

GN Store Nord +46% organic revenue growth

GN Audio +82%, GN Hearing +1%

New share buyback of DKK 2.5 billion initiated

GN Store Nord

46%

organic growth

- GN delivered strong 46% organic revenue growth in Q1 2021
- EBITA reached DKK 753 million corresponding to an EBITA margin of 18.3% compared to 10.1% in Q1 2020, reflecting strong execution across the company
- Free cash flow excl. M&A was DKK -22 million in Q1 2021, reflecting the strong earnings but offset by traditional seasonality leading to leverage of 1.6x by the end of Q1 2021
- New share buyback program to be initiated today, with the intention to buy back shares worth DKK 2.5 billion until March 8, 2022
- The financial guidance, upgraded on April 14, 2021, is confirmed. Due to the COVID-19 situation, it must be stressed that the basic assumptions behind the guidance remain significantly more uncertain than normal

GN Hearing

1%

organic growth

- GN Hearing delivered positive organic revenue growth of 1% in Q1 2021 in a market continuously impacted by the ongoing COVID-19 pandemic. Signs of market recovery towards the end of the quarter, especially in US and UK
- EBITA was DKK 98 million in Q1 2021 compared to DKK 55 million in Q1 2020 supported by the sustainable quarterly cost savings and prudent cost management on top of investments into R&D and IT infrastructure
- Free cash flow excl. M&A was DKK -204 million in Q1 2021 compared to DKK -66 million in Q1 2020, mainly driven by traditional seasonality and a negative development in net working capital

GN Audio

82%

organic growth

- GN Audio continued the exceptionally strong momentum going into 2021 and delivered outstanding 82% organic revenue growth in Q1 2021, driven by strong double-digit growth in both the enterprise and the consumer segment
- EBITA increased by 148% to DKK 714 million in Q1 2021 corresponding to an EBITA margin of 24.8%. The EBITA margin development primarily reflects the strong topline development and phasing of OPEX
- Free cash flow excl. M&A was DKK 438 million in Q1 2021 compared to DKK -67 million in Q1 2020, reflecting the strong growth in revenue and EBITA
- GN Audio continue to work closely with suppliers of components to address immediate and future demand

Financial overview Q1 2021

	GN Hearing			GN Audio			GN Store Nord*		
	Q1 2021	Q1 2020	Growth	Q1 2021	Q1 2020	Growth	Q1 2021	Q1 2020	Growth
DKK million									
Revenue	1,234	1,314	-6%	2,876	1,653	74%	4,110	2,967	39%
Organic growth	1%	-14%		82%	22%		46%	3%	
Gross profit	769	841	-9%	1,480	827	79%	2,249	1,668	35%
Gross profit margin	62.3%	64.0%	-1.7%p	51.5%	50.0%	+1.5%p	54.7%	56.2%	-1.5%p
EBITA	98	55	78%	714	288	148%	753	300	151%
EBITA margin	7.9%	4.2%	+3.7%	24.8%	17.4%	+7.4%p	18.3%	10.1%	+8.2%p
Earnings per share (EPS)							3.66	0.78	369%
Free cash flow excl. M&A	-204	-66	-138	438	-67	505	-22	-160	138
Cash conversion	-208%	-120%	-88%p	61%	-23%	+84%p	-3%	-53%	+50%p

* Including "Other"

Financial highlights

DKK million	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Full year 2020 (aud.)
GN Hearing			
Revenue	1,234	1,314	4,725
Revenue growth	-6%	-13%	-26%
Organic growth	1%	-14%	-24%
Gross profit margin	62.3%	64.0%	61.5%
EBITA*	98	55	41
EBITA margin*	7.9%	4.2%	0.9%
ROIC** (EBITA*/Average invested capital)	1%	15%	1%
Free cash flow excl. M&A	-204	-66	127
Cash conversