-221	-109
EBITA	**143**	**436**	**353**	**182**	**-230**	**-62**	**266**	**556**
EBITA margin	7.9%	24.1%	10.8%	5.3%	N/A	N/A	5.2%	10.6%
Number of employees, end of period	4,349	4,852	2,462	2,666	354	373	7,165	7,891

Consolidated financial statements

Consolidated income statement

DKK million	Note	2023	2022
Revenue	2.2	18,120	18,687
Production costs	2.3, 2.4, 3.4, 3.6	-9,175	-9,555
Gross profit		**8,945**	**9,132**
Development costs	2.3, 2.4, 3.4	-1,546	-1,405
Selling and distribution costs	2.3, 2.4, 3.4	-4,397	-4,563
Management and administrative expenses	2.3, 2.4, 3.4, 5.8	-1,810	-1,587
Other operating income and costs, net		8	-17
EBITA*		**1,200**	**1,560**
Amortization and impairment of acquired intangible assets	2.6, 3.4	-392	-440
Gain (loss) on divestment of operations etc.	5.1	61	-9
Operating profit (loss)		**869**	**1,111**
Share of profit (loss) in associates	5.6	-64	19
Financial income	2.4, 4.5	164	256
Financial expenses	4.5	-626	-661
Profit (loss) before tax		**343**	**725**
Tax on profit (loss)	2.5	-77	-155
Profit (loss) for the year		**266**	**570**
Attributable to:			
Non-controlling interests		38	59
Shareholders in GN Store Nord A/S		228	511
Earnings per share (EPS)			
Earnings per share (EPS)	4.1	1.64	4.00
Earnings per share fully diluted (EPS diluted)	4.1	1.64	3.99

* Please refer to Key Ratio Definitions on page 132 for definition of EBITA

Consolidated statement of comprehensive income

DKK million	Note	2023	2022
Profit (loss) for the year		**266**	**570**
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains (losses)	5.4	-2	7
Tax relating to actuarial gains (losses)	2.5	-2	-2
Items that may be reclassified subsequently to the income statement			
Adjustment of cash flow hedges	4.3	51	-73
Foreign exchange adjustments, etc.		-216	258
Tax relating to other comprehensive income	2.5	-11	16
Other comprehensive income for the year, net of tax		**-180**	**206**
Total comprehensive income for the year		**86**	**776**
Attributable to:			
Non-controlling interests		38	59
Shareholders in GN Store Nord A/S		48	717

Consolidated balance sheet at December 31

DKK million	Note	2023	2022
Assets			
Intangible assets	3.1, 3.4	16,925	17,546
Property, plant and equipment	3.2, 3.3, 3.4	1,036	1,255
Investments in associates	5.6	276	319
Deferred tax assets	2.5	494	491
Other non-current assets	3.5, 4.3, 5.4	1,727	1,612
Total non-current assets		**20,458**	**21,223**
Inventories	3.6	2,657	3,516
Trade receivables	3.7, 4.3	4,442	4,031
Tax receivables		69	107
Other receivables		854	722
Cash and cash equivalents		2,162	990
Total current assets		**10,184**	**9,366**
Total assets		**30,642**	**30,589**
Equity and Liabilities			
Share capital		604	549
Other reserves		-3,798	-4,263
Retained earnings		12,781	10,514
Total equity		**9,587**	**6,800**
Bank loans and issued bonds, non-current	4.2, 4.3, 4.4	3,527	9,866
Lease liabilities, non-current	3.3, 4.3, 4.4	211	262
Pension obligations	5.4	9	7
Provisions, non-current	3.8	144	138
Deferred tax liabilities	2.5	745	915
Other non-current liabilities	4.3, 4.4	777	867
Total non-current liabilities		**5,413**	**12,055**
Bank loans and issued bonds, current	4.2, 4.3, 4.4	9,674	6,016
Lease liabilities, current	3.3, 4.3, 4.4	87	109
Trade payables		1,719	1,554
Tax payables		229	226
Provisions	3.8	340	223
Other current liabilities	4.3, 4.4	3,593	3,606
Total current liabilities		**15,642**	**11,734**
Total equity and liabilities		**30,642**	**30,589**

Consolidated statement of cash flows

DKK million	Note	2023	2022
Operating activities			
Operating profit (loss)		869	1,111
Depreciation, amortization and impairment	3.4	1,729	1,534
Other non-cash adjustments	5.7	124	58
Cash flow from operating activities before changes in working capital		**2,722**	**2,703**
Change in inventories		756	-1,032
Change in receivables		-490	-393
Change in trade payables and other payables		172	132
Total changes in working capital		**438**	**-1,293**
Cash flow from operating activities before financial items and tax		**3,160**	**1,410**
Interest received		81	146
Interest etc. paid		-428	-744
Tax paid, net	2.5	-175	-185
Cash flow from operating activities		**2,638**	**627**
Investing activities			
Development projects	3.1	-951	-1,005
Investments in intangible assets, excluding development projects	3.1	-388	-454
Investments in property, plant and equipment	3.2	-93	-209
Investments in other non-current assets		-131	-539
Disposal of intangible assets and property, plant and equipment		17	5
Disposal (repayment) of other non-current assets		-	284
Acquisition of companies/operations	5.1	-36	-7,257
Divestment of companies/operations	5.1	441	-
Cash flow from investing activities		**-1,141**	**-9,175**
Cash flow from operating and investing activities (free cash flow)		**1,497**	**-8,548**

DKK million	Note	2023	2022
Financing activities			
Increase (decrease) of long-term loans	4.4	254	1,835
Increase (decrease) of short-term loans	4.4	-3,273	1,725
Paid dividends		-32	-208
Share-based payment (exercised)		47	22
Proceeds from share placement, net of costs		2,621	-
Other adjustments		71	-30
Cash flow from financing activities		**-312**	**3,344**
Net cash flow		**1,185**	**-5,204**
Cash and cash equivalents, beginning of period		990	6,208
Adjustment foreign currency, cash and cash equivalents		-13	-14
Cash and cash equivalents, end of period		**2,162**	**990**

Consolidated statement of changes in equity

	2023								
		Other reserves							
DKK million	Share capital	Foreign exchange adjust-ments	Hedging reserve	Treasury shares	Proposed dividends for the year	Retained earnings	Equity, share-holders in GN Store Nord A/S	Non-con-trolling interests	Total equity
Balance at January 1, 2023	**549**	**-846**	**-51**	**-3,366**	**-**	**10,514**	**6,800**	**-**	**6,800**
Profit (loss) for the period	-	-	-	-	-	228	228	38	266
Actuarial gains (losses)	-	-	-	-	-	-2	-2	-	-2
Tax relating to actuarial gains (losses)	-	-	-	-	-	-2	-2	-	-2
Adjustment of cash flow hedges	-	-	51	-	-	-	51	-	51
Foreign exchange adjustments, etc.	-	-216	-	-	-	-	-216	-	-216
Tax relating to other comprehensive income	-	-	-11	-	-	-	-11	-	-11
Other comprehensive income for the year	-	-216	40	-	-	-4	-180	-	-180
Total comprehensive income for the year	-	-216	40	-	-	224	48	38	86
Increase in share capital, net of costs	55	-	-	-	-	2,021	2,076	-	2,076
Share-based payment (granted)	-	-	-	-	-	18	18	-	18
Share-based payment (exercised)	-	-	-	96	-	-69	27	-	27
Tax related to share-based incentive plans	-	-	-	-	-	2	2	-	2
Treasury shares placement, net of costs	-	-	-	545	-	-	545	-	545
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	71	71	-6	65
Paid dividends	-	-	-	-	-	-	-	-32	-32
Dividends, treasury shares	-	-	-	-	-	-	-	-	-
Balance at December 31, 2023	**604**	**-1,062**	**-11**	**-2,725**	**-**	**12,781**	**9,587**	**-**	**9,587**

	2022								
		Other reserves							
DKK million	Share capital	Foreign exchange adjust-ments	Hedging reserve	Treasury shares	Proposed dividends for the year	Retained earnings	Equity, share-holders in GN Store Nord A/S	Non-con-trolling interests	Total equity
Balance at January 1, 2022	**553**	**-1,104**	**6**	**-3,731**	**214**	**10,291**	**6,229**	**-**	**6,229**
Profit (loss) for the period	-	-	-	-	-	511	511	59	570
Actuarial gains (losses)	-	-	-	-	-	7	7	-	7
Tax relating to actuarial gains (losses)	-	-	-	-	-	-2	-2	-	-2
Adjustment of cash flow hedges	-	-	-73	-	-	-	-73	-	-73
Foreign exchange adjustments, etc.	-	258	-	-	-	-	258	-	258
Tax relating to other comprehen-sive income	-	-	16	-	-	-	16	-	16
Other comprehensive income for the year	-	258	-57	-	-	5	206	-	206
Total comprehensive income for the year	-	258	-57	-	-	516	717	59	776
Cancellation of own shares	-4	-	-	297	-	-293	-	-	-
Share-based payment (granted)	-	-	-	-	-	111	111	-	111
Share-based payment (exercised)	-	-	-	68	-	-46	22	-	22
Tax related to share-based incen-tive plans	-	-	-	-	-	7	7	-	7
Treasury shares placement, net of costs	-	-	-	-	-	-	-	-	-
Reclassification of non-controlling interests by recognizing a put op-tion liability	-	-	-	-	-	-88	-88	-49	-137
Paid dividends	-	-	-	-	-198	-	-198	-10	-208
Dividends, treasury shares	-	-	-	-	-16	16	-	-	-
Balance at December 31, 2022	**549**	**-846**	**-51**	**-3,366**	**-**	**10,514**	**6,800**	**-**	**6,800**

* Equivalent to DKK 0.00 per share (2022: DKK 0.00 per share)

Consolidated notes

Section 1 - Basis of preparation

Overview of the financial accounting policies in general and an introduction to Management's key accounting estimates and judgments.

Section 2 - Results of the year

Insights into the results for the year, including operating segments, employee costs and taxes.

Section 3 - Operating assets and liabilities

Insights into the assets that form the basis for the activities in GN Store Nord, and the related liabilities. Most of these are included in invested capital and some in net working capital.

Section 4 - Capital structure and financing items

Insight into GN Store Nord's capital structure and financial items as well as financial risks.

Section 5 - Other disclosures

Statutory notes and other disclosures.

Section 1 - Basis of preparation

1.1 General accounting policies

The annual report of GN Store Nord has been prepared in accordance with IFRS Accounting Standards (IFRS) as adopted by the EU and the Danish disclosure requirements for annual reports of listed companies.

The annual report has been prepared in accordance with the historical cost convention, as modified by the revaluation of certain financial instruments (including derivative financial instruments) at fair value.

The description of the accounting policies in the individual notes is part of the complete description of GN Store Nord's accounting policies.

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 materially nor did they result in any material changes to disclosures in the notes. Apart from this, the annual report is presented in accordance with the accounting policies applied in previous years' annual reports.

Accounting standards not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2024 and have not been applied in preparing this annual report. None of these new standards, amendments to standards and interpretations are expected to have significant impact on the financial statements of GN Store Nord.

GN Store Nord will adopt new standards and interpretations as of the effective dates.

Consolidated Financial Statements

The consolidated financial statements relate to the financial statements of the parent company, GN Store Nord, and its subsidiaries as of December 31, 2023. Control is achieved when the Group is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when GN Store Nord has less than a majority of the voting or similar rights of an investee, GN Store Nord considers all relevant facts and circumstances in assessing whether it has power over an investee.

Group companies are listed on pages 130-131. Enterprises that are not subsidiaries, but where GN Store Nord exercises significant influence, but where it does not have power to govern the financial and operating policies, are considered associates. When assessing whether GN Store Nord exercises control or significant influence, potential voting rights that are substantive and options on acquisition of additional ownership interests are taken into account.

The consolidated financial statements are prepared as a consolidation of the financial statements of the parent company and those of the individual subsidiaries, all of which are presented in accordance with the Group's accounting policies. Intra-group income and expenses, shareholdings, intra-group balances and dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated. On consolidation, the carrying amount of shares held by the parent company in subsidiaries is set off against the subsidiaries' equity.

Foreign Currency Translation

Functional Currency and Presentation Currency

Financial statement items for each of the reporting enterprises in the Group are measured using the currency used in the primary financial environment in which the reporting enterprise operates. Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies. The consolidated financial statements are presented in Danish kroner (DKK), which is the functional currency and presentation currency of the parent company.

Translation of Transactions and Balances

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognized in the income statement as financial income or financial expenses. Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest annual report is recognized in the income statement as financial income or financial expense.

Translation of Subsidiaries

On recognition in the consolidated financial statements of foreign entities with a functional currency other than GN Store Nord's presentation currency, the income statements are translated at the exchange rates at the transaction date, and the balance sheet items are translated at the exchange rates at the balance sheet date. An average exchange rate for the month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions. Foreign exchange differences arising on translation of the opening balance of equity of such enterprises at the exchange rates at the balance sheet date and on translation of the income statements from the exchange rates at the transaction date to the exchange rates at the balance sheet date are recognized in other comprehensive income.

Foreign exchange adjustment of balances with foreign entities that are considered part of the investment in the entity is recognized in other comprehensive income in the consolidated financial statements under a separate translation reserve.

Cash Flow Statement

The cash flow statement is presented using the indirect method based on the operating profit (loss). The cash flow statement shows the cash flow from operating, investing and financing activities for the year and the year's changes in cash and cash equivalents as well as the cash and cash equivalents at the beginning and end of the year. The cash flow effect of acquisitions and disposals of enterprises is shown separately in cash flows from investing activities. Cash flow from acquired enterprises is recognized in the cash flow statement from the acquisition date. Cash flow from disposed of enterprises is recognized up until the disposal date.

Cash flow from operating activities comprises cash flow from the year's operations adjusted for non-cash operating items and changes in working capital. Working capital comprises current assets excluding items stated as cash and cash equivalents and excluding tax receivable, as well as current liabilities excluding bank loans, tax payable and provisions.

Cash flow from investing activities comprises payments in connection with acquisitions and disposals of enterprises and activities, acquisitions and disposals of intangible assets, property, plant and equipment and other non-current assets and acquisitions and disposals of securities that are not included in cash and cash equivalents.

Cash flow from financing activities comprises changes in the size or composition of the share capital and related costs as well as the raising of loans, repayment of interest-bearing debt, payment of the principal portion of lease liabilities, acquisition and disposal of treasury shares and payment of dividends to shareholders.

Cash and cash equivalents comprise cash and short-term marketable securities with a term of three months or less and are subject to an insignificant risk of changes in value.

IXBRL reporting

GN is required to file its annual report in the European Single Electronic Format ('ESEF'). The primary statements and notes in the consolidated financial statements are tagged using inline eXtensible Business Reporting Language (iXBRL). The iXBRL tags comply with the ESEF taxonomy, which is included in the ESEF Regulation and developed based on the IFRS taxonomy published by the IFRS Foundation.

1.2 Significant accounting estimates and judgments

The recognition of certain items of income and expenses and the determination of the carrying amount of certain assets and liabilities implies making accounting estimates and judgments. Significant accounting estimates and judgments comprise revenue recognition, computation of amortization, depreciation and impairment, useful lives and remaining useful lives of non-current assets. Furthermore, recognition of pension obligations and similar non-current obligations as well as provisions requires significant accounting estimates and judgments.

The estimates used are based on assumptions, which by Management are deemed reliable, but by nature are associated with uncertainty. The assumptions may be incomplete or incorrect, and unexpected events or circumstances may arise. Accordingly, the Company is subject to risks and uncertainties that may lead to a situation where actual results differ from estimates.

A description of significant accounting estimates and judgments is included in the relevant notes:

Note	Key accounting estimates and judgements	Estimate/judgement
2.2 Revenue and geographical information	Revenue recognition	Estimate Judgement
2.5 Tax	Measurement of deferred tax	Estimate
3.1 Intangible assets	Recognition and measurement of goodwill and development projects	Estimate Judgement
3.5 Other non-current assets	Ownership interest in dispensers	Estimate
5.1 Acquisition and divestment of companies and operations	Fair value of identifiable assets and liabilities	Estimate Judgement

1.3 Non-IFRS measures

This Annual Report includes financial measures which are not defined by IFRS Accounting Standards. These measures are included because they are used by GN Store Nord's Management to analyze and manage the business and to provide stakeholders with useful information on the group's financial position, performance and development. Please refer to Key Ratio Definitions on page 132 for a definition of these measures.

Section 2 - Results of the year

2.1 Segment disclosures

Income statement 2023

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
External revenue	6,802	11,318	-	-	18,120
Internal revenue	-	-	738	-738	-
Revenue	**6,802**	**11,318**	**738**	**-738**	**18,120**
Production costs	-2,726	-6,449	-	-	-9,175
Gross profit	**4,076**	**4,869**	**738**	**-738**	**8,945**
Development costs	-589	-894	-66	3	-1,546
Selling and distribution costs	-2,202	-2,195	-	-	-4,397
Management and administrative expenses	-740	-761	-1,047	738	-1,810
Other operating income and costs, net	9	-2	1	-	8
EBITA*	**554**	**1,017**	**-374**	**3**	**1,200**
Amortization and impairment of acquired intangible assets	-56	-336	-	-	-392
Gain (loss) on divestment of operations etc.	62	-1	-	-	61
Operating profit (loss)	**560**	**680**	**-374**	**3**	**869**
Share of profit (loss) in associates	-18	-12	-34	-	-64
Financial items	-258	-287	83	-	-462
Profit (loss) before tax	**284**	**381**	**-325**	**3**	**343**
Tax on profit (loss)	-51	-39	14	-1	-77
Profit (loss) for the year	**233**	**342**	**-311**	**2**	**266**
Impairment losses and reversals regarding intangible assets and property, plant and equipment recognized in the income statement	-60	-120	-135	-	-315

Eliminations in the income statement primarily concern internal revenue, intersegment rent and management fee

* Please refer to Key Ratio Definitions on page 132 for definition of EBITA

Income statement 2022

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
External revenue	6,227	12,460	-	-	18,687
Internal revenue	-	-	682	-682	-
Revenue	**6,227**	**12,460**	**682**	**-682**	**18,687**
Production costs	-2,320	-7,235	-	-	-9,555
Gross profit	**3,907**	**5,225**	**682**	**-682**	**9,132**
Development costs	-550	-781	-80	6	-1,405
Selling and distribution costs	-2,227	-2,336	-	-	-4,563
Management and administrative expenses	-607	-866	-796	682	-1,587
Other operating income and costs, net	-70	57	-4	-	-17
EBITA*	**453**	**1,299**	**-198**	**6**	**1,560**
Amortization and impairment of acquired intangible assets	-75	-365	-	-	-440
Gain (loss) on divestment of operations etc.	-9	-	-	-	-9
Operating profit (loss)	**369**	**934**	**-198**	**6**	**1,111**
Share of profit (loss) in associates	19	-	-		19
Financial items	-40	-71	-294		-405
Profit (loss) before tax	**348**	**863**	**-492**	**6**	**725**
Tax on profit (loss)	-43	-112	1	-1	-155
Profit (loss) for the year	**305**	**751**	**-491**	**5**	**570**
Impairment losses and reversals regarding intangible assets and property, plant and equipment recognized in the income statement	-3	-51	-	-	-54

2.1 Segment disclosures (Continued)

Other segment disclosures 2023

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Incurred development costs	-627	-1.029	-66	-	-1.722
Capitalized development costs	368	583	-	-	951
Amortization, impairment and depreciation of development projects***	-330	-448	3	-	-775
Expensed development costs	**-589**	**-894**	**-63**	**-**	**-1.546**
EBITDA**	**711**	**1,198**	**-161**	**3**	**1,751**
Depreciation and software amortization	-157	-181	-213	-	-551
EBITA*	**554**	**1,017**	**-374**	**3**	**1,200**

* Please refer to Key Ratio Definitions on page 145 for definition of EBITA

** Excluding gain (loss) on divestments of operations etc. but including amortization of development projects

*** Does not include amortization and impairment of acquired intangible assets, as per definition of EBITA on page 132

Other segment disclosures 2022

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Incurred development costs	-624	-1,075	-80	-	-1,779
Capitalized development costs	399	606	-	-	1,005
Amortization, impairment and depreciation of development projects***	-325	-312	-	6	-631
Expensed development costs	**-550**	**-781**	**-80**	**6**	**-1,405**
EBITDA**	**615**	**1,493**	**-69**	**6**	**2,045**
Depreciation and software amortization	-162	-194	-129	-	-485
EBITA*	**453**	**1,299**	**-198**	**6**	**1,560**

2.1 Segment disclosures (Continued)

Balance sheet 2023

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Assets					
Goodwill	4,329	6,825	-	-	11,154
Development projects	1,168	1,130	3	-3	2,298
Other intangible assets	221	1,558	1,694	-	3,473
Property, plant and equipment	342	286	408	-	1,036
Investments in associates	276	-	-	-	276
Deferred tax assets	563	280	-63	-286	494
Loans to dispensers and ownership interests	1,149	-	4	-	1,153
Other financial assets	566	8	-	-	574
Total non-current assets	**8,614**	**10,087**	**2,046**	**-289**	**20,458**
Inventories	790	1,867	-	-	2,657
Trade receivables	1,489	2,953	-	-	4,442
Receivables from group companies*	-	162	2,897	-3,059	-
Tax receivables	59	87	98	-175	69
Other receivables	331	203	371	-51	854
Cash and cash equivalents	151	284	1,727	-	2,162
Total current assets	**2,820**	**5,556**	**5,093**	**-3,285**	**10,184**
Total assets	**11,434**	**15,643**	**7,139**	**-3,574**	**30,642**

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Equity and Liabilities					
Equity	**5,665**	**10,677**	**-6,753**	**-2**	**9,587**
Bank loans and issued bonds	-	3	3,524	-	3.527
Lease liabilities, non-current	119	63	29	-	211
Pension obligations	-	9	-	-	9
Provisions, non-current	121	4	19	-	144
Deferred tax liabilities	302	640	89	-286	745
Other non-current liabilities	453	324	-	-	777
Total non-current liabilities	**995**	**1,043**	**3,661**	**-286**	**5,413**
Bank loans	-	-	9,674	-	9,674
Lease liabilities, current	52	38	-3	-	87
Trade payables	363	1,211	145	-	1,719
Amounts owed to group companies*	2,897	-	162	-3,059	-
Tax payables	125	270	10	-176	229
Provisions, current	167	140	33	-	340
Other current liabilities	1,170	2,264	210	-51	3,593
Total current liabilities	**4,774**	**3,923**	**10,231**	**-3,286**	**15,642**
Total equity and liabilities	**11,434**	**15,643**	**7,139**	**-3,574**	**30,642**

* Net amount

Eliminations in the balance sheet primarily concern tax and intercompany balances

2.1 Segment disclosures (Continued)

Balance sheet 2022

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Assets					
Goodwill	4,710	6,860	-	-	11,570
Development projects	1,094	1,781	-	-3	2,872
Other intangible assets	448	1,752	905	-1	3,104
Property, plant and equipment	416	386	453	-	1,255
Investments in associates	273	13	33	-	319
Deferred tax assets	426	158	-49	-44	491
Loans to dispensers and ownership interests	1,101	-	-	-	1,101
Other financial assets	503	8	-	-	511
Total non-current assets	**8,971**	**10,958**	**1,342**	**-48**	**21,223**
Inventories	850	2,666	-	-	3,516
Trade receivables	1,442	2,589	-	-	4,031
Receivables from group companies*	-	-	10,750	-10,750	-
Tax receivables	58	124	120	-195	107
Other receivables	381	256	298	-213	722
Cash and cash equivalents	270	314	406	-	990
Total current assets	**3,001**	**5,949**	**11,574**	**-11,158**	**9,366**
Total assets	**11,972**	**16,907**	**12,916**	**-11,206**	**30,589**

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Equity and Liabilities					
Equity	**5,528**	**4,735**	**-3,460**	**-3**	**6,800**
Bank loans and issued bonds	-	6	9,860	-	9,866
Lease liabilities, non-current	167	57	38	-	262
Pension obligations	-	7	-	-	7
Provisions, non-current	76	58	4	-	138
Deferred tax liabilities	345	611	4	-45	915
Other non-current liabilities	479	388	-	-	867
Total non-current liabilities	**1,067**	**1,127**	**9,906**	**-45**	**12,055**
Bank loans	1	10	6,005	-	6,016
Lease liabilities, current	56	39	14	-	109
Trade payables	303	1,113	138	-	1,554
Amounts owed to group companies*	3,709	7,041	-	-10,750	-
Tax payables	114	305	2	-195	226
Provisions, current	147	76	-	-	223
Other current liabilities	1,047	2,461	311	-213	3,606
Total current liabilities	**5,377**	**11,045**	**6,470**	**-11,158**	**11,734**
Total equity and liabilities	**11,972**	**16,907**	**12,916**	**-11,206**	**30,589**

* Net amount
Eliminations in the balance sheet primarily concern tax and intercompany balances

§ Accounting policies

Segment Information

GN Store Nord's Management has identified GN Hearing and GN Audio as the reportable segments in the Group. GN Hearing is operating within the hearing instrument industry, primarily producing and selling hearing instruments and products related hereto. GN Audio is a leading supplier in the market for audio and collaboration solutions including headsets, video cameras and speakerphones for professional use and selected consumer products.

Segment information is based on the Group's accounting policies. In the Group, segment performance is evaluated on the basis of EBITA as defined under key ratio definitions. Segment revenue and expense and segment assets and liabilities comprise items directly attributable to a segment and items that can be allocated to a segment on a reasonable basis.

Other GN primarily reflects cost from Group Functions, including new business opportunities and research projects under the supervision of the GN Store Nord Strategy Committee, which are outside the reportable segments in the Group. Furthermore, unallocated balance sheet items are included in Other GN.

2.2 Revenue and geographical information

DKK million	Revenue from contracts with customers: GN Hearing 2023	GN Hearing 2022	GN Audio 2023	GN Audio 2022	Consolidated total 2023	Consolidated total 2022	Intangible assets and property, plant and equipment: Consolidated total 2023	Consolidated total 2022
Denmark	64	92	214	240	278	332	12,106	12,205
Europe	1,823	1,702	5,259	5,696	7,082	7,398	381	862
North America	3,407	2,939	3,432	3,990	6,839	6,929	5,130	5,344
Rest of World	1,508	1,494	2,413	2,534	3,921	4,028	340	390
Total	**6,802**	**6,227**	**11,318**	**12,460**	**18,120**	**18,687**	**17,957**	**18,801**

	GN Hearing						GN Audio					
	2023			2022			2023			2022		
DKK million	GN Hearing	Core business	Emerging business	GN Hearing	Core business	Emerging business	GN Audio	GN Audio organic	SteelSeries	GN Audio	GN Audio organic	SteelSeries
Revenue	6,802	6,535	267	6,227	6,022	205	11,318	8,716	2,602	12,460	10,143	2,317

Revenue disaggregation

Revenue is predominantly recognized at a point in time, and revenue recognized over time is not significant. Revenue is in all material respects related to sale of goods; hearing aid instruments, DKK 6,801 million (2022: DKK 6,227million) and audio and collaboration solutions, DKK 11,529 million (2022: DKK 12,460 million). Revenue is attributed to countries on the basis of the customer's location. Only the US represent a material single country and constitutes the vast majority of revenue in North America. One distributor in the Audio segment comprises more than 10% of the group's total revenue amounting to DKK 2,328 million (2022: DKK 2,811 million).

Geographical information on assets

Assets are attributed to countries based on the domicile location of the asset. Apart from Denmark only the US represents a material single country and constitutes the vast majority of assets in North America.

Contract liabilities

GN Store Nord has recognized the following revenue-related contract liabilities:

DKK million	2023	2022
Deferred revenue related to pre-paid extended warranties (Other current liabilities and Other non-current liabilities)	203	195
Accrued rights of return (Other current liabilities)*	193	162
Contract liabilities at December 31	**396**	**357**
Revenue recognized, included in contract liabilities at the beginning of the year	265	194

* In 2022 the estimated refund liability recognized for the goods that are expected to be returned were reclassified from Provisions to Other current liabilities

2.2 Revenue and geographical information (Continued)

§ Accounting policies

Revenue
Revenue from the sale of hearing aids and audio and collaboration solutions is recognized in the income statement when the customer obtains control of the goods. When considering at what point in time the customer obtains control of the goods, a number of indicators are considered, including whether:

- GN Store Nord has a present right to payment for the goods
- The customer has legal title to the goods
- The customer has physical possession of the goods
- The customer has the significant risks and rewards of ownership of the goods
- The customer has accepted the goods

In the majority of sales, the customer obtains control of the goods either upon shipment from a distribution hub or upon delivery to the customer.

The amount of revenue recognized varies with discounts and rebates offered to customers. Discounts and rebates are estimated based on the expected amount to be provided to the customers and reduce revenues recognized. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. Revenue from contracts in which GN Store Nord provides on-going access to research against a fee and in which the counterparty reasonably expects that GN Store Nord will continue to perform research is recognized over the access period.

When goods are sold with a right of return, a refund liability and a right to the returned products are recognized as a provision and a current asset, respectively. The refund liability is deducted from revenue and the right to the returned products is offset in cost of sales. The portion of goods sold that is expected to be returned is estimated based on historical product returns data. The estimated amounts of both returns, discounts and rebates are reassessed at each reporting date.

GN Store Nord typically provides warranties for general repairs of defects that existed at the time of sale, as required by law. These assurance-type warranties are accounted for as described in the accounting policies for warranty provisions.

As part of a sales transaction, certain future services such as extended warranties may be included. In case such service-type warranties are sold, the transaction price is allocated to the promised goods and services based on stand-alone selling prices. Observable prices are as far as possible used to determine the stand-alone selling prices but if such are not available a cost plus a margin approach is used.

Extended warranties are initially recognized as contract liabilities in the balance sheet and recognized in the income statement on a straight-line basis over the term of the extended warranty period.

The typical payment terms for customers is between 30 and 60 days. GN Store Nord does not expect to have contracts with payment terms exceeding one year. As a consequence, the transaction prices are not adjusted for the time value of money. Revenue is measured excluding VAT, taxes and granted cash and quantity discounts in relation to the sale and expected returns of goods.

Production Costs
Production costs comprise costs, including depreciation and salaries, incurred in generating the revenue for the year. Production costs include direct and in-direct costs for raw materials and consumables, wages and salaries, inventory write-downs, maintenance and depreciation and impairment of production plant and costs and expenses relating to the operation, administration and management of factories.

Development Costs
Development costs comprise costs, salaries, and depreciation of operating assets and equipment directly or indirectly attributable to the Group's development activities. Furthermore, amortization and write-down of capitalized development projects are included as part of development costs.

Selling and Distribution Costs
Selling and distribution costs comprise costs relating to the sale and distribution of products and services, including salaries, sales commissions, advertising and marketing costs, depreciation and impairment, expected losses on trade receivables etc.

Management and Administrative Expenses
Management and administrative expenses comprise expenses incurred for management and administration. Administrative expenses include office expenses, depreciation and impairment, etc.

Other Operating Income and Costs, net
Other operating income and costs comprise items secondary to the principal activities of the enterprises.

2.2 Revenue and geographical information (Continued)

Significant accounting estimates and judgments

Revenue recognition

Certain contracts with customers include a right of return and volume rebates that give rise to variable consideration. In estimating the variable consideration GN Store Nord is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled. Significant accounting estimates and judgments involve determining the portion of expected returns of goods as well as the amount of discounts and rebates. The portion of goods sold that is expected to be returned is estimated based on historical product returns data.

In sales, where the customer obtains control of the goods upon delivery to the customer, the significant judgments made in determining when the customer obtains control of promised goods involve determining when a customer has physical possession of the goods and when the customer has accepted the goods due to uncertainty in transportation time.

2.3 Staff Costs

DKK million	2023	2022
Wages, salaries and remuneration	4,238	4,306
Pensions, defined benefit plans	2	5
Pensions, defined contribution plans	194	209
Other social security costs	438	449
Share-based incentives	22	111
Total	**4,894**	**5,080**
Included in:		
Production costs and change in payroll costs included in inventories	627	781
Development costs	676	981
Selling and distribution costs	2,630	2,461
Management and administrative expenses	961	857
Financial expenses	-	-
Total	**4,894**	**5,080**
Average number of employees	7,435	7,871
Number of employees, year-end	7,165	7,891

For information regarding remuneration of the Board of Directors and Executive Management, please refer to note 5.2 Remuneration of the Board of Directors and Executive Management

2.4 Government grants

DKK million	2023	2022
Production costs	-	-
Development costs	-	1
Selling and distribution costs	-	2
Management and administrative expenses	4	7
Financial income	-	-
Total	**4**	**10**

Most of the government grant mainly consist of returned tax dedicated to business and technology development purposes.

§ Accounting policies

Government grants

Government grants are recognized when there is reasonable assurance that the grant will be received and that all attached conditions will be complied with. A grant relating to an expense item, is recognized on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Government grants are presented as a deduction from the relevant functional cost line items in the income statement. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

2.5 Tax

Tax on profit (loss)

DKK million	2023	2022
Tax on profit (loss)		
Current tax for the year	-219	-199
Deferred tax for the year	158	37
Effect of change in income tax rates	1	7
Withholding tax	-15	-4
Adjustment to current tax with respect to prior years	-6	-8
Adjustment to deferred tax with respect to prior years	4	12
Total	**-77**	**-155**
Reconciliation of effective tax rate		
Danish tax rate	22.0%	22.0%
Effect of tax rates in foreign jurisdictions	1.0%	0.9%
Non-taxable income	-4.3%	-4.1%
Non-deductible expenses	3.3%	6.8%
Other, including provisions for uncertain tax positions*	0.4%	-4.2%
Effective tax rate	**22.4%**	**21.4%**
Tax relating to other comprehensive income		
Actuarial gains (losses)	-2	-2
Adjustment of cash flow hedges	-11	16
Total	**-13**	**14**

* Other primarily relates to tax subsidies relating to R&D countered by provisions for uncertain tax positions.

Deferred Tax

DKK million	2023	2022
Deferred tax, net		
Deferred tax at January 1, net	-424	-13
Adjustment with respect to prior years	4	12
Effect of change in income tax rates	1	7
Addition of deferred tax on acquisition of enterprises	-	-495
Deferred tax for the year recognized in profit (loss) for the year	158	37
Deferred tax for the year recognized in other comprehensive income for the year	-14	14
Tax related to share-based incentive plans	-14	-
Foreign exchange adjustments	38	14
Deferred tax at December 31, net	**-251**	**-424**
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax assets	494	491
Deferred tax liabilities	-745	-915
Deferred tax at December 31, net	**-251**	**-424**
Deferred tax, net relates to:		
Intangible assets	-999	-1,091
Property, plant and equipment	28	30
Other securities	6	-
Current assets	179	122
Current liabilities	7	5
Intercompany liabilities	-3	1
Tax loss carryforwards	138	177
Provisions	344	289
Other	49	43
Total	**-251**	**-424**
Tax value of unrecognized tax assets		
Tax loss carryforwards	64	46
Other tax assets	173	104
Unrecognized tax assets at December 31	**237**	**150**

Unrecognized tax assets are based on the Group's expectations to the future utilization of the tax assets. All tax losses carryforward have no expiry date. Deferred tax, net includes DKK 65 million expected to be utilized within 12 months (2022: DKK 42 million).

Repatriation of retained earnings from certain foreign subsidiaries, however not planned or expected in the foreseeable future, may trigger withholding tax liabilities up to DKK 39 million (2022: DKK 39 million).

§ Accounting policies

Tax on profit (loss) for the year

The parent company is jointly taxed with all Danish subsidiaries. The current Danish corporation tax is allocated between the jointly taxed companies in proportion to their taxable income. The jointly taxed companies are taxed under the on-account tax scheme.

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit (loss) for the year is recognized in the income statement, and the tax expense relating to amounts recognized in other comprehensive income is recognized in other comprehensive income.

Current tax payable is recognized in current liabilities and deferred tax is recognized in non-current liabilities. Tax receivable is recognized in current assets and deferred tax assets are recognized in non-current assets.

2.5 Tax (Continued)

Approach to tax and taxes paid

The tax GN pays is an important part of our wider economic and social impact and a key mechanism by which GN contributes to the development of the countries where we operate. GN is committed to paying tax responsibly, complying with tax regulations and acknowledges its responsibility to stakeholders to meet expectations of good tax practices.

The GN Tax Policy is reviewed annually and approved by the Board of Directors. Please refer to our tax policy on the GN website: www.gn.com/taxpolicy.

We monitor and support the international initiatives building trust in multinationals tax management and payments. In acting responsibly, we disclose our main taxes paid on a regional level and for Denmark separately. For the financial year 2023, our estimated corporate tax payment amounts to DKK 175 million (2022: DKK 185 million).

GN is subject to taxation in the countries in which we operate. The tax legislation and tax rates in these countries differ, impacting the tax we pay. The allocation of taxes paid is based on the “principal model”, which is in alignment with our operational and commercial activities and is recognized by OECD as an acceptable transfer pricing model to allocate taxable profits. The allocation is based on functions, assets, and risks in every entity.

While acting responsibly, GN observes and complies with the applicable international tax initiatives regarding reporting and disclosure requirements. We continuously monitor the development to consider our response to the proposed international disclosure requirements.

From 1 January 2024, GN will be subject to Global Minimum Tax (OECD BEPS Pillar 2 rules). The rules are not expected to have a material impact on the tax position of GN in 2024.

Regions	Nature of Activity	Number of employees, end of period	EBT IFRS (DKK million)	Effective tax rate	Tax paid (DKK million)	Accrued tax (DKK million)
Denmark	Principal	1,805	-126	34.0%	36	16
Europe	R&D, Production, distribution and sales	830	305	32.0%	48	49
North America	R&D, Production, distribution and sales	1,734	-132	47.0%	9	19
Rest of World	R&D, Production, distribution and sales	2,796	296	28.0%	82	135
Total	**Total GN Group**	**7,165**	**343**	**22.4%**	**175**	**219**
Eliminations and other adjustments			-			
IFRS annual report 2023	**Total GN Group**	**7,165**	**343**	**22.4%**	**175**	**219**

§ Accounting policies

Deferred Tax

Deferred tax assets, including the tax base of tax loss carryforwards, are recognized at the expected value of their utilization, either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction. Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred tax is not recognized on goodwill unless this is deductible for tax purposes. Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallize as current tax. The change in deferred tax as a result of changes in tax rates is recognized in the income statement. If a tax deduction on computation of the taxable income in Denmark or in foreign jurisdictions is obtained as a result of share-based payment programs, the tax benefit for the deduction is recognized directly in the balance sheet. Deferred tax assets are subject to annual impairment tests and are recognized only to the extent that it is probable that the assets will be utilized.

! Significant accounting estimates and judgments

Deferred tax

Management has made judgments in determining the Company’s valuation of tax, deferred tax assets and deferred tax liabilities and the extent to which deferred tax assets are recognized. GN Store Nord recognizes deferred tax assets only to the extent that it is probable that taxable profit will be available against which the temporary differences and unused tax losses can be utilized.

2.6 Income statement classified by function

The group presents the income statement based on a classification of costs by function. However, in order to present EBITA in the income statement, which is the measure of profit used by Management, amortization and impairment of acquired intangible assets are separated from the individual functions and presented as a separate line item. If amortization and impairment of acquired intangible assets are allocated to the individual line items by function, the income statement is presented as follows:

DKK million	2023	2022
Revenue	18,120	18,687
Production costs	-9,175	-9,555
Gross profit	**8,945**	**9,132**
Development costs	-1,666	-1,633
Selling and distribution costs	-4,613	-4,775
Management and administrative expenses	-1,786	-1,587
Other operating income and costs, net	-72	-17
Gain (loss) on divestment of operations etc.	61	-9
Operating profit (loss)	**869**	**1,111**
In the above income statement amortization and impairment of acquired intangible assets has been allocated to functions as follows:		
Development costs	-176	-228
Selling and distribution costs	-216	-212
Amortization and impairment of acquired intangible assets	**-392**	**-440**

Section 3 - Operating assets and liabilities

Introduction

Insights into the assets that form the basis for the activities in GN Store Nord, and the related liabilities. Most of these are included in invested capital and some in net working capital.

3.1 Intangible assets

DKK million	Goodwill	In-house development projects	Acquired development projects and software	Customer relationships	Software	Patents and rights	Other	Total
Cost at January 1	11,570	6,030	903	1,449	1,734	965	1,401	24,052
Additions on company acquisitions	-	-	-	-	-	-	-	-
Additions	-	951	-	-	361	-	27	1,339
Disposals	-246	-	-	-212	-	-	-	-458
Foreign exchange adjustments	-170	-	-	-14	-5	-7	-7	-203
Cost at December 31	11,154	6,981	903	1,223	2,090	958	1,421	24,730
Amortization and impairment at January 1	-	-3,922	-139	-466	-774	-647	-558	-6,506
Amortization	-	-582	-87	-114	-80	-89	-102	-1,054
Disposals	-	-	-	36	-	-		36
Impairment	-	-180	-	-	-135	-	-	-315
Foreign exchange adjustments	-	-	-	14	5	7	8	34
Amortization and impairment at December 31	-	-4,684	-226	-530	-984	-729	-652	-7,805
Carrying amount at December 31, 2023	**11,154**	**2,297**	**677**	**693**	**1,106**	**229**	**769**	**16,925**
Cost at January 1	5,422	5,415	-	526	1,305	828	693	14,189
Additions on company acquisitions	5,886	-	903	958	-	128	763	8,638
Additions	-	1,005	-	-	429	-	24	1,458
Disposals	-22	-390	-	-67	-5	-3	-100	-587
Foreign exchange adjustments	284	-	-	32	5	12	21	354
Cost at December 31	11,570	6,030	903	1,449	1,734	965	1,401	24,052
Amortization and impairment at January 1	-	-3,702	-	-372	-688	-552	-539	-5,853
Amortization	-	-583	-119	-123	-85	-89	-89	-1,088
Disposals	-	390	-	52	5	3	86	536
Impairment	-	-27	-20	-	-	-	-	-47
Foreign exchange adjustments	-	-	-	-23	-6	-9	-16	-54
Amortization and impairment at December 31	-	-3,922	-139	-466	-774	-647	-558	-6,506
Carrying amount at December 31, 2022	**11,570**	**2,108**	**764**	**983**	**960**	**318**	**843**	**17,546**

The carrying amount of In-house development projects and software include development in progress of DKK 316 million and DKK 651 million respectively (2022: DKK 565 million and DKK 735 million).

Goodwill

There were no additions during the year in GN Hearing (2022: DKK 306 million) nor GN Audio (2022: DKK 5,580 million) cf. note 5.1 Acquisition and divestment of companies and operations.

Management performs an annual impairment test of the carrying amount of goodwill. The impairment test covers the Group's cash-generating units (CGU) to which the carrying amount of goodwill is allocated.

3.1 Intangible assets (Continued)

	Carrying amount of goodwill DKK million		Pre-tax discount rate %		Weighted average cost of capital %	
	2023	2022	2023	2022	2023	2022
CGUs						
GN Hearing	4,329	4,710	8.7	8.5	8.3	8.1
GN Audio	6,825	6,860	9.3	9.2	8.8	8.8
Total	**11,154**	**11,570**				

In the impairment test, the discounted future cash flows of each CGU (the value in use) were compared with the carrying amounts. Future cash flows are based on the budget for 2024, market forecasts for 2024 – 2027, strategy plans, etc. approved by the Board of Directors. Budgets and strategy plans are based on specific assumptions for the individual CGU regarding sales, operating profit, working capital, investments in non-current assets, etc. The calculations apply expected growth in the terminal period of 2.0% p.a. for both CGU's (2022: 2.0% p.a.)

The long-term market growth in the Hearing Aid and Audio industries is driven by the following main factors:

GN Hearing:

- Shifting demographics with a growing elderly and more affluent population
- Intensified noise pollution driving the increased prevalence of hearing loss
- Increased penetration rates as more people with a hearing loss will use hearing aids in the future, and
- Increased use of two hearing aids, which is relatively common today, instead of only one

GN Audio:

- A significant part of our future growth is expected to come from the increased penetration of professional headsets
- UC technology has the potential to reduce travel cost and carbon footprint by the companies that adopt the technology
- Continued transition from desk phones to Unified Communications
- The fast-growing market for premium software-enabled gaming gear
- Video playing an increasingly larger role in future experiences
- Increasing flexibility requirements by office-workers, demands for productivity, focus on cloud-based solutions, and general technology improvements

The expected revenue growth in the GN Hearing segment and GN Audio segment is based on the current differentiated product offering with unique technology as well as future product launches. Based on the impairment test and related assumptions, Management has not identified any goodwill impairment at December 31, 2023. No likely change in the assumptions applied will result in an impairment.

Development projects and software

In-progress and completed development projects comprise development and design of hearing instruments and audio and collaboration solutions. Most development projects are expected to be completed in the coming years, after which product sales and marketing can be commenced. Management performs at least one annual impairment test of the carrying amount of recognized development costs. The recoverable amount is assessed based on sales forecasts. During the year, impairments of DKK 180 million related to projects were recognized. In Management's assessments, the recoverable amount exceeds the carrying amount at December 31, 2023.

Software comprises development, design and test of production, planning software and reporting systems, business intelligence etc. Implementation of these systems is expected to optimize internal procedures and processes. During the year, impairments of DKK 135 million related to software were recognized. In 2023, Management assessed that the expected useful lives were reflected in the carrying amounts at
December 31, 2023.

The Group's move to one company geared towards capturing company-wide synergies which will support and accelerate margin improvements across the Group. In order to capture these synergies, the group has streamlined processes including refined product and software focus resulting in the aforementioned development projects and software impairments recognized in the 2023 financial year.

Customer relationships

Customer relationships primarily comprise acquired customer relationships. The most significant customer relationship relates to the acquisition of SteelSeries, Audigy, BlueParrot, and US Beltone.

Patents and rights

Patents and rights primarily comprise acquired patents and rights. The most significant patents and rights relate to technologies for the development of new hearing instruments for GN Hearing and rights to the use of certain technologies for development of headsets and video communications solutions.

3.1 Intangible assets (Continued)

Other

The Group's other intangible assets comprise DKK 693 million (2022:

DKK 768 million) related to trademarks, DKK 66 million (2022: DKK 47 million) related to supply agreements and DKK 2 million (2022: DKK 3 million) related to know-how. In Management's assessments, the recoverable amount exceeds the carrying amount at December 31, 2023.

§ Accounting policies

Goodwill

At the acquisition date goodwill is recognized in the balance sheet at cost as described under Business combinations (note 5.1). Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortized but is tested for impairment at least once a year. The carrying amount of goodwill is allocated to the Group's cash-generating units at the acquisition date. Identification of cash-generating units is based on how Management monitors the operation in the Management reporting.

As a result of the integration of acquired enterprises in the existing group, Management assesses that the smallest cash-generating units to which the carrying amount of goodwill can be allocated are: GN Hearing and GN Audio.

Development projects, Software, Patents, Licenses and Other Intangible Assets

Intangible assets are measured at cost less accumulated amortization and impairment. Amortization is provided on a straight-line basis over the expected useful lives of the assets. When changing the depreciation period, the effect on the depreciation is recognized prospectively as a change in accounting estimates. Amortization and impairment is recognized in the income statement as production costs, development costs, distribution costs and administrative expenses.

The expected useful lives are as follows:

Completed development projects	1-5 years
Software	3-10 years
Customer relationships	up to 10 years
Patents, licenses, trademarks and other intellectual property rights	up to 20 years

Development projects that are clearly defined and identifiable, where the technical utilization degree, sufficient resources and a potential future market or development opportunities in the Company is evidenced, and where GN Store Nord intends to produce, market or use the project, are recognized as intangible assets if it is probable that costs incurred will be covered by future earnings. The cost of such development projects includes direct wages, salaries, materials and other direct and indirect costs attributable to the development projects. Amortization and write-down of such capitalized development projects are started at the date of completion and are included in development costs. Other development costs are recognized in the income statement as incurred.

Gains or losses on the disposal of intangible assets are determined as the difference between the selling price less selling costs and the carrying amount at the disposal date, and are recognized in the income statement as other operating income or other operating costs, respectively.

Impairment of Goodwill and in-progress development projects

Goodwill is subject to at least one annual impairment test. Similarly, in-progress development projects are tested for impairment at least annually. An impairment test is also performed whenever there is an indication that an asset may be impaired.

The carrying amount of goodwill is tested for impairment together with the other non-current assets in the cash-generating unit to which the goodwill is allocated. Goodwill is written down to the recoverable amount if the carrying amount is higher than the computed recoverable amount. The recoverable amount is computed as the present value of the expected future net cash flows from the enterprises or activities to which the goodwill is allocated.

Recognition of impairment losses in the income statement

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or the cash-generating unit. Impairment of goodwill is recognized in a separate line item in the income statement. Impairment of goodwill is not reversed.

3.1 Intangible assets (Continued)

! Significant accounting estimates and judgments

Goodwill

Determining whether goodwill is impaired requires a comparison of the recoverable amount with the carrying amount. The recoverable amount is determined as the net present value of the future cash flows expected to arise from the cash generating unit to which goodwill is allocated.

Development projects

Development projects are measured at cost less accumulated amortization and impairment. An impairment test is performed of the carrying amount of recognized development projects. The impairment test is based on assumptions regarding strategy, product life cycle, market conditions, discount rates and budgets, etc., after the project has been completed and production has commenced. If market-related assumptions etc., are changed, development projects may have to be written down. Management examines and assesses the underlying assumptions when determining whether or not the carrying amount should be written down. In addition, Management continuously assess the useful lives of its products to ensure that amortization of development projects reflects the useful lives.

3.2 Property, plant and equipment

DKK million	Factory and office buildings	Leasehold improvements	Plant and machinery	Operating assets and equipment	Assets under construction	Total
Cost at January 1	671	236	958	798	14	2,677
Additions on company acquisitions	-	-	-	-	-	-
Additions	11	8	31	41	2	93
Disposals	-	-29	-48	-60	-	-137
Transfers	-	-	2	-	-2	-
Foreign exchange adjustments	-3	-5	-8	-6	-	-22
Cost at December 31	679	210	935	773	14	2,611
Depreciation and impairment at January 1	-256	-170	-716	-636	-	-1,778
Depreciation	-27	-18	-115	-61	-	-221
Impairment	-	-	-	-	-	-
Disposals	-	29	48	48	-	125
Transfers	-	-	-	-	-	-
Foreign exchange adjustments	2	2	1	5	-	10
Depreciation and impairment at December 31	-281	-157	-782	-644	-	-1,864
Carrying amount at December 31, 2023	**398**	**53**	**153**	**129**	**14**	**747**
Leased assets, c.f. note 3.3	272			17		289
Total carrying amount at December 31, 2023	**670**	**53**	**153**	**146**	**14**	**1,036**
Cost at January 1	636	202	923	712	18	2,491
Additions on company acquisitions	15	34	-	25	-	74
Additions	29	-	12	82	86	209
Disposals	-8	-5	-70	-25	-	-108
Transfers	-	-	90	-4	-90	-4
Foreign exchange adjustments	-1	5	3	8	-	15
Cost at December 31	671	236	958	798	14	2,677
Depreciation and impairment at January 1	-240	-151	-649	-576	-	-1,616
Depreciation	-24	-19	-132	-66	-	-241
Impairment				-4		-4
Disposals	7	3	68	17	-	95
Transfers	-	-	-	-	-	-
Foreign exchange adjustments	1	-3	-3	-7	-	-12
Depreciation and impairment at December 31	-256	-170	-716	-636	-	-1,778
Carrying amount at December 31, 2022	**415**	**66**	**242**	**162**	**14**	**899**
Leased assets, c.f. note 3.3	324			32		356
Total carrying amount at December 31, 2022	**739**	**66**	**242**	**194**	**14**	**1,255**

3.2 Property, plant and equipment (Continued)

§ Accounting policies

Property, plant and equipment

Land and buildings, plant and machinery and fixtures and fittings, other plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and costs of materials, components, suppliers, direct wages and salaries and indirect production costs until the date when the asset is available for use. Liabilities related to dismantling and removing the asset and restoring the site on which the asset is located are added to the cost. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately.

Depreciation is provided on a straight-line basis over the expected useful lives of property, plant and equipment. The expected useful lives are as follows:

Buildings and installations (land is not depreciated)	10-50 years
Leasehold improvements	5-20 years
Plant and machinery	1-7 years
Operating assets and equipment	2-7 years

The basis of depreciation is calculated as the residual value of the asset less impairment losses. The residual value is determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued. When changing the depreciation period or the residual value, the effect on the depreciation is recognized prospectively as a change in accounting estimates. Depreciation and impairment is recognized in the income statement as production costs, development costs, distribution costs and administrative expenses.

Expenses for repairs and maintenance of property, plant and equipment are included in the income statement. Gains or losses on disposal or scrapping of an item of property, plant and equipment are determined as the difference between the sales price reduced by costs related to dismantling and removing the asset, selling costs and costs related to restoring the site on which the asset is located and the carrying amount. Gains or losses are recognized in the income statement as Other operating income or Other operating costs, respectively.

3.3 Leases

Right-of-use assets from leases included in property, plant and equipment

	2023			2022		
DKK million	Factory and office buildings	Operating assets and equipment	Total	Factory and office buildings	Operating assets and equipment	Total
Carrying amount at January 1	324	32	356	385	40	425
Additions on company acquisitions	-	-	-	56	-	56
Additions	51	45	96	18	21	39
Remeasurements	14	-30	-16	-16	-	-16
Depreciation	-103	-30	-133	-122	-29	-151
Impairment	-6	-	-6	-3	-	-3
Foreign exchange adjustments	-8	-	-8	6	-	6
Carrying amount at December 31	**272**	**17**	**289**	**324**	**32**	**356**

GN Store Nord's leases mainly consist of property leases of e.g. offices but also include cars and office equipment. Rental contracts are typically made for fixed periods but may have extension options. Contracts may contain both lease and non-lease components. In such cases the consideration in the contract is allocated to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Lease liabilities

DKK million	2023	2022
Contractual maturity analysis of lease liabilities:		
Less than one year	112	130
Between one and three years	140	164
More than three years	69	94
Total	**321**	**388**

The maturity analysis is based on non-discounted cash flows.

Amounts expensed in the income statement and total cash outflow

DKK million	2023	2022
Interest expense on lease liabilities	8	6
Expenses for low-value assets and short-term leases	7	10
Cash outflow re. lease liabilities	144	153

3.3 Leases (continued)

§ Accounting policies

Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee’s incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases have a lease term of 12 months or less. Low-value assets comprise e.g. IT-equipment and small items of office furniture.

Extension and termination options

Extension and termination options are included in a number of leases across the group. These terms are used to maximize operational flexibility.

3.4 Depreciation, amortization and impairment

DKK million	2023	2022
Depreciation, amortization and impairment for the year of property, plant and equipment (incl. leased assets) and intangible assets are recognized in the income statement as follows:		
Production costs	-154	-156
Development costs	-776	-632
Selling and distribution costs	-86	-103
Management and administrative expenses	-321	-203
Amortization and impairment of acquired intangible assets	-392	-440
Total	**-1.729**	**-1.534**
Amortization of intangible assets is recognized in the income statement as follows:		
Production costs	-	-
Development costs	-584	-585
Selling and distribution costs	-3	-2
Management and administrative expenses	-78	-81
Amortization and impairment of acquired intangible assets	-389	-420
Total	**-1.054**	**-1.088**
Impairment of intangible assets is recognized in the income statement as follows:		
Development costs	-180	-27
Management and administrative expenses	-132	-
Amortization and impairment of acquired intangible assets	-3	-20
Total	**-315**	**-47**

3.5 Other non-current assets

DKK million	2023	2022
Loans to dispensers of GN Hearing products	770	702
Pre-paid discounts	246	262
Ownership interests	136	137
RAP, SIP and DCP	349	325
Pension assets	33	29
Other	193	157
Total	**1,727**	**1,612**

RAP (Retirement Advantage Plan) and SIP (Savings and Investment Plan) are programs in which customers earn funds based on purchases made. DCP (Deferred Compensation Plan) is a program in which Management in certain foreign subsidiaries may choose to defer compensation. The amounts invested by the Group on behalf of customers and Management are recognized in Other non-current assets. The Group's liabilities related to the programs are recognized in Other non-current liabilities at DKK 265 million (2022: DKK 255 million).

All ownership interests are accounted for at fair value through profit or loss.

Dispenser loans are provided to dispensers of GN Hearing products in order to support their future growth. The majority of dispenser loans is related to dispensers in the US. GN Hearing's assessment of credit risk associated with non-current loans to dispensers depends primarily on change in payment behavior and current economic conditions. Before a loan is extended, the creditworthiness of the individual dispenser is analyzed. Calculating the expected credit loss rates, GN Store Nord considers historical loss rates for each category of dispensers, and provides for credit losses against loans to customers by comparing the development in the actual loan balance to the agreed development in the loan balance.

The table below illustrates how the 12-month and lifetime expected credit loss are calculated for dispenser loans and how the credit risk exposure on dispenser loans are grouped by GN Store Nord's internal credit rating:

		2023			2022		
GN Store Nord internal credit rating		Expected credit loss rate %	Estimated gross carrying amount at default DKK million	Carrying amount (net of loss allowance) DKK million	Expected credit loss rate %	Estimated gross carrying amount at default DKK million	Carrying amount (net of loss allowance) DKK million
Performing	12-month expected credit loss	2%	782	770	1%	712	702
Underperforming	Lifetime expected credit losses	100%	204	-	100%	216	-
Write-off	Assets derecognized through the income statement	100%	12	-	100%	24	-
Total dispenser loans at December 31			**998**	**770**		**952**	**702**

The 12-month and lifetime expected credit losses have developed as follows:

DKK million	Performing (12 month ECL)	Underperforming (lifetime ECL)	Total
Opening loss allowance as at January 1, 2023	-10	-216	-226
Transferred to underperforming (lifetime ECL)	-	3	3
New dispenser loans, net	-3	-	-3
Write-off	-	12	12
Changes in model/risk parameters	-	-	-
Foreign exchange adjustments and other changes	1	-3	-2
Closing loss allowance as at December 31, 2023	**-12**	**-204**	**-216**
Opening loss allowance as at January 1, 2022	-16	-143	-159
Transferred to underperforming (lifetime ECL)	3	-92	-89
New dispenser loans	3	-	3
Write-off	-	24	24
Changes in model/risk parameters	-	-	-
Foreign exchange adjustments and other changes	-	-5	-5
Closing loss allowance as at December 31, 2022	**-10**	**-216**	**-226**

3.5 Other non-current assets (Continued)

§ Accounting policies

Loans to dispensers
Loans to dispensers and other receivables are measured at amortized cost less an allowance for expected credit losses. Both loans to dispensers and other receivables are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest.

Ownership Interests and savings plans
Ownership interests between 20% and 50% in unlisted enterprises in which the Group does not exercise significant influence on the financial and operating policies are recognized under non-current assets at fair value. Gains and losses on such ownership interests are either recorded under financial items in the income statement or in other comprehensive income. This depends on the Group’s irrevocable election at the time of initial recognition to account for the ownership interests at fair value through profit (loss) or other comprehensive income.

Where the Group has elected to present fair value gains and losses on ownership interests in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Changes in the fair value of ownership interests at fair value though profit or loss are recognized in financial items in the income statement.

The savings plans RAP, SIP and DCP are measured at fair value through profit or loss.

Impairment of dispenser loans
Loss allowances on dispenser loans are measured equal to 12-month expected credit losses, if the credit risk has not increased significantly since initial recognition. If the credit risk has increased significantly, the loss allowance are measured at an amount equal to lifetime expected credit losses.

The calculation of 12-month expected credit losses on dispenser loans are based on a weighted average of historical annual losses on customers. Payment plans are agreed with dispensers when issuing loans to these. The credit risk of loans to dispensers is considered to have increased significantly since initial recognition when actual loan balances differ from the agreed development in loan balances with more than 40%. At this point the loan is considered to be in default and credit impaired.

The calculation of lifetime expected credit losses on dispenser loans is based on the difference between the development in the actual loan balances and the agreed development in loan balances. The allowances are increased in steps if the difference between the actual loan balance and the agreed development in loan balances increases.

Indicators that there is no reasonable expectation of recovery of a dispenser loan include bankruptcy, change of control and change in the payment behavior or financial situation of the dispenser. In such cases a full or partial write-off of a dispenser loan will be recognized by derecognizing the asset. Where recoveries are made, these are recognized in the income statement.

Impairment of Pre-paid discounts
The carrying amount of Pre-paid discounts is subject to an annual test for indications of impairment. When there is an indication that assets may be impaired, the recoverable amount of the asset is determined.

Recognition of impairment losses in the income statement
Impairment losses are recognized in the income statement in the relevant functional line items. Impairment of dispenser loans are reversed only to the extent of changes in the assumptions and estimates underlying the impairment calculation.

! Significant accounting estimates and judgments

Financial support arrangements
GN Store Nord grants loans to dispensers and acquires ownership interests in dispensers. The agreements are typically comprehensive, complex and cover several aspects of the relationship between the parties. Management assesses the recognition and classification of income and expenses for each of these agreements, including whether the agreement represent a discount on future sales. Management also assesses whether current economic conditions and changes in customers' payment behavior could indicate impairment of the outstanding balances.

Ownership Interests
When considering whether or not GN Hearing exercises significant influence in unlisted enterprises a number of judgments are made. These judgments include considering:

- Representation on the board of directors
- Participation in policy-making processes
- Material transactions between the entity and GN
- Interchange of managerial personnel
- Provision of essential technical information

3.6 Inventories

DKK million	2023	2022
Raw materials and consumables	622	735
Work in progress	27	27
Finished goods and merchandise	2,008	2,754
Total	**2,657**	**3,516**
The above includes write-downs amounting to	-295	-230
Costs of goods sold included in Production Costs	-8,519	-8,934

§ Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO-principle. Inventories in GN Hearing are measured at cost using the standard cost method. Standard costs take into account normal levels of raw materials and consumables, staff costs, efficiency and capacity utilization. Standard costs are reviewed regularly and adjusted in accordance with the FIFO-principle.

Raw materials and goods for resale are measured at cost, comprising purchase price plus delivery costs.

Work in progress and finished goods are measured at cost, comprising the cost of direct materials, wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials, wages and salaries, maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management.

Where the net realizable value is lower than cost, inventories are written down to this lower value. The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale.

3.7 Trade receivables

DKK million	Current	1-60 days past due	61-90 days past due	91-120 days past due	121-180 days past due	More than 181 days past due	Total
Gross carrying amount - Trade receivables	3.797	479	64	37	58	189	4.624
Loss allowance at December 31	-8	-1	-8	-3	-8	-154	-182
Trade receivables at December 31, 2023	**3.789**	**478**	**56**	**34**	**50**	**35**	**4.442**
Expected loss rate	0%	0%	13%	8%	14%	81%	4%
Gross carrying amount - Trade receivables	3.340	476	57	34	62	236	4.205
Loss allowance at December 31	-13	-4	-1	-3	-16	-137	-174
Trade receivables at December 31, 2022	**3.327**	**472**	**56**	**31**	**46**	**99**	**4.031**
Expected loss rate	0%	1%	2%	9%	26%	58%	4%

The loss allowance included in total trade receivables, based on the above aging profile and expected loss rates, have developed as follows:

DKK million	2023	2022
Loss allowance at January 1	-174	-181
Increase in loss allowance during the year	-38	-20
Trade receivables written off as uncollectible	10	6
Reversal of unused loss allowance	16	26
Foreign exchange adjustments	1	-5
Loss allowance at December 31	**-185**	**-174**

The total loss allowance of DKK 185 million is included in trade receivables at December 31, 2023 (2022: DKK 174 million). GN Store Nord's assessment of credit risk associated with individual receivables depends primarily on aging, change in customer payment behavior, current economic conditions etc. as described in significant accounting estimates.

No security has been pledged to GN Store Nord for trade receivables.

§ Accounting policies

Measurement of trade receivables

Trade receivables are measured at amortized cost less expected lifetime credit losses. The expected loss rates are based on days past due and whether a receivable concerns a GN Hearing or a GN Audio customer. Current expectations and estimates of expected credit losses are furthermore based on change in customer behavior and current economic conditions. Expected credit losses are based on an individual assessment of each receivable and at portfolio level.

3.8 Provisions

DKK million	Warranty provisions	Other provisions	Total
Provisions at January 1	244	117	361
Additions	365	43	408
Consumed	-256	-5	-261
Reversed	-14	-1	-15
Foreign exchange adjustments	-8	-1	-9
Provisions at December 31, 2023	**331**	**153**	**484**
Which is presented in the consolidated balance sheet as:			
Non-current liabilities	140	4	144
Current liabilities	191	149	340
Provisions at December 31, 2023	**331**	**153**	**484**

Warranty provisions concern products sold. The warranty provision covers any defects in design, materials and workmanship for a period of 1-4 years from delivery and completion. Other provisions primarily consist of provisions for legal disputes, obligations regarding onerous contracts and property leases.

In 2022 it was decided to reclassify the estimated refund liability recognized for the goods that are expected to be returned from Provisions to Other current liabilities as this is considered to be more in line with the nature of the refund liabilities.

§ Accounting policies

Provisions

Warranty provisions are recognized as the underlying goods and services are sold based on warranty costs incurred in previous years and expectations of future costs.

Provisions are recognized when, as a result of events before or at the balance sheet date, the Group has a legal or a constructive obligation and it is probable that there may be an outflow of resources embodying economic benefits to settle the obligation. On measurement of provisions, the costs required to settle the liability are discounted if the effect is material to the measurement of the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting its obligations under the contract (onerous contracts). A provision for onerous contracts is recognized e.g. when the Company has entered a binding legal agreement for the purchase of components from suppliers that exceeds the benefits from the expected future use of the components and the Company can only sell the components at a loss.

Section 4 - Capital structure and financing items

Introduction

Insight into GN Store Nord's capital structure and financial items as well as financial risks.

4.1 Outstanding shares and treasury shares

Thousands	Outstanding shares	Treasury shares	Total number of shares	Nominal value of outstanding shares (DKK)	Nominal value of treasury shares (DKK)	Nominal value of total shares (DKK)	Treasury shares as a percentage of share capital
Number/value of shares at January 1, 2023	127,973	9,220	137,193	511,892	36,882	548,774	6.7%
Purchase of ownership interest in subsidiaries	320	-320	-	1,280	-1,280	-	
Share capital increase	17,320	-3,600	13,720	69,278	-14,400	54,878	
Number/value of shares at December 31, 2023	**145,613**	**5,300**	**150,913**	**582,450**	**21,202**	**603,652**	**3.5%**

All shares are fully issued and paid up. The nominal value of each share is DKK 4 and no shares carry any special rights.

The treasury shares had a market value of DKK 911 million at December 31, 2023 (2022: DKK 1,473 million). An accelerated bookbuild of a directed issue and private placing of 17 million new shares and 3.6 million existing treasury shares was executed on May 24, 2023, which generated DKK 2.6 billion net of costs.

Treasury shares have been acquired under the share buyback program in order to reduce the share capital, hedge the option- and warrant-based long-term incentive programs as well as the obligation under the convertible bond issued in 2019.

Weighted average number of shares

Shares, thousands	2023	2022
Weighted average number of outstanding shares	138,883	127,823
Dilutive effect of share-based payment with positive intrinsic value – average for the period	108	303
Diluted weighted average number of shares	**138,991**	**128,126**

Result used for calculating EPS

DKK million	2023	2022
Profit (loss) for the year attributable to shareholders in GN Store Nord A/S used for the calculation of earnings per share	228	511

Cash distributions

DKK million	2023	2022
Dividend paid related to prior years	-	214
Share repurchase during the year	-	-
Total	**-**	**214**
Proposed dividend for the year		-
DKK per share		
Dividend paid related to prior years	-	1.55
Proposed dividend for the year	-	-

4.1 Outstanding shares and treasury shares (Continued)

§ Accounting policies

Earnings per Share and Diluted Earnings per Share
Earnings per share (EPS) is calculated by dividing the profit for the year after tax by the weighted average number of shares outstanding in the year. Diluted earnings per share is calculated by increasing the weighted average number of shares outstanding by the number of additional ordinary shares that would be outstanding if potentially dilutive shares were issued. The dilutive effect of outstanding share based payment is calculated using the Treasury Stock method.

Equity
Dividends
The expected dividend payment for the year is disclosed as a separate item in equity. Proposed dividends are recognized as a liability at the date they are adopted by the Annual General Meeting (declaration date).

Hedging reserve
The hedging reserve includes the accumulated net change in the fair value of hedging transactions qualifying for hedge accounting.

Treasury Shares
Treasury shares are recognized at cost. Gains and losses on disposal of own shares are calculated as the difference between the purchase price measured in accordance with the FIFO-principle and the selling price. Gains or losses are recognized directly in retained earnings. Dividends received from treasury shares are recognized directly in retained earnings. Capital reductions from the cancellation of treasury shares are deducted from the share capital at an amount corresponding to the nominal value of the shares.

Foreign exchange adjustments
The translation reserve in the consolidated financial statements comprises foreign exchange differences arising on translation of financial statements of foreign subsidiaries from their functional currencies into the presentation currency used by GN Store Nord (DKK) and foreign exchange adjustments of balances considered to be part of the total net investment in foreign entities.

4.2 Financial risks

GN Store Nord is exposed to several financial risks arising from its operating, investing and financing activities, comprising currency risk, interest rate risk, liquidity risk and credit risk. Financial risks are managed centrally by Group Treasury, except for commercial credit risk which is managed decentralized by the Group's operating businesses. The Group's Treasury Policy has been reviewed by the Audit Committee and approved by the Board of Directors.

Cash flow, liquid funds and debt are coordinated centrally to ensure the solvency and liquidity of the Group. Material financial risks are identified, managed and reported adequately. Financial transactions are entered into only to mitigate risks from business activities or financing of the Group.

The areas exposed to financial risks are mainly cash and cash equivalents, loans and other financial indebtedness. GN's objectives, policies and process for measuring and managing the risk exposure to these items are summarized in the table and further explained in the notes below.

4.2 Financial risks (Continued)

Financial risk	Exposure	Risk Management Policy	Mitigating actions
Foreign currency risk	Based on the current revenue and cost composition, the anticipated primary foreign exchange exposures for the Group in 2023 (excluding EUR) mainly arise from USD and GBP, whereas other currencies on a stand-alone basis would not have a material impact. EUR denominated financing carries FX revaluation risk.	All hedging is conducted at Group level. A minimum of 75% and not more than 100% of the Net currency exposure in each operating business to maintain this hedging level at any point in time. EUR denominated financing is hedged, through EUR denominated assets or through foreign exchange derivatives.	GN has hedged a substantial part of the expected net EBITA 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. GN is also monitoring the combined impact of minor trading currencies and hedges those on a case-by-case basis.
Interest rate risk	GN's non-current debt have fixed and floating interest rates as of December 31, 2023.	At least 50% of all Interest-Bearing Debt should be fixed in interest, either through fixed rate agreements or through derivative instruments.	50% of Interest-Bearing Debt carried fixed interest rates as of December 31, 2023. GN will consider entering into interest rate derivatives to swap part of the floating debt into fixed-rate, if needed to mitigate the cash-flow risk from rising interest rates.
Liquidity risk, funding, and capital structure	GN's net interest-bearing debt decreased during 2023 to DKK 10,567 million (2022: DKK 14,561 million). As a result, the net interest-bearing debt to EBITDA ratio ended at 6.0x (2022: 7.1x) driven by the execution of the group's capital plan and strong cash flow generation. GN's loans and bonds are primarily long-term with maturities extended until 2036 with mostly fixed interest rates.	GN's cash flow, liquid funds and debt are coordinated centrally to ensure the solvency and liquidity of the Group. GN has a long-term capital structure target of a net interest-bearing debt to EBITDA ratio between one and two.	To mitigate potential liquidity or refinancing risks, GN has increased its current Revolving Credit Facility to EUR 520 million from EUR 350 million with maturity in 2027. On December 31, 2023 the Revolving Credit Facilities were unutilized. To mitigate potential short to mid-term refinancing risk, GN has replaced the existing EUR 520 million term loan maturing in 2025 with a new EUR 800 million term loan facility maturing in Q3 2026. Further in 2023, GN has executed a sale and leaseback of the company's headquarter, which generated net proceeds of around DKK 500 million on December 15, 2023.
Financial credit risk	GN's exposure to credit risk arises primarily from trade and other receivables.	GN has established policies for credit risk management related to customers including the use of credit rating agencies.	GN has decentralized the credit risk management relating to customer including the use of credit rating agencies to the divisions (GN Hearing and GN Audio).

4.2 Financial risks (Continued)

Foreign currency risk

GN Store Nord has exposure towards foreign currencies exchange rate risk, mainly arising from the fluctuations of USD, in connection with commercial transactions. The general policy is to minimize GN Store Nord's currency exposure through natural matching of in- and out-flows to mitigate the impact of exchange rate fluctuations on earnings and cash flow, thereby increasing the predictability of the financial results. Additionally, the Group uses approved hedging instruments, including currency derivatives such as FX Spot, FX Forward, FX Swaps and FX Option contracts, to hedge the Group's EBITA and Free Cash Flow from adverse currency movements by determining the aggregate of the expected net cash flow 12 months forward and monetary balance sheet items.

Sensitivity analysis for foreign currency risk

The below sensitivity analysis illustrates the potential change in GN Store Nord's profit or loss and equity in response to a weakening / strengthening of the currencies of which GN Store Nord has significant exposure to at the balance sheet date. This analysis assumes that all other variables, in particular interest rates, remain constant. At year-end an increase of 10% in the USD exchange rate and 5% in the GBP exchange rate would affect the Income statement and Equity as outlined in the table below:

	USD		GBP	
DKK million	2023	2022	2023	2022
Profit or loss before tax	-43	-18	2	12
Other Comprehensive Income before tax	113	146	-26	-31

The exposure at year-end is not necessarily representative of the past or future exposure of the Group.

The sensitivity analysis comprises cash and cash equivalents, current receivables, trade payables, current and non-current loans, intercompany balances and derivative exchange rate instruments as of December 31. The effects of a change in foreign exchange rates related to these items would be included in the Income statement. A change in the value of derivative exchange rate instruments used for hedging would be included in Other comprehensive income if hedge accounting is applied.

Interest rate risk

GN Store Nord's non-current debt have fixed and floating interest rates: listed instruments of EUR 50 million private placement with fixed coupon of 1.97% per annum and GBP 40 million private placement with fixed coupon of 3.2% per annum as well as bilateral R&D loans with fixed interest rates, EUR 120 million Term loan drawdown with variable interest rates.

GN Store Nord's short-term debt consists of EUR 330 million Bond-with-Warrant-Units 0% and notes issued under the EMTN program including EUR 600 million notes with fixed coupon of 0.875% per annum,

An increase of variable interest rates of 1 percentage point would result in a net increase in the annual interest expenses of DKK 8.9 million (2022: DKK 0 million).

Specification of net interest-bearing debt

DKK million	2023	2022
Loans to dispensers	770	702
Cash and cash equivalents	2,162	990
Bank loans and issued bonds, non-current liabilities	-9,957	-9,866
Bank loans and issued bonds, current liabilities	-3,243	-6,016
Lease liabilities	-299	-371
Total	-10,567	-14,561

Included in the DKK 2,162 million cash and cash equivalents on the Consolidated statement of financial position is DKK 528 million which is restricted to be used for coming debt repayments and other related costs in accordance with the capital plan. This amount includes the proceeds received from the sale of BelAudição.

Funding, liquidity and capital structure

The Group's capital structure includes interest bearing long-term debt with maturities between 2026 and 2036, including bank loans, convertible bonds, notes under the Euro Medium Term Note (EMTN) program, and two drawing rights attached to a EUR 520 million committed revolving credit facility and a EUR 800 million committed term loan facility. EUR 520 million committed revolving credit facility was unutilized on December 31, 2023, and EUR 120 million out of the EUR 800 million committed term loan facility was utilized as of December 31, 2023. (2022: EUR 350 million committed revolving credit facility and a EUR 520 million committed term loan facility, unutilized).

In addition, the Group has EUR 442 million short-term, uncommitted Money Market lines and Overdraft facilities from its main relationship banks to diversify its borrowing instruments and manage its net working capital movement. Money Market lines and Overdraft facilities was utilized EUR 214 million on December 31, 2023 (2022: utilized at EUR 251 million)..

Moreover, GN has a short-term, uncommitted Euro Commercial Paper program of up to EUR 250 million. The Euro Commercial Paper program was utilized at EUR 32 million on December 31, 2023 (2022: utilized at EUR 35 million).

4.2 Financial risks (Continued)

Interest-bearing debt additions during the year

On May 24, GN announced a new capital plan to prepare 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 continues to progress 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**: New DKK 6.0 billion (EUR 800 million) term loan facility maturing in 2026 replaced existing DKK 3.9 billion (EUR 520 million) term loan. The new loan was signed and finalized on September 27, 2023

- **Disposals:** DKK 1.0 – 2.0 billion to be generated by disposals of selected assets. Disposal of BelAudição announced on June 28 generated DKK ~500 million in Q3 2023. Moreover, GN has executed a sale and leaseback of the company's headquarter, which generated net proceeds of DKK ~500 million on December 15, 2023

- **Operational measures**: Cash at hand and positive free cash flow excl. M&A for 2023 and 2024 at Group level; DKK 1.1 billion cash flow excl. M&A generated in 2023.

In addition, GN has executed an increase of its current undrawn revolving credit facility. The new facility has been increased to EUR 520 million from EUR 350 million with maturity in 2027. The credit facility agreement was signed and finalized on September 27, 2023. GN's overall financial target is to deliver a competitive shareholder return through a combination of dividend payments and share price appreciation.

Financial credit risk

Credit risk is defined as an unexpected loss in cash and earnings if the customer is unable to pay its obligation in due time. GN may incur losses if the credit quality of its customers deteriorates or if they default on their payment obligations to GN. GN's exposure to credit risk arises primarily from trade and other receivables. Such credit risk is managed decentralized through the divisions (GN Hearing and GN Audio). Assessment of credit risks related to customers is further described in note 3.7 Trade receivables and note 3.5 Other non-current assets.

Surplus cash positions in GN Store Nord's subsidiaries are centralized through Group Treasury if feasible, and cash is mainly held in current accounts or as short-term money market deposits. Cash positions are primarily held with financial institutions through which GN Store Nord conducts its day-to-day banking transactions and which are highly rated with Moody's and Standard & Poor's.

4.3 Financial instruments

Categories of financial assets and liabilities

The financial assets and liabilities presented in the balance sheet can be grouped in the following categories:

DKK million	2023	2022
Financial assets		
Trade receivables	4,442	4,031
Other receivables	744	672
Other non-current assets	1,233	1,141
Financial assets at amortized cost	**6,419**	**5,844**
Derivative financial instruments included in Other receivables	117	34
RAP, SIP, DCP and Ownership interests, etc. included in Other non-current assets	494	471
Financial assets at fair value through profit or loss	**611**	**505**
Derivative financial instruments included in Other receivables	11	16
Financial assets at fair value through Other comprehensive income	**11**	**16**
Financial liabilities		
Issued bonds (bond-with-warrant units), non-current	3,189	2,401
Issued EMTN bonds, non-current	335	5,147
Bank loans, non-current	3	2,318
Bank loans and issued bonds, current	9,674	6,016
Lease liabilities	299	371
Other non-current liabilities	4	4
Trade payables	1,719	1,554
Financial liabilities at amortized cost	**15,223**	**17,811**
Derivative financial instruments included in Other liabilities	65	17
RAP, SIP and DCP included in Other non-current liabilities	265	256
Contingent consideration included in Other liabilities	90	131
Financial liabilities at fair value through profit or loss	**420**	**404**
Derivative financial instruments included in Other liabilities	26	105
Financial liabilities at fair value through Other comprehensive income	**26**	**105**

§ Accounting policies

Financial Liabilities

Amounts owed to credit institutions and banks as well as the issued EMTN bonds are recognized at the date of borrowing at fair value of the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Issued Bond-With-Warrant units are initially recognized at fair value less related transaction costs. The fair value of the bonds is estimated by calculating the present value of all contractual future cash flows using an interest rate for a bond with similar credit risk and duration as the issued bonds, but without the attached warrants. The difference between the fair value and the proceeds is considered to be the value of the warrants and is recognized in Equity. The equity component is not re-measured subsequently. After initial recognition the bonds are measured at amortized cost using the effective interest method. By applying the effective interest method a constant interest rate is used to increase the carrying amount of the bonds and the difference between the carrying amount and the principal amount is in this way recognized as an interest expense in Financial expenses over the remaining term to maturity. In case the bonds are redeemed before maturity, the difference between the carrying amount at amortized cost and the principal amount will be recognized as a loss in Financial expenses.

Other liabilities, comprising trade payables, amounts owed to associates as well as other payables, are measured at amortized cost.

4.3 Financial instruments (Continued)

Contractual maturity analysis for financial liabilities

DKK million	Less than one year	Between one and three years	More than three years	Total
2023				
Issued bonds	7,053	37	892	7,982
Bank loans	2,048	452	2,529	5,029
Lease liabilities	112	140	69	321
Other liabilities	-	54	215	269
Trade payables	1,719	-	-	1,719
Contingent consideration	35	55	-	90
Total non-derivative financial liabilities	10,967	738	3,705	15,410
Derivative financial liabilities	91	-	-	91
Total	**11,058**	**738**	**3,705**	**15,501**
2022				
Issued bonds	1,716	6,987	899	9,602
Bank loans	4,428	454	2,063	6,945
Lease liabilities	130	164	94	388
Other liabilities	-	56	204	260
Trade payables	1,554	-	-	1,554
Contingent consideration	39	41	51	131
Total non-derivative financial liabilities	7,867	7,702	3,311	18,880
Derivative financial liabilities	122	-	-	122
Total	**7,989**	**7,702**	**3,311**	**19,002**

The maturity analysis is based on non-discounted cash flows.

4.3 Financial instruments (Continued)

Derivative financial instruments

Exchange rate instruments

DKK million	2023 Average rate (DKK)	2023 Contract amount, net*	2023 Fair value, assets	2023 Fair value, liabilities	2022 Average rate (DKK)	2022 Contract amount, net*	2022 Fair value, assets	2022 Fair value, liabilities
USD / DKK	686	-1,445	56	75	729	-1,531	-	86
USD / EUR	689	2,860	65	-	695	2,581	8	-
GBP**	854	169	-	6	848	114	8	14
INR / DKK	8	255	4	1	9	349	18	-
Other currency pairs		-6,974	2	9		-9,367	16	22
Total			**127**	**91**			**50**	**122**

* Positive contract amounts indicate sale of currencies vs. DKK or EUR
** Includes exchange rate instruments vs. DKK and EUR

Fair value adjustments of cash flow hedges

DKK million	2023	2022
Fair value adjustment for the year recognized in Other comprehensive income	-27	-52
Reclassified from equity to revenue during the year	-58	-1
Reclassified from equity to production costs during the year	136	-20
Adjustment of cash flow hedges in Other comprehensive income	**51**	**-73**
Fair value adjustment of non-designated hedges recognized in Other operating income and costs, net	-	-14
Fair value adjustment of non-designated hedges recognized in financial items	96	-356

All exchange rate instruments mature within 12 months from the balance sheet date.

The gains and losses on cash flow hedges recognized in Other comprehensive income as of December 31, 2023 will be recognized in the Income statement in the period during which the hedged forecasted transaction affects the Income statement.

§ Accounting policies

Derivative Financial Instruments

Derivative financial instruments are initially and subsequently recognized in the balance sheet at fair value. Positive and negative fair values of derivative financial instruments are recognized as other receivables and payables, respectively. Fair values of derivative financial instruments are computed on the basis of market data and generally accepted valuation methods.

§ Accounting policies

Derivative Financial Instruments (continued)

Changes in the fair value of derivative financial instruments designated as and qualifying for recognition as a hedge of the fair value of a recognized asset or liability are recognized in the income statement together with changes in the value of the hedged asset or liability as far as the hedged portion is concerned. Changes in the portion of the fair value of derivative financial instruments designated as and qualifying as a cash flow hedge that is an effective hedge of changes in the value of the hedged item are recognized in other comprehensive income. If the hedged transaction results in gains or losses, amounts previously recognized in other comprehensive income are transferred from equity to the same item as the hedged item.

When a hedging instrument expires, or is terminated, or when a hedge no longer meets the criteria for hedge accounting, any gains or losses previously recognized in Other comprehensive income remains in Equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss that were reported in equity are immediately reclassified to the income statement.

For derivative financial instruments, where hedge accounting is not applied (economic hedges), changes in fair value are recognized in the Income statement as either Other operating income and costs, net or Financial items.

The effectiveness of hedges is assessed on the following criteria:

- An economic relationship exists between the hedged item and hedging instrument:
  - The effect of credit risk does not dominate the fair value changes; and
  - The hedge ratio applied for hedge accounting purposes should be the same as the hedge ratio used for risk management purposes.

No material ineffectiveness amounts were recognized in the Statement of Financial Performance during the year.

4.3 Financial instruments (Continued)

DKK million	2023 Quoted prices (level 1)	2023 Observable input (level 2)	2023 Unobservable input (level 3)	2023 Total	2022 Quoted prices (level 1)	2022 Observable input (level 2)	2022 Unobservable input (level 3)	2022 Total
Financial assets								
Derivative financial instruments included in Other receivables	-	117	-	117	-	34	-	34
RAP, SIP, DCP included in Other non-current assets	-	349	-	349	-	325	-	325
Ownership interests, etc. included in Other non-current assets	-	-	145	145	-	-	146	146
Financial assets at fair value through profit or loss	**-**	**466**	**145**	**611**	**-**	**359**	**146**	**505**
Derivative financial instruments included in Other receivables	-	11	-	11	-	16	-	16
Financial assets at fair value through Other comprehensive income	**-**	**11**	**-**	**11**	**-**	**16**	**-**	**16**
Financial liabilities								
Derivative financial instruments included in Other liabilities	-	65	-	65	-	17	-	17
RAP, SIP and DCP included in Other non-current liabilities	-	265	-	265	-	256	-	256
Contingent consideration included in Other liabilities	-	-	90	90	-	-	131	131
Financial liabilities at fair value through profit or loss	**-**	**330**	**90**	**420**	**-**	**273**	**131**	**404**
Derivative financial instruments included in Other liabilities	-	26	-	26	-	105	-	105
Financial liabilities at fair value through Other comprehensive income	**-**	**26**	**-**	**26**	**-**	**105**	**-**	**105**

4.3 Financial instruments (Continued)

In addition to the above, Other non-current liabilities include a liability of DKK 322 million (2022: DKK 387 million) related to put options issued on shares held by non-controlling shareholders which is measured at fair value (fair value hierarchy level 3). Adjustments to the fair value are accounted for as other equity transactions.

DKK million	2023	2022
Fair value net gains (losses) recognized in the income statement:		
Net fair value gains (losses) on RAP, SIP and DCP	13	-21
Net fair value gains (losses) on ownership interests and derivatives re. ownership interests	1	141
Net fair value gains (losses) on contingent consideration	7	-15

Exchange rate instruments and interests rate swaps

The fair value of the exchange rate instruments and interest rate swaps are determined using quoted forward exchange rates and forward interest rates, respectively at the balance sheet date and can be categorized as level 2 (observable inputs) in the fair value hierarchy.

Ownership interests

The fair value of the ownership interests is based on a market approach model. The key input is market observations of sales prices of comparable retail entities, combined with internal GN data such as number of sold hearing aids and the financial statements in which GN holds an interest. In the model, the ownership interests are divided into four groups of revenue multiple, according to the relative size and profitability of the dispensers. Since most of the data is based on non-observable data, the model is categorized as level 3 in the fair value hierarchy. The model is updated on a quarterly basis and any changes are reflected in the Income statement or in Other comprehensive income as applicable. The fair value models are sensitive to the dispenser's financial performance for the last 24 months rolling on a quarterly basis.

Derivative financial instruments related to ownership interests

Derivative financial instruments related to ownership interests in dispensers of GN Hearing products, are recognized in the balance sheet at fair value. The fair value model is based on a market approach model, using market observations of sales prices of comparable retail entities. The key inputs used are the number of hearing aid units sold by customer, average selling prices, and the estimated probability that the instruments will be exercised. The fair value model is categorized as level 3 in the fair value hierarchy, and is updated on a quarterly basis, and any material changes are reflected in the income statement. The fair value models are sensitive to the customers financial performance the last twelve months of any quarter and the probability of the instruments being exercised.

RAP, SIP and DCP programs

RAP (Retirement Advantage Plan) and SIP (Savings and Investment Plan) are programs in which customers earn funds based on purchases made. DCP (Deferred Compensation Plan) is a program in which Management in certain foreign subsidiaries may choose to defer compensation. The asset value is based on the fair value of the mutual fund investments, and the liability is based on the value generated by participant contributions, participant distributions, forfeitures, and investment earnings or losses. Both asset and liabilities are categorized as level 2 in the fair value hierarchy. Each quarter GN receive a report regarding the fair value of the assets from a third-party contractor, and will update the financial statements according to this report.

Contingent consideration

Contingent consideration, resulting from business combinations or divestments, is valued at fair value at the acquisition or divestment date as part of the transaction. The fair value is based on discounted cash flows and contractual terms of the contingent considerations and on non-observable inputs, such as the financial performance of the acquired enterprises. The key assumptions take into consideration the probability of meeting each performance target and the discount factor. Contingent considerations are categorized as level 3 (unobservable inputs) in the fair value hierarchy. The models are updated on a quarterly basis and any changes are reflected in the income statement. The fair value models are sensitive to the financial performance of the acquired enterprises, the probabilities of meeting the agreed objectives and the discount factor.

Fair value disclosures re. financial instruments at amortized cost

Based on observable inputs (fair value hierarchy level 2) the fair value of issued bonds (zero coupon) amounted to DKK 2,403 million at December 31, 2023 (2022: DKK 2,222 million), and the fair value of EMTN bonds amounted to DKK 4,726 million (2022: DKK 5,918 million). For other financial assets and liabilities, the fair value is approximately equal to the carrying amount.

4.4 Liabilities from financing activities

DKK million	Bank loans, non-current	Issued bonds, non-current	Other non-current liabilities	Lease liabilities	Bank loans and issued bonds, current	Total
Liabilities at January 1	2,318	7,548	867	371	6,016	17,120
Cash flows	-1,834	2,290	-98	-104	-3,273	-3,019
Foreign exchange adjustments	-2	29	28	-7	-	48
New leases	-	-	-	38	-	38
Non-cash interest expenses	-	30	-	-	-	30
Additions on company acquisitions	-	-	-	-	-	-
Bonds reclassified to current	-	-6,931	-	-	6,931	-
Other non-cash adjustments	21	58	-20	-	-	59
Liabilities at December 31, 2023	**503**	**3,024**	**777**	**298**	**9,674**	**14,276**
Liabilities at January 1	372	9,141	727	438	1,615	12,293
Cash flows	1,935	-	53	-153	1,725	3,560
Foreign exchange adjustments	-1	-19	19	5	2	6
New leases	-	-	-	25	-	25
Non-cash interest expenses	-	60	-	-	-	60
Additions on company acquisitions	6	-	-	56	1,040	1,102
Bonds reclassified to current	-	-1,634	-	-	1,634	-
Other non-cash adjustments	6	-	68	-	-	74
Liabilities at December 31, 2022	**2,318**	**7,548**	**867**	**371**	**6,016**	**17,120**

4.5 Financial income and expenses

DKK million	2023	2022
Financial income		
Gains and fair value adjustments on ownership interests	1	141
Interest income*	63	7
Financial income, other	4	15
Fair value adjustments of derivative financial instruments	96	-
Foreign exchange gain	-	89
Reversal of impairment on loan dispensers	-	4
Total	**164**	**256**
Financial expenses		
Interest expenses*	-326	-186
Interest rate swap	-	-194
Financial expenses, other	-166	-119
Fair value adjustments of derivative financial instruments	-	-162
Foreign exchange loss	-100	-
Impairments on loans to dispensers	-34	-
Total	**-626**	**-661**

* Interest income and expenses from financial assets and liabilities at amortized cost

§ Accounting policies

Financial income and expenses

Financial income and expenses comprise interest income and expense, costs of permanent loan facilities, gains and losses on securities, receivables, payables and transactions denominated in foreign currencies, credit card fees, amortization and impairment of financial assets and liabilities, etc. Also included are realized and unrealized gains and losses on derivative financial instruments that are not designated as hedges.

Borrowing costs that are directly attributable to the construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognized as an expense. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use.

Section 5 - Other disclosures

Introduction

Statutory notes and other disclosures.

5.1 Acquisition and divestment of companies and operations

Acquisitions

During 2023, there were no material business acquisitions nor further adjustments made relating to acquisitions made in 2022.

On January 12, 2022, GN Audio acquired 100% of the Danish based company SteelSeries Group A/S, a global pioneer in premium software-enabled gaming gear. SteelSeries, with its attractive growth profile and margin structure, presents an attractive new growth opportunity for GN. The acquisition of SteelSeries will bring complementary engineering competencies, commercial capabilities, differentiated brands, a large customer base and an innovative high-growth product offering, adding further technical expertise and IP to GN. SteelSeries will benefit from GN's commercial and operational excellence, and financial strength, allowing SteelSeries to continue its strong growth trajectory and take share in the fast-growing market for premium software-enabled gaming gear. Based on GN's successful track-record of integrating acquired assets, it is anticipated that the combination will produce significant scaling opportunities and revenue synergies when combining SteelSeries with GN's extensive global distribution footprint. Goodwill comprises the expected synergies as well as the value of SteelSeries highly skilled workforce.

On April 21, 2022, GN Hearing acquired 56% of BelAudição Lda, as a business combination achieved in stages, after which GN owns 100% of the company. The acquisition, which is an ownership in transition, will strengthen GN Hearing's sales and distribution. Goodwill comprises expected synergies as well as the value of the highly skilled workforce of BelAudição. The acquisition resulted in a fair value gain of DKK 137 million that is included in financial income (note 4.5).

The goodwill of DKK 5,580 million relating to SteelSeries is allocated to the cash-generating unit GN Audio, and the goodwill of DKK 237 million relating to BelAudição is allocated to the cash-generating unit GN Hearing. The goodwill is not tax deductible.

	Fair value at acquisition date			
DKK million	SteelSeries	BelAudição	Other	2022
Identifiable assets acquired, liabilities assumed and consideration transferred				
Patents, trademarks and other intangibles	891	-	-	891
Development projects	887	-	16	903
Customer relationships	749	203	6	958
Other intangible assets	-	-	-	-
Property plant and equipment	77	53	-	130
Investments in associates	13	-	-	13
Deferred tax asset	-	-	-	-
Other receivables	193	4	-	197
Inventory	577	23	-	600
Trade receivables	329	11	-	340
Tax receivables	29	-	-	29
Cash	238	31	-	269
Bank debts and non-current liabilities	-1,059	-33	-	-1,092
Deferred tax liability	-447	-46	-2	-495
Trade payables	-297	-8	-	-305
Taxes payables	-123	-	-	-123
Other current liabilities	-397	-34	-4	-435
Current liabilities	-	-	-2	-2
Fair value of identified net assets	**1,660**	**204**	**14**	**1,878**
Goodwill	5,580	237	69	5,886
Consideration transferred	**7,240**	**441**	**83**	**7,764**
Fair value of existing ownership interest	-	-194	-	-194
Payable consideration	-	-	-2	-2
Contingent consideration	-		-62	-62
Acquired cash and cash equivalents	-238	-31	-	-269
Cash consideration paid	**7,002**	**216**	**19**	**7,237**

5.1 Acquisition and divestment of companies and operations (Continued)

DKK million	SteelSeries	BelAudição	Other	2022
The share of revenue and profit (loss) for the year from the acquisition date can be specified as follows:				
Revenue	2,317	154	11	2,482
Profit (loss) for the year	-203	1	1	-201
Estimated impact of acquired operations if they had been owned throughout the year:				
Revenue	2,352	230	11	2,593
Profit (loss) for the year	-208	1	1	-206

Divestments etc.

On September 14, 2023 , GN hearing disposed BelAudição Lda.

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.

DKK million	2023	2022
Non-current assets	-461	-39
Current assets	-101	-13
Non-current liabilities	67	-
Current liabilities	41	-
Disposed net assets	**-454**	**-52**
Directly attributable cost	-7	
Fair value of assets received	37	66
Fair value of liabilities assumed	-	-14
Cash consideration received	485	
Gain (loss) on divestment of operations	**61**	**-**
Other adjustments	-	-9
Gain (loss) on divestment of operations etc.	**61**	**-9**

Moreover, in 2023, GN Hearing divested a minor hearing instrument distributor primarily in the US. In 2022, GN Hearing divested 59 hearing instrument distributors in the US.

5.1 Acquisition and divestment of companies and operations (Continued)

§ Accounting policies

Business Combinations

Enterprises acquired or formed during the year are recognized in the consolidated financial statements from the date of acquisition or formation. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises dis-posed of are recognized in the consolidated income statement until the disposal date. The comparative figures are not restated for acquisitions.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprises' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognized if they are separable or arise from a contractual right. Deferred tax on revaluations is recognized.

Any excess of the cost over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill under intangible assets. Goodwill is not amortized but is tested at least annually for impairment. The first impairment test is performed within the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the presentation currency used by GN Store Nord are treated as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate at the transaction date.

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognized in the income statement. If uncertainties regarding measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have different fair value at the acquisition date than first assumed, goodwill is adjusted up until twelve months after the acquisition. The effect of the adjustments is recognized in the opening balance of equity and the comparative figures are restated accordingly.

When acquiring a controlling interest in steps, GN Store Nord assesses the fair value of the acquired net assets at the time control is obtained. At such time, interests acquired previously are also adjusted to fair value. The difference between the fair value and the carrying amount is recognized in the income statement.

Acquisition of additional equity interest after a business combination is not accounted for using the acquisition method, but rather as equity transactions. Disposals of equity interest while retaining control are also accounted for as equity transactions. Transactions resulting in a loss of control result in a gain or loss being recognized in the income statement.

When acquiring less than 100% of the shares in a company, GN Store Nord recognizes the goodwill on a transaction-by-transaction basis or as a proportion of goodwill in accordance with GN Store Nord's ownership interest.

In business combinations where put options have been issued regarding shares held by non-controlling interests the non-controlling interests are recognized initially. As long as the put options remain unexercised the non-controlling interests are updated at the end of each reporting period, including its share of allocations of profit or loss. The non-controlling interests are thereafter derecognized by recognizing a financial liability for the put options and the difference is included as an equity transaction. If the put options are exercised, the same treatment is applied up to the date of exercise. The amount recognized as the financial liability at that date, is extinguished by the payment of the exercise price. If the put option expires unexercised, the position is unwound so the non-controlling interest is recognized at the amount it would have been, had the put options never been issued. The financial liability is derecognized in equity.

! Significant accounting estimates and judgments

Purchase price allocation in business combinations

The application of the acquisition method for business combinations involves the use of significant estimates as the identifiable net assets of the acquiree are recognized at their fair value for which observable market prices are typically not available. This is particularly relevant for intangible assets which require use of valuation techniques. Accordingly, management makes estimates of the fair value of acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

5.2 Remuneration of the Board of Directors and Executive Management

Remuneration to Executive Management and Board of Directors can be specified as follows:

	2023				2022			
DKK million	Fixed pay*	Short-term incentives	Share-based incentives	Total	Fixed pay*	Short-term incentives	Share-based incentives	Total
Peter Karlstromer, CEO of GN Store Nord from January 2, 2023	8.3	8.8	1.8	18.9	-	-	-	-
Søren Jelert, CFO of GN Store Nord from June 1, 2023	2.8	2.3	1.3	6.4	-	-	-	-
Gitte Pugholm Aabo, CEO, GN Hearing until October 1, 2023	8.1	6.9	-3.1	11.9	7.8	6.2	3.9	17.9
René Svendsen-Tune, CEO, GN Store Nord & GN Audio until January 2, 2023	9.4	4.6	-8.8	5.2	9.1	3.6	4.3	17.0
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio until June 1, 2023	4.1	2.1	-3.4	2.8	4.0	1.1	2.2	7.3
Total Executive Management remuneration	**32.7**	**24.7**	**-12.2**	**45.2**	**20.9**	**10.9**	**10.4**	**42.2**
Separation agreements expensed in 2023 re. Executive Management	-	-	-	9.5	-	-	-	37.2
Board of Directors remuneration	9.1	-	-	9.1	10.0	-	-	10.0
Total remuneration to Executive Management and Board of Directors	**41.8**	**24.7**	**-12.2**	**63.8**	**30.9**	**10.9**	**10.4**	**89.4**

* Fixed pay include Base salary and Other benefits. Other benefits include car allowances, company paid telephone and internet cost. For the Board of Directors Other benefits include travel allowance and social security costs

Share-based incentive plans

The Group's long-term equity-settled incentive program is specified and described in note 5.3 share-based incentive plans.

Executive Management and Board of Directors Remuneration

The total remuneration of the Executive Management is based on the “General Guidelines for Incentive Pay to Management”, as adopted at GN´s Annual General Meeting.

The remuneration of the Executive Management is based on a fixed base salary and participation in GN Store Nord’s option- and warrant-based long-term incentive programs. Furthermore, the remuneration includes a yearly bonus plan (Short-term incentives) with a target bonus of 50% of the base salary with a potential to underperform or outperform the target leading to an effective potential bonus range between 0 - 100% of the base salary. The current Executive Management´s bonus is based on three parameters in light of the Group's focus areas:

- Peter Karlstromer’s bonus is subject to the performance of GN Audio’s EBITA, revenue, cash flow, and individual performance targets from January to September 2023. From October, his bonus is subject to GN Store Nord’s EBITA, revenue, cash flow, and individual performance targets.

- Søren Jelert’s bonus is subject to the performance of GN Store Nord’s EBITA, revenue, cash flow, and individual performance targets.

5.2 Remuneration of the Board of Directors and Executive Management (Continued)

The Group does not make pension contributions for members of the Executive Management. Executive Management has usual severance agreements and change-of-control agreements.

Members of the Board of Directors receive a fixed remuneration as approved by the shareholders at the Annual General Meeting on March 13, 2024. The base fee for the Board of Directors did not change from 2022 to 2023. The fixed remuneration is based on GN Store Nord´s corporate governance structure in which an audit committee, a strategy committee, a remuneration committee and a nomination committee have been established. Further, the appointed board members of GN Store Nord also serve on the Board of Directors of GN Hearing A/S and GN Audio A/S.

The full-year remuneration of the Board of Directors is as follows (DKK thousand):

GN Store Nord A/S	
Chair	915
Deputy Chair	610
Other Board members	305
Remuneration Committee Chair	370
Remuneration Committee, other members	185
Audit Committee Chair	370
Audit Committee, other members	185
Strategy Committee Chair	370
Strategy Committee other members	185
Nomination Committee Chair	180
Nomination Committee other members	90

GN Hearing A/S	
Chair	300
Deputy Chair	210
Other Board members	120

GN Audio A/S	
Chair	300
Deputy Chair	210
Other Board members	120

In addition to the remuneration, members of the Board of Directors who are not Danish residents are entitled to a fixed travel allowance in connection with participation in board meetings in Denmark. For European-based board members the allowance amounts to EUR 3,000 (DKK 22,500) per meeting and for Non-European based board members the allowance amounts to EUR 6,000 (DKK 45,000) per meeting.

DKK thousand	2023	2022
Board of Directors		
Jukka Pertola (Chair from Q2 2023, Deputy Chair from Q2 2020)	2,061	1,696
Per Wold-Olsen (Chair until Q1 2023)	540	2,183
Klaus Holse (Deputy Chair from Q2 2023)	1,118	-
Hélène Barnekow	1,165	774
Ronica Wang (until Q4 2023)	869	730
Montserrat Pascual (from Q2 2020 until Q1 2023)	229	915
Anette Weber (from Q2 2020)	983	915
Leo Larsen*	444	305
Cathrin Inge Hansen (from Q2 2022)*	305	259
Claus Holmbeck-Madsen (from Q2 2022)*	305	229
Wolfgang Reim (until Q1 2022)	-	275
Morten Andersen (until Q1 2022)*	-	76
Marcus Stuhr Perathoner (until Q1 2022)*	-	76
Total Board of Directors remuneration	**8,019**	**8,433**

* Employee elected members

DKK thousand	2023	2022
Fixed travel allowance & social security		
Per Wold-Olsen (until Q1 2023)	68	158
Hélène Barnekow	392	434
Ronica Wang	315	315
Montserrat Pascual (until Q1 2023)	99	476
Anette Weber	158	113
Wolfgang Reim	-	45
Total Board of Directors travel allowance and social security	**1,032**	**1,541**

5.3 Share-based incentive plans

Option and warrant programs

GN Store Nord has an option-based and a warrant-based long-term equity-settled incentive program whereby the Executive Management and other employees in key positions are granted options and warrants linked to shares in GN Store Nord A/S, GN Hearing A/S and GN Audio A/S. For members of Executive Management the grant size can vary between 50-100% of their base salary. Warrants and options are granted at no consideration.

Calculation of share price for GN Hearing A/S and GN Audio A/S

The 2019-2023 option programs are based on GN Store Nord A/S shares, whereas the warrant programs for 2015-2018 are based on GN Hearing A/S and GN Audio A/S shares. On a quarterly basis the share price for GN Hearing A/S and GN Audio A/S is calculated, using a top-down approach based on analysis of external broker reports for the allocation of GN Store Nord A/S' share price into GN Hearing, GN Audio and Other. This calculation is also the basis for the Black-Scholes valuation as stated below regarding valuation of warrants.

Vesting conditions and exercise of warrants

The 2015-2018 warrant programs are incentive programs with a three-year vesting period from the grant date. Warrants vest when a set of criteria are met: The share price of GN Store Nord has increased and the share price of GN Hearing A/S and GN Audio A/S has outperformed a peer group index of competitors and industry indices, as defined by the Board of Directors of GN Hearing and GN Audio, respectively. Vested warrants may be exercised during a four-week exercise window opening each quarter for a three-year period after vesting. The quarterly four-week exercise window will open following the release of an external Valuation Report concerning the value of the shares of GN Hearing A/S and GN Audio A/S.

Vesting conditions and exercise of options

The 2019-2023 programs are long-term incentive programs with a three-year vesting period from the grant date. The programs include a performance multiplier, based on revenue growth and EBITDA improvement relative to a broad peer group of comparable companies. This means, that after the three-year vesting period, the initial share option grant can either increase, decrease or stay the same, depending on GN's performance relative to a peer group. The maximum effect of the performance multiplier is to decrease the number of options to 0 or increase the number of options by a factor of 2. For executive management the gross return on each annual grant is capped at a value equal to four times the annual base salary at the time of grant. Vested options may be exercised at any time outside black-out periods for a three-year period after vesting.

Valuation model and assumptions

The fair value of the warrants and options are calculated using the principles of the Black-Scholes option pricing model. For the 2015-2018 warrants the model has taken the overperformance criteria into account using Monte Carlo simulation. The fair values of options granted during the year are based on the underlying market prices at the grant dates.

The exercise price for the annual ordinary grant of options is based on the average share price for GN Store Nord A/S in the five days following the release of the annual report in the year in which the options are awarded.

The following assumptions were applied for the calculation of the fair value at the grant date of GN Store Nord A/S options:

	Executive Management		Other employees	
	2023	2022	2023	2022
Number of options awarded in the year	296,139	145,500	1,514,675	815,593
Share price of GN Store Nord A/S at ordinary grant date	167	351	167	351
Vesting period	3 years	3 years	3 years	3 years
Life of option	6 years	6 years	6 years	6 years
Volatility*	43%	34%	42%	35%
Expected dividend	0.4%	0.3%	0.5%	0.4%
Risk-free interest rate**	2.52%	0.12%	2.72%	0.35%
Fair Value per option at ordinary grant (DKK)***	46	81	61	100
Total market value at grant (DKK million)	17	12	93	77
Amortization period of the program	2023 - 2026	2022 - 2025	2023 - 2026	2022 - 2025

* Volatility is estimated by external experts, and is calculated based on data from a historical period matching the expected time to expiry of the options
** Risk-free interest rate is estimated by external experts and based on the zero yield curve derived from Danish government bonds with maturity equal to the expiry of the options
*** The fair value assumes a performance multiplier of 1

5.3 Share-based incentive plans (Continued)

	GN Store Nord A/S				GN Hearing A/S				GN Audio A/S			
	DKK	Number of options*			DKK	Number of warrants			DKK	Number of warrants		
	Average exercise price	Executive Manage-ment	Other employees	Total	Average exercise price	Executive Manage-ment	Other employees	Total	Average exercise price	Executive Manage-ment	Other employees	Total
Outstanding at January 1, 2022	**395**	**448,726**	**1,421,458**	**1,870,184**	**32,632**	**-**	**1,474**	**1,474**	**31,777**	**1,150**	**336**	**1,486**
Granted during the year	325	145,500	815,593	961,093	-	-	-	-	-	-	-	-
Option increase from multiplier at vesting	313	130,261	401,300	531,561								
Exercised during the year	313	-	-11,076	-11,076	N/A	-	-	-	29,227	-494	-132	-626
Forfeited during the year	343	-	-298,535	-298,535	33,352	-	-652	-652	28,794	-	-47	-47
Outstanding at December 31, 2022	**366**	**724,487**	**2,328,740**	**3,053,227**	**32,062**	**-**	**822**	**822**	**33,913**	**656**	**157**	**813**
Granted during the year	164	296,139	1,514,675	1,810,814	-	-	-	-	-	-	-	-
Exercised during the year	N/A	-	-	-	N/A	-	-	-	33,913	-656	-148	-804
Forfeited during the year	362	-168,762	-650,421	-819,183	32,062	-	-822	-822	33,913	-	-9	-9
Outstanding at December 31, 2023	**279**	**851,864**	**3,192,994**	**4,044,858**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Weighted average term to maturity (Years)		3.3	3.9	3.8		N/A	N/A	N/A		N/A	N/A	N/A
Exercisable at December 31, 2022		313,725	737,222	1,050,947		-	822	822		656	157	813
Exercisable at December 31, 2023		313,725	701,869	1,015,594		-	-	-		-	-	-

* Recognition of expenses on options granted are accelerated for participants not forfeiting the vesting conditions in connection with terminations (good leavers) unless a service is provided in the remaining vesting period. The recognized expenses in 2023 include acceleration of 188,750 and 24,093 options granted to Executive Management and Other employees, respectively, of GN Hearing A/S, 140,401 options granted to Other employees of GN Audio A/S, and 27,537 options granted to Other employees of GN Store Nord A/S.

Exercise of warrants

When employees exercise their warrants they are exchanged with shares in GN Store Nord A/S based on the relationship between the value of the warrant and the value of the GN Store Nord A/S share at the time of exercise. Hereafter the employee is free to keep the GN Store Nord A/S shares or sell them in the open market.

Average share price at exercise for GN Store Nord and GN Audio is DKK 33,913.

5.3 Share-based incentive plans (Continued)

Outstanding warrants and options at December 31, 2023 by grant date are shown below:

	GN Store Nord A/S			
	DKK	Number of options*		
Grant date	Exercise price	Executive Management	Other employees	Total
April 2019**	313	237,812	692,870	930,682
June 2019**	325	-	8,999	8,999
September 2019**	282	75,913	-	75,913
February 2021	550	96,500	310,826	407,326
May 2021	495	-	3,595	3,595
January 2022	409	-	6,851	6,851
February 2022	368	145,500	478,970	624,470
March 2022	307	-	36,121	36,121
May 2022	224	-	211,064	211,064
September 2022	209	-	8,855	8,855
February 2023	164	94,000	1,426,241	1,520,241
March 2023	151	97,300	-	97,300
April 2023	149	-	4,215	4,215
June 2023	170	104,839	-	104,839
October 2023	125	-	4,387	4,387
Outstanding at December 31		**851,864**	**3,192,994**	**4,044,858**

* The performance multiplier can decrease the number of non-vested options to 0 or as maximum effect increase the number by a factor of two.

** For the 2019 program, number of options have increased by final multiplier of 1.71

§ Accounting policies

Share-based incentive plans

The Executive Management and a number of key employees are included in share-based incentive plans (equity-settled plans). For equity-settled programs, the warrants and options are measured at the fair value at the grant date and recognized in the income statement as a staff cost of the respective functions over the vesting period. The counter item is recognized in equity. On initial recognition, an estimate is made of the number of warrants and options expected to vest. This estimate is subsequently revised for changes in the number of warrants and options expected to vest. Accordingly, recognition is based on the number of warrants and options that are ultimately vested. The fair value of granted warrants and options is estimated using the Black-Scholes option pricing model. Vesting conditions are taken into account when estimating the fair value of the warrants and options.

5.4 Pension obligations

DKK million	2023	2022
Present value of defined benefit obligations	129	301
Fair value of plan assets	-153	-321
Net obligations	**-24**	**-20**
Of which is included in other non-current assets, refer to note 3.5	-33	-29
Of which is included in pension obligations	9	7

The present value of defined benefit obligations includes unfunded pension obligations not covered by payments to insurance companies of DKK 19 million (2021: DKK 19 million).

DKK million	2023	2022
Development in present value of defined benefit obligations		
Obligations at January 1	301	359
Foreign exchange adjustments	-15	19
Costs for the year	3	4
Interest expense	13	8
Actuarial (gains) losses regarding demographic assumptions	-	-
Actuarial (gains) losses regarding financial assumptions	2	-69
Pension payments	-175	-20
Obligations at December 31	**129**	**301**
Maturity of pension obligations		
Less than one year	3	22
Between one and five years	16	89
More than five years	110	190
Total	**129**	**301**
Development in fair value of plan assets		
Plan assets at January 1	321	367
Foreign exchange adjustments	-10	20
Interest income	14	9
Return on plan assets in excess of interest income	-	-62
Payment by GN Store Nord	2	2
Pension payments	-174	-15
Plan assets at December 31	**153**	**321**

DKK million	2023	2022
Pension costs recognized in the income statement		
Costs for the year	-3	-4
Interest expense	-13	-10
Interest income from plan assets	14	9
Defined benefit plans total	-2	-5
Defined contribution plans total	-194	-209
Total pension costs recognized in the income statement	**-196**	**-214**
The costs are recognized in the following income statement items:		
Production costs	-14	-28
Development costs	-56	-58
Selling and distribution costs	-67	-64
Management and administrative expenses	-60	-57
Financial expenses	1	-7
Total	**-196**	**-214**
The following accumulated actuarial gains (losses) since January 1, 2005 are recognized in the Statement of other Comprehensive Income		
Accumulated actuarial gains (losses)	-20	-22
Breakdown of plan assets		
Shares	0%	59%
Bonds	46%	38%
Cash and cash equivalents	54%	3%
Total	**100%**	**100%**

At the balance sheet date the actuarial calculations for the prevailing American defined benefit plan are based on a discount rate of 5.00% (2022: 2.75%).

A 25 basis point decrease in the discount rate will result in a DKK 4 million increase in the defined benefit obligation and a 25 basis point increase will result in a DKK 4 million decrease in the defined benefit obligation.

Defined contribution plans

The Group has pension commitments regarding certain groups of employees in Denmark and abroad. Pension plans are generally defined contribution plans. The pension plans are funded by current payments to independent pension funds and insurance companies, which are responsible for payment of the pension benefits. When contributions to defined contribution plans have been paid, the Group has no further commitments to present or former employees. Contributions to defined contribution plans are recognized in the income statement when they are due.

Defined benefit plans

The Group has an American pension plan, which is not covered by payments to insurance companies but is partly off-set by the fair value of reserved pension funds. At July 1, 2003, the pension plan was frozen, meaning that employees covered by the plan will continue to be entitled to the pension payments earned up to this date. However, employees will not earn further pension payments.

5.4 Pension obligations (Continued)

§ Accounting policies

Pensions
Contributions to defined contribution plans are recognized in the income statement in the period to which they relate and any contributions outstanding are recognized in the balance sheet as other payables.

Defined benefit plans are subject to an annual actuarial estimate of the present value of future benefits under the defined benefit plan. The present value is determined on the basis of assumptions about the future development in variables such as salary levels, interest rates, inflation and mortality. The present value is determined only for benefits earned by employees from their employment with the Group. The actuarial present value less the fair value of any plan assets is recognized in the balance sheet under pension obligations. Pension costs for the year are recognized in the income statement based on actuarial estimates and financial expectations at the beginning of the year. Any difference between the expected development in plan assets and the defined benefit obligation and actual amounts results in actuarial gains or losses. Actuarial gains or losses are recognized in other comprehensive income.

5.5 Contingent liabilities

DKK million	2023	2022
Guarantees	-	4

Guarantees
The majority of guarantees are related to performance guarantees.

Security
The Group has not pledged any assets as security in the present or prior financial years.

Purchase obligations
GN Store Nord has agreed with a number of suppliers that the suppliers will purchase components for the production of hearing instruments and headsets based on sales estimates prepared by GN Store Nord. To the extent that GN Store Nord's sales estimates exceed actual purchases from suppliers, GN Store Nord is under an obligation to purchase any remaining components from the suppliers.

Management assesses sales estimates on an ongoing basis. To the extent that component inventories at suppliers exceed the volumes expected to be used, GN Store Nord recognizes a provision for onerous purchase contracts.

Pending litigations and disputes
GN Store Nord and its subsidiaries are parties to pending litigations, claims and disputes arising out of the normal conduct of their business including various cases involving patent infringements. While provisions that management deems to be reasonable and appropriate have been made for probable losses, there are uncertainties connected with these estimates. GN Store Nord does not expect the pending litigations and claims to have a material impact on GN Store Nord’s financial position, operating profit or cash flows in addition to the amounts recognized as provisions for legal disputes.

5.6 Investments in associates

DKK million	2023	2022
Aggregated financial information for associates:		
Total share of profit (loss) in associates, including impairments	-64	19
Total share of net assets in associates	276	319
Carrying amount of associates	276	319

Transactions with associates comprise sale of goods of DKK 101 million (2022: DKK 229 million) and purchase of services, licenses and other assets of DKK 0 million (2022: DKK 13million) . At year end GN has DKK 43 million (2022: DKK 119million) in receivables from associates.

§ Accounting policies

Investments in Associates in the Consolidated Financial Statements
On acquisition of investments in associates, the purchase method is used, cf. Business Combinations.

In the consolidated financial statements investments in associates are recognized according to the equity method. Investments in associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus the proportionate share of unrealized intra-group profits and losses and plus the carrying amount of goodwill.

Profit (loss) from Investments in Associates
The proportionate share of the profit (loss) after tax of the individual associates is recognized in the income statement of the Group after elimination of the proportionate share of intra-group profits (losses).

5.7 Other non-cash adjustments

DKK million	2023	2022
Share-based payment (granted)	-67	111
(Gain) loss on divestment of operations	-	-9
Loss allowance on trade receivables, inventory write-downs, etc.	154	40
Adjustment of provisions	123	-84
Total	**210**	**58**

5.8 Fees to statutory auditors

DKK million	2023	2022
Statutory audit	-11	-11
Tax advice services	-1	-1
Other services	-5	-5
Total	**-17**	**-17**

Note: PwC's global non-audit service fees amount to 49% when considering decimals.

Fees for services other than statutory audit of the financial statements amounts to DKK 6 million (2022: DKK 6 million).

Services other than statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PricewaterhouseCoopers Denmark) mainly consist of tax related advice, transaction/project support, project support in connection with capital raise, technical accounting advisory services, other advisory services and other assurance assessments and opinions.

5.9 Related parties

No single entity or person has control or exercises significant influence over the GN Group as a whole. Key Management personnel and associated companies are the sole related parties of the Group. Transactions with Key Management personnel constitute remuneration, as disclosed in note 5.2 Remuneration of the Board of Directors and Executive Management and 5.3 Share-based incentive plans, and transactions with associates are disclosed in note 5.6 Investments in associates.

5.10 Events after the reporting period

No material subsequent events have occurred.

Companies in GN Group

	Domicile	Currency	Ownership %	Share capital
GN Store Nord A/S	Denmark	DKK		603,650,860
GN Ejendomme A/S	Denmark	DKK	100	115,625,000
GN Financing A/S	Denmark	DKK	100	400,000
GN Audio A/S	Denmark	DKK	100	35,252,000
Falcom A/S	Denmark	DKK	100	88,503,000
GN Audio DK Sales A/S	Denmark	DKK	100	400,000
GN Audio Australia Pty Ltd.	Australia	AUD	100	2,500,000
GN Áudio Brasil Importacão & Comércio Ltda.	Brazil	BRL	100	407,821
GN Audio Canada Inc.	Canada	CAD	100	409,800
GN Audio (China) Ltd.	China	CNY	100	65,252,600
GN Audio (Shanghai) Co., Ltd.	China	CNY	100	15,481,000
GN Audio Logistic (Xiamen) Ltd.	China	CNY	100	4,133,738
GN Audio France SA	France	EUR	100	80,000
GN Audio Germany GmbH	Germany	EUR	100	51,100
GN Audio Hong Kong Limited	Hong Kong	HKD	100	33,500,000
GN Audio India Private Limited	India	INR	100	40,000,000
Jabra Connect India Private Limited	India	INR	51	20,000,000
GN Audio Italy s.r.l.	Italy	EUR	100	10,200
GN Audio Japan Ltd.	Japan	JPY	100	10,000,000
GN Audio Benelux B.V.**	Netherlands	EUR	100	18,000
GN Audio Philippines, Inc.	Philippines	PHP	100	10,000,000
GN Audio Poland Sp. Z.o.o.	Poland	PLN	100	50,000
GN Audio Singapore Pte. Ltd.	Singapore	SGD	100	700,000
Jabra Connect Singapore Pte.Ltd.	Singapore	USD	51	12,000
GN Audio Spain, S.A.	Spain	EUR	100	66,111
GN Audio Sweden AB	Sweden	SEK	100	5,100,000
GN Audio UK Ltd.***	United Kingdom	GBP	100	100,000
GN Audio USA Inc.	USA	USD	100	82,500,000
Falcom US, LLC*	USA	USD	100	-
SteelSeries APS	Denmark	DKK	100	160,000
SteelSeries France S.A.S	France	EUR	100	2,363,600
Nahimic	Singapore	SGD	100	341,001
GN Audio Finland Oy/Ab	Finland	EUR	100	-
GN Audio Norway AS	Norway	NOK	100	30,000
3D Aim Trainer BV	Belgium	EUR	100	2,079,502

	Domicile	Currency	Ownership %	Share Capital
GN Hearing A/S	Denmark	DKK	100	65,252,600
GN Hearing 2 A/S	Denmark	DKK	100	500,000
GN Financing 2 A/S	Denmark	DKK	100	400,000
GN Hearing Australia Pty. Ltd.	Australia	AUD	100	4,000,002
GN Hearing Austria GmbH	Austria	EUR	100	482,500
GN ReSound Produtos Médicos Ltda.	Brazil	BRL	100	1,019,327
GN Hearing Care Canada Ltd.	Canada	CAD	100	8,435,000
GN Hearing Shanghai Ltd.	China	CNY	100	20,491,300
GN ReSound China Ltd.	China	CNY	100	34,000,000
GN Hearing Czech Republic spol. s r.o.	Czech Republic	CZK	100	102,000
Audigy Group International A/S	Denmark	DKK	100	400,000
Dansk Hørecenter ApS	Denmark	DKK	100	165,657,000
GN Hearing Finland Oy/Ab	Finland	EUR	100	55,502
GN Hearing SAS	France	EUR	100	2,300,000
GN Hearing GmbH	Germany	EUR	100	296,549
GN ReSound GmbH Hörtechnologie	Germany	EUR	100	2,162,253
GN Hearing India Private Limited	India	INR	100	20,983,210
GN Hearing S.r.l.	Italy	EUR	100	181,190
GN Hearing Japan K.K.	Japan	JPY	100	499,000,000
GN Hearing Korea Co., Ltd.	Korea	KRW	100	136,700,000
GN Hearing (Malaysia) Sdn Bhd	Malaysia	MYR	100	2,500,000
GN Hearing Benelux B.V.	Netherlands	EUR	100	680,670
GN Hearing New Zealand Limited	New Zealand	NZD	100	2,000,000
GN Hearing Norway AS	Norway	NOK	100	2,000,000
GN Hearing Care S.A.	Spain	EUR	100	66,110
GN Hearing Sverige AB	Sweden	SEK	100	100,000
GN Hearing Switzerland AG	Switzerland	CHF	100	500,000
GN Hearing UK Ltd.	United Kingdom	GBP	100	7,376,000
GN Consumer Hearing Cooperation	USA	USD	91	32,061,457
GN US Holdings Inc.	USA	USD	100	36,000,000
Great Hearing Benefits, LLC*	USA	USD	100	-
Beltone Holdings US, LLC	USA	USD	100	3,000
Beltone Hearing Care Foundation*	USA	USD	100	-
GN Hearing Care Corporation	USA	USD	100	190,000

Companies in the GN Group (Continued)

	Domicile	Currency	Ownership %	Share capital
GN Hearing A/S continued:				
Audigy Group, LLC*	USA	USD	100	-
Audigy Venture, LLC*	USA	USD	100	-
Associates				
Audio Nova S.R.L.	Romania	ROL	49	1,000
Himpp A/S	Denmark	DKK	11	1,600,000
Hearing Instrument Manufactures Software Association A/S	Denmark	DKK	25	1,000,000
HIMSA II A/S	Denmark	DKK	17	500,000
Himsa II K/S	Denmark	DKK	15	3,250,000
K/S Himpp	Denmark	USD	9	19,950,000
Progetto Udire S.R.L.	Italy	EUR	35	838,700
Hearing Center of the East Bay, LLC	USA	USD	50	25,000
BelMart LLC	USA	USD	30	3,556,822
Bold North Beltone, LLC*	USA	USD	30	-
AXE Audiology, LLC*	USA	USD	30	-
Statewide Hearing, LLC*	USA	USD	30	-
Beltopia LLC	USA	USD	25	1,734,500
HearX Group (pty) LTD	South Africa	USD	27	31,000,000
Louqe AB Corporation	Sweden	SEK	26	-

* Without par value

** GN Audio Benelux B.V. (registration number 20113074) and GN Hearing Benelux B.V. (registration number 09033081) applies the group exemption of article 2:403 of the Dutch Civil Code and does not prepare individual financial statements.

Note: Minor companies have been omitted from the list.

In this annual report the following financial terms (non-IFRS measures) are used:

Operating profit (loss)	Profit (loss) before tax and financial items.
EBITDA	Operating profit (loss) before depreciation and impairment of property, plant and equipment, amortization and impairment of intangible assets, except development projects, impairment of goodwill and gains (losses) on divestment of operations etc.. EBITDA therefore include amortization of development projects.
EBITA	Operating profit (loss) before amortization and impairment of acquired intangible assets, impairment of goodwill and gains (losses) on divestment of operations etc. EBITA therefore include amortization of development projects and software developed in-house.
Free cash flow	Cash flow from operating and investing activities
Convertible bond	EUR 330 million senior unsecured zero coupon bonds due 2024 with detachable unsecured warrant units expiring 2024 (refer to note 4.2 Financial risks).

Key Ratio Definitions

Organic growth	=	Absolute organic revenue growth / Revenue in comparative period Organic growth is a measure of growth excluding the impact of acquisitions, divestments and foreign exchange adjustments from year-on-year comparisons.
Net working capital (NWC)	=	Inventories + receivables + other operating current assets - trade payables - other operating current liabilities
Net interest bearing debt (NIBD)	=	Bank loans and issued bonds + Lease liabilities - Cash and cash equivalents - Loans to dispensers
Dividend payout ratio	=	Total dividend / Profit (loss) for the year
Gross margin	=	Gross profit / Revenue
EBITA margin	=	EBITA / Revenue
ROIC (Return on invested capital including goodwill)	=	EBITA / Average invested capital including goodwill
Invested capital	=	NWC + property, plant and equipment and intangible assets + loans to dispensers of GN Hearing products + pre-paid discounts + ownership interests – provisions
Cash conversion	=	Free cash flow excl. company acquisitions and divestments / EBITA
Return on equity (ROE)	=	Profit (loss) for the year / Average equity of the Group
Equity ratio	=	Equity of the Group / Total assets
Earnings per share, basic (EPS)	=	Profit (loss) for the year attributable to shareholders in GN Store Nord A/S / Average number of shares outstanding
Earnings per share, fully diluted (EPS diluted)	=	Profit (loss) for the year attributable to shareholders in GN Store Nord A/S / Average number of shares outstanding, fully diluted
Market capitalization		Number of shares outstanding x share price at the end of the period
Outstanding shares		Number of shares listed - treasury shares

Parent Company Financial statements

Income statement

DKK million	Note	2023	2022
Revenue		738	682
Gross profit		**738**	**682**
Development costs		-66	-80
Management and administrative expenses	1, 2, 3, 4	-1,021	-793
Other operating income and costs, net		-23	-7
Operating profit (loss)		**-372**	**-198**
Share of profit after tax in subsidiaries	10	670	1,015
Share of profit (loss) in associates	11	-33	-
Financial income	5	432	190
Financial expenses	5	-418	-537
Profit (loss) before tax		**279**	**470**
Tax on profit (loss)	6	-51	41
Profit (loss) for the year		**228**	**511**
Proposed profit appropriation/distribution of loss			
Transferred to reserve for net revaluation according to the equity method		670	1,015
Transferred to reserve for development projects		615	247
Retained earnings		-1,057	-751
		228	**511**

Statement of comprehensive income

DKK million	2023	2022
Profit (loss) for the year	**228**	**511**
Other comprehensive income		
Items that will not be reclassified subsequently to the income statement		
Other changes in equity in subsidiaries	-	5
Items that may be reclassified subsequently to the income statement		
Foreign exchange adjustments, etc.	-279	258
Other changes in equity in subsidiaries	60	-57
Tax relating to other comprehensive income	-11	-
Other comprehensive income for the year	**-230**	**206**
Total comprehensive income for the year	**-3**	**717**

Balance sheet at December 31

DKK million	Note	2023	2022
Assets			
Intangible assets	7	1,694	904
Property, plant and equipment	8, 9	43	77
Investments in subsidiaries	10	16,587	10,455
Investments in associates	11	-	33
Amounts owed by subsidiaries	14	4,145	12,281
Other non-current assets		4	-
Total non-current assets		**22,473**	**23,750**
Tax receivables		61	159
Other receivables	14	339	293
Cash and cash equivalents		681	406
Total current assets		**1,081**	**858**
Total assets		**23,554**	**24,608**
Equity and liabilities			
Share capital		604	549
Other reserves		2,865	1,024
Retained earnings		6,118	5,227
Total equity		**9,587**	**6,800**
Bank loans and issued bonds, non-current	14, 17	3,024	9,860
Lease liabilities, non-current	9, 14	18	38
Deferred tax liabilities	12	86	34
Total non-current liabilities		**3,128**	**9,932**
Bank loans and issued bonds, current	14, 17	9,674	6,005
Lease liabilities, current	9, 14	8	14
Trade payables	14	125	121
Amounts owed to subsidiaries	14, 17	749	1,411
Provisions, current		49	-
Other payables	14	234	325
Total current liabilities		**10,839**	**7,876**
Total equity and liabilities		**23,554**	**24,608**

Statement of cash flows

DKK million	Note	2023	2022
Operating activities			
Operating profit (loss)		-372	-198
Depreciation, amortization and impairment	3	208	104
Other non-cash adjustments		40	19
Cash flow from operating activities before changes in working capital		**-124**	**-75**
Change in receivables		-89	-100
Change in trade payables and other payables		-1	114
Total changes in working capital		**-90**	**14**
Cash flow from operating activities before financial items and tax		**-214**	**-61**
Interest and dividends, etc. received		405	2,220
Interest paid		-332	-485
Tax paid, net		187	-70
Cash flow from operating activities		**46**	**1,604**
Investing activities			
Investments in intangible assets	7	-980	-393
Investments in tangible assets	8	-1	-1
Investments in non-current assets		-4	-
Amounts owed by subsidiaries		1,858	-8,262
Cash flow from investing activities		**873**	**-8,656**
Cash flow from operating and investing activities (free cash flow)		**919**	**-7,052**
Financing activities			
Increase of long-term loans	17	-1,149	1,925
Decrease of short-term loans and amounts owed to subsidiaries	17	-2,135	-33
Proceeds from share placement, net of costs	17	2,621	-
Paid dividends		-	-198
Share-based payment (exercised)		19	3
Cash flow from financing activities		**-644**	**1,697**
Net cash flow		**275**	**-5,355**
Cash and cash equivalents, beginning of period		406	5,761
Cash and cash equivalents, end of period		**681**	**406**

Statement of changes in equity

DKK million	2023 Share capital*	Other reserves: Hedging reserve	Other reserves: Treasury shares	Other reserves: Reserve according to the equity method	Other reserves: Reserve for development projects	Proposed dividends for the year	Retained earnings	Total equity
Balance at January 1, 2023	**549**	**-**	**-3,366**	**3,684**	**706**	**-**	**5,227**	**6,800**
Profit (loss) for the period	-	-	-	670	95	-	-537	228
Adjustment of cash flow hedges	-	-	-	-	-	-	-	-
Other changes in equity in subsidiaries	-	-	-	60	-	-	-	60
Foreign currency translation adjustments of investments in subsidiaries etc.	-	-	-	-279	-	-	-	-279
Tax relating to other comprehensive income	-	-	-	-13		-	2	-11
Other comprehensive income for the year	-	-	-	-232	-	-	2	-230
Total comprehensive income for the year	-	-	-	438	95	-	-535	-2
Increase in share capital, net of costs	55	-	-	-	-	-	2,021	2,076
Other changes in equity in subsidiaries	-	-	-	147	-	-	-	147
Purchase of ownership interests in subsidiaries by payment in treasury shares	-	-	96	-	-	-	-69	27
Share-based payment (granted)	-	-	-	-	-	-	-6	-6
Treasury shares placement, net of costs	-	-	545	-	-	-	-	545
Balance at December 31, 2023	**604**	**-**	**-2,725**	**4,269**	**801**	**-**	**6,638**	**9,587**

DKK million	2022 Share capital*	Other reserves: Hedging reserve	Other reserves: Treasury shares	Other reserves: Reserve according to the equity method	Other reserves: Reserve for development projects	Proposed dividends for the year	Retained earnings	Total equity
Balance at January 1, 2022	**553**	**6**	**-3,731**	**2,448**	**459**	**214**	**6,280**	**6,229**
Profit (loss) for the period	-	-	-	1,015	247	-	-751	511
Adjustment of cash flow hedges	-	-6	-	-	-	-	6	-
Other changes in equity in subsidiaries	-	-	-	-52	-	-	-	-52
Foreign currency translation adjustments of investments in subsidiaries etc.	-	-	-	258	-	-	-	258
Other comprehensive income for the year	-	-6	-	206	-	-	6	206
Total comprehensive income for the year	-	-6	-	1,221	247	-	-745	717
Reduction of the share capital	-4	-	297	-	-	-	-293	-
Other changes in equity in subsidiaries	-	-	-	15	-	-	-	15
Purchase of ownership interests in subsidiaries by payment in treasury shares	-	-	68	-	-	-	-46	22
Share-based payment (granted)	-	-	-	-	-	-	15	15
Paid dividends	-	-	-	-	-	-198	-	-198
Dividends, treasury shares	-	-	-	-	-	-16	16	-
Balance at December 31, 2022	**549**	**-**	**-3,366**	**3,684**	**706**	**-**	**5,227**	**6,800**

The reserve according to the equity method includes foreign exchange adjustments of DKK -1,062 million (2022: DKK -846 million). Retained earnings, which are available for distribution from the Parent Company amounts to DKK 4,008 million (2022: DKK 1,861 million).

Parent Company notes

Notes – Income statement and balance sheet

Notes – Other disclosures

1 Staff costs

DKK million	2023	2022
Wages, salaries and remuneration	316	261
Pensions	27	27
Share-based incentives	6	10
Other social security costs	2	2
Total	**351**	**300**
Executive Management remuneration can be specified as follows:		
Fixed pay*	15.2	4.0
Short term incentives	13.2	1.1
Share-based incentives	-0.3	2.2
Total	**28.1**	**7.3**
Board of Directors remuneration	6.2	6.4
Total remuneration	**34.3**	**13.7**
Staff costs are included in Management and administrative expenses.		
Average number of employees	359	351
Number of employees at year-end	354	373

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

For information regarding Executive Management and Board of Directors total remuneration please refer to note 5.2 Remuneration of the Board of Directors and Executive Management in the consolidated financial statements.

2 Share-based incentive plans

For 2019-2023 a share-based incentive plan has been implemented in GN Store Nord. For a description of this, see note 5.3 Share-based incentive plans in the consolidated financial statements. The following assumptions were applied for the calculation of the fair value at the grant date of the options:

	Executive Management		Other employees	
	2023	2022	2023	2022
Number of option awarded in the year	202,139	26,500	118,820	61,483
Share price GN Store Nord at ordinary grant date	167	351	167	351
Vesting period	3 years	3 years	3 years	3 years
Life of option	6 years	6 years	6 years	6 years
Volatility*	43%	34%	42%	34%
Expected dividend	0.4%	0.3%	0.5%	0.4%
Risk-free interest rate**	2.43%	0.00%	2.72%	0.00%
Fair Value per option at ordinary grant (DKK)***	46	81	61	100
Total fair value at grant (DKK million)	12	2	7	6
Amortization period of the program	2023 - 2026	2022 - 2025	2023 - 2026	2022 - 2025

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

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

*** The fair value assumes a performance multiplier of 1

Recognition of expenses on options granted are accelerated for participants not forfeiting the vesting conditions in connection with terminations (good leavers) unless a service is provided in the remaining vesting period. The recognized expenses in 2023 include acceleration of 27,537 options granted to Other employees of GN Store Nord A/S.

2 Share-based incentive programs (Continued)

	DKK	Number*		
	Average exercise price	Executive Management	Other employees	Total
Outstanding options at January 1, 2022	**392**	**131,378**	**147,886**	**279,264**
Options granted during the year	348	26,500	67,611	94,111
Option increase from multiplier at vesting	313	45,116	35,904	81,020
Options forfeited during the year	387	-	-19,655	-19,655
Outstanding options at December 31, 2022	**375**	**202,994**	**231,746**	**434,740**
Options granted during the year	167	202,139	118,820	320,959
Options forfeited during the year	378	-49,585	-84,621	-134,206
Outstanding options at December 31, 2023	**284**	**355,548**	**265,945**	**621,493**
Weighted average term to maturity (Years)		2.2	2.2	2.2
Number of exercisable options at December 31, 2022		108,659	84,319	192,978
Number of exercisable options at December 31, 2023		108,659	84,319	192,978

* The performance multiplier can decrease the number of options to 0 or as maximum effect increase the number of options by a factor of 2

	DKK	Number*		
Grant date	Exercise price	Executive Management	Other employees	Total
April 2019**	313	108,659	91,591	200,250
February 2021	550	18,250	28,310	46,560
May 2021	495	-	3,595	3,595
February 2022	368	26,500	37,893	64,393
March 2022	307	-	3,158	3,158
February 2023	164	-	101,398	101,398
March 2023	151	97,300	-	97,300
June 2023	170	104,839	-	104,839
Outstanding options at December 31, 2023		**355,548**	**265,945**	**621,493**

* The performance multiplier can decrease the number of options to 0 or as maximum effect increase the number of options by a factor of 2
** For the 2019 program, number of options have increased by final multiple of 1.71

3 Depreciation, amortization and impairment

Depreciation, amortization and impairment for the year of property, plant and equipment (incl. leased assets) and intangible assets of DKK 208 million (2022: DKK 104 million), is recognized in the income statement as management and administrative expenses.

4 Fees to statutory auditors

DKK million	2023	2022
Statutory audit	-3	-3
Tax advice services	-1	-1
Other services	-4	-3
Total	**-8**	**-7**

Services other than statutory audit are described in note 5.8 Fees to statutory auditors in the consolidated financial statements.

5 Financial income and expenses

DKK million	2023	2022
Financial income		
Interest income from subsidiaries*	354	181
Interest income from bank balances*	14	-
Financial income, other	1	9
Fair value adjustment of derivative financial instruments, net	63	-
Total	**432**	**190**
Financial expenses		
Interest expense to subsidiaries*	-8	-18
Interest expenses on bank loans and issued bonds*	-310	-181
Financial expenses, other	-89	-38
Fair value adjustment of derivative financial instruments, net	-	-278
Foreign exchange loss	-11	-22
Total	**-418**	**-537**

* Interest income and expenses from financial assets and liabilities at amortized cost

6 Tax

DKK million	2022	2021
Tax on profit (loss)		
Current tax for the year	119	37
Deferred tax for the year	-45	1
Adjustment to current tax in respect of prior years	7	11
Adjustment to deferred tax in respect of prior years	-7	-8
Total	**74**	**41**
Reconciliation of effective tax rate		
Danish tax rate	22.0%	22.0%
Non-taxable income	0.9%	0.0%
Non-deductible expenses	-2.5%	0.1%
Adjustment of tax with respect of prior years	0.0%	0.0%
Share of profit (loss) in subsidiaries	6.2%	-47.6%
Share of profits (loss) in associates	0.0%	0.0%
Other, including provisions for uncertain tax positions	0.0%	16.6%
Effective tax rate	**26.6%**	**-8.8%**

In 2023, the company paid preliminary taxes of DKK 98 million in Danish corporate income tax for the year on behalf of the joint Group taxation (For the year 2022 DKK 21 million was paid in final tax for the year in Danish corporate income tax).

7 Intangible assets

	2023			2022
DKK million	Software	Patents and licenses	Total	Software
Cost at January 1	1,374	-	1,374	980
Additions	313	667	980	394
Transfers	-	-	-	-
Other adjustments	-	-	-	-
Cost at December 31	1,687	667	2,354	1,374
Amortization and impairment at January 1	-469	-	-469	-391
Amortization	-58	-	-58	-78
Impairment	-133	-	-133	-
Transfers	-	-	-	-
Amortization and impairment at December 31	-660	-	-660	-469
Carrying amount at December 31	**1,027**	**667**	**1,694**	**905**
Amortized over	**3-10 years**	**3-10 years**		**3-10 years**

The carrying amount includes software in progress of DKK 642 million (2022: DKK 736 million).

8 Property, plant and equipment

	2023			2022		
DKK million	Factory and office buildings	Operating assets and equip-ment	Total	Factory and office buildings	Operating assets and equip-ment	Total
Cost at January 1	-	63	63	-	62	62
Additions	-	1	1	-	1	1
Cost at December 31	-	64	64	-	63	63
Depreciation and impairment at January 1	-	-36	-36	-	-24	-24
Depreciation	-	-6	-6	-	-12	-12
Depreciation and impairment at December 31	-	-42	-42	-	-36	-36
Carrying amount at December 31	**-**	**22**	**22**	**-**	**27**	**27**
Leased assets, c.f. note 9	19	2	21	49	1	50
Total carrying amount at December 31	**19**	**24**	**43**	**49**	**28**	**77**

Operating assets and equipment are depreciated over 2-7 years.

9 Leases

The following right-of-use assets from leases are included in property, plant and equipment:

Leased assets

DKK million	2023 Factory and office buildings	2023 Operating assets and equipment	2023 Total	2022 Factory and office buildings	2022 Operating assets and equipment	2022 Total
Carrying amount at January 1	49	1	50	20	1	21
Transfer from a group company	-	-	-	42	-	42
Additions	-	2	2	-	1	1
Disposal	-20	-	-20			
Depreciation	-10	-1	-11	-13	-1	-14
Carrying amount at December 31	**19**	**2**	**21**	**49**	**1**	**50**

Lease liabilities

DKK million	2023	2022
Contractual maturity analysis of lease liabilities:		
Less than one year	8	14
Between one and three years	15	28
More than three years	3	11
Total	**26**	**53**

The parent company's leases mainly consist of property leases of e.g. offices but also include cars and office equipment. Rental contracts are typically made for fixed periods but may have extension options. Contracts may contain both lease and non-lease components. In such cases the consideration in the contract is allocated to the lease and non-lease components based on their relative stand-alone prices. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Amounts expensed in the income statement and total cash outflow

DKK million	2023	2022
Interest expense on lease liabilities	1	1
Expense relating to low-value assets and short-term leases	2	-
Cash outflow re. lease liabilities	6	10

10 Investments in subsidiaries

DKK million	2023	2022
Cost at January 1	6,771	6,753
Additions, capital contribution	5,547	18
Cost at December 31	**12,318**	**6,771**
Value adjustment at January 1	3,684	4,448
Share of profit after tax in subsidiaries	670	1,015
Foreign currency translation adjustments	-279	258
Direct equity postings in subsidiaries	194	-37
Dividends received	-	-2,000
Value adjustments at December 31	**4,269**	**3,684**
Carrying amount at December 31	**16,587**	**10,455**

Group companies are listed on page 143.

11 Investments in associates

DKK million	2023	2022
Aggregated financial information for associates is provided below:		
Total share of loss in associates for the year	-33	-
Total share of net assets in associates	-	33
Carrying amount of associates	-	33

12 Deferred tax

DKK million	2023	2022
Deferred tax, net		
Deferred tax at January 1, net	-34	-26
Adjustment in respect of prior years	-7	-8
Deferred tax for the year recognized in profit (loss) for the year	-45	-
Deferred tax at December 31, net	**-86**	**-34**
Deferred tax, net relates to		
Intangible assets	-220	-40
Other	134	6
Total	**-86**	**-34**

13 Contingent assets and liabilities

The parent company has not issued any guarantees on behalf of subsidiaries in 2023 (2022: DKK 0 million).

The company is jointly taxed with all Danish subsidiaries. The company is jointly and severally liable with the other companies in the joint taxation for Danish corporate taxes and withholding taxes on dividend, interests and royalties within the joint taxation.

14 Financial instruments

Categories of financial assets and liabilities

DKK million	2023	2022
Financial assets		
Other receivables	220	103
Amounts owed by subsidiaries	4,145	12,281
Financial assets at amortized cost	**4,365**	**12,384**
Derivative financial instruments included in Other receivables	119	190
Financial assets at fair value through profit or loss	**119**	**190**
Financial liabilities		
Issued bonds (bond-with-warrant units), non-current	2,689	2,401
Issued EMTN bonds, non-current	335	5,147
Bank loans, non-current	-	2,312
Bank loans and issued bonds, current	9,674	6,005
Lease liabilities	23	52
Trade payables	125	121
Amounts owed to subsidiaries	749	1,411
Financial liabilities at amortized cost	**13,595**	**17,449**
Derivative financial instruments included in Other payables	119	207
Financial liabilities at fair value through profit or loss	**119**	**207**

For a description of loans in GN Store Nord, as well as interest rate and foreign exchange risk on these, please refer to note 4.2 Financial risks in the consolidated financial statements.

Contractual maturity analysis for financial liabilities

DKK million	Less than one year	Between one and three years	More than three years	Total
2023				
Issued bonds	7,053	37	892	7,982
Bank loans	2,548	449	2,029	5,026
Lease liabilities	8	15	3	26
Trade payables	125	-	-	125
Amounts owed to subsidiaries	749	-	-	749
Total non-derivative financial liabilities	10,483	501	2,924	13,908
Derivative financial liabilities	119	-	-	119
Total financial liabilities	**10,602**	**501**	**2,924**	**14,027**
2022				
Issued Bonds	1,716	6,987	899	9,602
Bank loans	4,428	449	2,063	6,940
Lease liabilities	14	28	11	53
Trade payables	121	-	-	121
Amounts owed to subsidiaries	1,411	-	-	1,411
Total non-derivative financial liabilities	7,690	7,464	2,973	18,127
Derivative financial liabilities	207	-	-	207
Total financial liabilities	**7,897**	**7,464**	**2,973**	**18,334**

Fair value disclosures re. financial instruments at amortized cost

Based on observable inputs (fair value hierarchy level 2) the fair value of issued bonds (zero coupon) amounted to DKK 2,403 million at December 31, 2023 (2022: DKK 2,222 million), and the fair value of EMTN bonds amounted to DKK 4,726 million (2022: DKK 5,918 million). For other financial assets and liabilities, the fair value is approximately equal to the carrying amount..

The foreign currency risk in GN Store Nord A/S mainly arises from translation of receivables, debt and cash balances related to EUR and USD, of which a large part of the USD risk is related to intercompany balances. The foreign currency risk is mitigated through non-designated derivatives. At year end 2023 the FX derivatives had a fair value of DKK 1 million (2022: DKK -16 million), of which DKK 5 million (2022: DKK -3 million) are related to derivatives of USD vs EUR or DKK, DKK 1 million (2022: DKK 1 million) are related to derivatives of EUR vs DKK and DKK -4 million (2022: DKK -14 million) are related to derivatives of GBP vs DKK. The fair value of derivatives is categorized as level 2 (observable inputs) in the fair value hierarchy. There were no fair value adjustment recognized in other comprehensive income in 2023 and 2022.

15 Outstanding shares and treasury shares

For information regarding outstanding shares and treasury shares please refer to note 4.1 Outstanding shares and treasury shares in the consolidated financial statements.

Funding, liquidity and capital structure is managed at Group level, please refer to note 4.2 Financial risks in the consolidated financial statements.

16 Related party transactions

In addition to disclosures given in note 5.9 Related parties, related parties for the parent company comprise group enterprises and associates over which GN Store Nord A/S exercises control or significant influence.

Group companies are listed on page 143. Trade with group enterprises comprised:

DKK million	2023	2022
Sale of services to group enterprises	796	768
Lease income from group enterprises	31	31
Sale of intangible assets to group enterprises	-	-
Purchase of services from group enterprises	-839	-158
Lease costs paid to group enterprises	-40	-40

The parent company's balances with group enterprises at December 31, 2023 are disclosed in the balance sheet. Interest income and expenses with respect to group enterprises are disclosed in note 5 Financial income and expenses. Further, balances with Group enterprises comprise trade balances related to the purchase and sale of goods and services.

Sale of services to group enterprises consists of facility services, canteen services, management fee and IT costs. Purchase of services from group enterprises mainly consists of facility services and canteen services. Furthermore, the parent company has purchased development services from subsidiaries related to the exploring research projects.

No transactions have been carried out with the Board of Directors, the Executive Management, senior employees, major shareholders or other related parties, apart from remuneration disclosed in notes 5.2 Remuneration of the Board of Directors and Executive Management and 5.3 Share-based incentive plans in the consolidated financial statements.

17 Liabilities from financing activities

DKK million	Bank loans	Issued bonds	Lease liabilities	Bank loans and issued bonds, current	Amounts owed to subsidiaries	Total
Liabilities at January 1	2,312	7,548	53	6,005	1,411	17,329
Cash flows	-2,312	2,290	-8	-3,262	8	-3,284
Foreign exchange adjustments	-	57	-1	-	-670	-614
New leases and remeasurements	-	-	-15	-	-	-15
Bonds reclassified to current	-	-6,931	-	6,931	-	-
Non-cash interest expenses	-	60	-	-	-	60
Liabilities at December 31, 2023	**-**	**3,024**	**29**	**9,674**	**749**	**13,476**
Liabilities at January 1	372	9,141	22	1,606	4,186	15,327
Cash flows	1,935	-	-11	2,766	-2,799	1,891
Foreign exchange adjustments	5	-19	-	-1	24	9
New leases and remeasurements	-	-	42	-	-	42
Loans reclassified to current	-	-1,634	-	1,634	-	-
Non-cash interest expenses	-	60	-	-	-	60
Liabilities at December 31, 2022	**2,312**	**7,548**	**53**	**6,005**	**1,411**	**17,329**

18 Accounting policies

The financial statements of the parent company, GN Store Nord A/S have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and Danish disclosure requirements for annual reports of listed companies. The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain financial instruments (including derivative financial instruments) at fair value.

The accounting policies for the financial statements of the parent company have been changed in line with the changes to accounting policies described in note 1.1 in the consolidated financial statements. These changes have not had any material impact on recognition and measurement in the parent company. Apart from the above-mentioned changes the accounting policies for the financial statements of the parent company are unchanged from the last financial year and are the same as for the consolidated financial statements with the following additions:

Supplementary accounting policies for the parent company

Investments in subsidiaries

Revenue in the parent company primarily relates to services rendered to GN Group companies during the year.

Investments in subsidiaries are accounted for using the equity method whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the share of the subsidiaries net assets. The share of the subsidiaries profit or loss, less unrealized intra-Group profits, is included in the income statement of the parent company and the share of the subsidiaries other comprehensive income is included in other comprehensive income of the parent company. Received dividends reduce the carrying amount of the investments in subsidiaries.

To the extent net profit in subsidiaries exceeds declared or proposed dividends from such companies, net revaluation of investments in subsidiaries is transferred to Net revaluation reserve under Equity according to the equity method.

Management's report for the GN Parent company

The GN Parent Company reports GN Corporate level activities and investments into GN Hearing and GN Audio. Revenue in 2023 grew DKK 56 million (2022: DKK 119 million), primarily due to changes in the Group Functions. Costs increased during the year includes impairment of software for DKK 133 million. The GN Parent Company applies the equity method for recognizing share of profit and investments in subsidiaries and profit for the year and total equity developed in line with the Group's overall development. In 2023, cash flow from operating activities was positively impacted by interests received in the total amount of DKK 405 million (2022: DKK 2,000 million).

Statements

Statements by the Executive Management and the Board of Directors

Today, the Executive Management and the Board of Directors have discussed and approved the GN Store Nord Annual Report 2023.

The annual report has been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the group and the parent company at December 31, 2023 and of the results of the group's and the parent company's operations and cash flows for the financial year January 1 – December 31, 2023.

Further, in our opinion, the Management's report gives a fair review of the development in the group's and the parent company's activities and financial matters, results of operations, cash flows and financial position as well as a description of material risks and uncertainties that the group and the parent company face. Management's report has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). The Consolidated ESG data have been prepared in accordance with the stated accounting policies. In our opinion, it gives a fair view of the group's environmental, social, and governance performance.

In our opinion, the Annual Report of GN Store Nord A/S for the financial year January 1 to December 31, 2023 with the file name GNStore-Nord-2023-12-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the annual report be approved at the Annual General Meeting.

Ballerup, February 8, 2024

Executive Management

Peter Karlstromer
Group CEO

Søren Jelert
Group CFO

Board of Directors

Jukka Pekka Pertola
Chair

Klaus Holse
Deputy Chair

Hélène Barnekow

Anette Weber

Leo Larsen

Cathrin Inge Hansen

Claus Holmbeck-Madsen

Independent Auditor's Reports

To the shareholders of GN Store Nord A/S

Report on the audit of the Financial Statements

Our opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's financial position at 31 December 2023 and of the results of the Group's and the Parent Company's operations and cash flows for the financial year 1 January to 31 December 2023 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of GN Store Nord A/S for the financial year 1 January to 31 December 2023, pp 74-148 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of GN Store Nord A/S on 21 March 2019 for the financial year 2019. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of five years including the financial year 2023.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for 2023. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Capitalisation and valuation of development costs The Group capitalises development costs within both the hearing and audio segment when certain criteria according to IFRS Accounting Standards are met. The criterias for recognition and measurement of development costs are subject to Management's estimates and judgments, which are uncertain by nature. Completed development projects are assessed for impairment indications during the year. For in-progress development projects impairment tests are performed at least yearly. The impairment tests are based on a strategy plan approved by Management and value-in-use calculations based on expected future cash flows. We focused on this area because the criterias for recognition and measurement of development projects are subject to Management estimates and judgments. Refer to note 3.1 in the Financial Statements.	We assessed whether the Group's material accounting policies related to capitalisation and valuation of development costs are in accordance with IFRS Accounting Standards. We updated our understanding of relevant controls, including Group controlling procedures, IT systems and business processes regarding development costs. For the controls, we assessed whether they were designed and implemented to effectively address the risk to material information. For selected controls which we planned to rely upon, we tested the operating effectiveness. We selected a sample of in-progress development projects and considered whether all criterias described in IFRS Accounting Standards were met as a basis for capitalisation. We performed substantive audit procedures to verify capitalised amounts. We evaluated and challenged Management's assessment of impairment indicators of completed development projects based on the commercial prospects of the projects. For in-progress development projects and completed projects where there are indications of impairment, we challenged the significant assumptions applied in the value-in-use calculations. Our work was based on our understanding of the business cases and key assumptions applied. We challenged whether the intend to finalise the projects remain and whether the projects are expected to generate future economic benefits exceeding the carrying values. We assessed the completeness and accuracy of the disclosures of development projects and related impairment tests against the disclosure requirements in IAS 36 and IAS 38.

Statement on Management's Report
Management is responsible for Management's Report, pp 1-72.

Our opinion on the Financial Statements does not cover Management's Report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Report and, in doing so, consider whether Management's Report is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Report includes the disclosures required by the Danish Financial Statements Act and Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation).

Based on the work we have performed, in our view, Management's Report is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act and the disclosure requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation). We did not identify any material misstatement in Management's Report.

Management's responsibilities for the Financial Statements
Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on compliance with the ESEF Regulation
As part of our audit of the Financial Statements we performed procedures to express an opinion on whether the annual report of GN Store Nord A/S for the financial year 1 January to 31 December 2023 with the filename GNStoreNord-2023-12-31.zip is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation) which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the Consolidated Financial Statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;
- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for all financial information required to be tagged using judgment where necessary;
- Ensuring consistency between iXBRL tagged data and the Consolidated Financial Statements presented in human-readable format; and
- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgment, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;
- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;
- Evaluating the completeness of the iXBRL tagging of the Consolidated Financial Statements including notes;
- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;
- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and
- Reconciling the iXBRL tagged data with the audited Consolidated Financial Statements.

In our opinion, the annual report of GN Store Nord A/S for the financial year 1 January to 31 December 2023 with the file name GNStoreNord-2023-12-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 8 February 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Mads Melgaard
State Authorised Public Accountant
mne34354

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Independent limited assurance report on selected ESG data

To the stakeholders of GN Store Nord A/S

GN Store Nord A/S engaged us to provide limited assurance on GHG emissions in Scope 1 and GHG emissions in Scope 2 presented on page 55 and percentage of Women in Senior Management presented on page 57 in the 2023 annual report of GN Store Nord A/S for the period 1 January – 31 December 2023 (the "Selected ESG data").

Our conclusion

Based on the procedures we performed and the evidence we obtained, nothing came to our attention that causes us not to believe that the Selected ESG data for the period 1 January - 31 December 2023 presented in the 2023 annual report of GN Store Nord A/S are prepared, in all material respects, in accordance with the applied accounting policies developed by GN Store Nord A/S as stated on pages 56 and 58 the “accounting policies”.

This conclusion is to be read in the context of what we state in the remainder of our report.

What we are assuring

The scope of our work was limited to assurance over the Selected ESG data included in the ESG sections of the annual report for 2023 for the period 1 January – 31 December 2023:

- GHG emissions in Scope 1 and 2, location and market based, as stated on page 55;
- Women in Senior Management as stated on page 57.

We have not provided any assurance on any other ESG data in the 2023 annual report. We express limited assurance in our conclusion.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 ‘Assurance engagements on greenhouse gas statements’. The quantification of greenhouse gas emissions is subject to inherent uncertainty because of incomplete scientific knowledge used to determine the emissions factors and the values needed to combine emissions of different gasses.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks; consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements in the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and ethical requirements applicable in Denmark.

PricewaterhouseCoopers applies International Standard on Quality Management 1, ISQM 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our work was carried out by an independent multidisciplinary team with experience in sustainability reporting and assurance.

Understanding reporting and measurement methodologies

The Selected ESG data need to be read and understood together with the accounting policies. The accounting policies used for the preparation of the Selected ESG data are the applied accounting policies developed by GN Store Nord A/S, which Management is solely responsible for selecting and applying.

The absence of a significant body of established practice on which to draw to evaluate and measure ESG data allows for different, but acceptable, measurement techniques and can affect comparability between entities over time.

Work performed

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected ESG data. In doing so and based on our professional judgement, we:

- Evaluated the appropriateness of the accounting policies used, their consistent application and related disclosures

- Made inquiries and conducted interviews with Group functions to assess consolidation processes, use of company-wide systems, and controls performed at Group level;

- Checked the Selected ESG data on a sample basis to underlying documentation and evaluated the appropriateness of quantification methods and compliance with the accounting policies for preparing the Selected ESG data;

- Performed analytical review and trend explanation of the Sustainability Information;

- Considered the disclosure and presentation of the Selected ESG data; and

- Evaluated the obtained evidence.

Management's responsibilities

Management of GN Store Nord A/S is responsible for:

- Designing, implementing and maintaining internal control over information relevant to the preparation of the Selected ESG data in the annual report that are free from material misstatement, whether due to fraud or error;

- Establishing objective accounting policies for preparing the Selected ESG data;

- Measuring and reporting the information in the Selected ESG data based on the accounting policies; and

- The content of the annual report.

Our responsibility

We are responsible for:

- Planning and performing the engagement to obtain limited assurance about whether the Selected ESG data for the period 1 January – 31 December 2023 are prepared, in all material respects, in accordance with the accounting policies;

- Forming an independent conclusion, based on the procedures performed and the evidence obtained; and

- Reporting our conclusion to the stakeholders of GN Store Nord A/S.

Hellerup, 8 February 2024

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Mads Melgaard
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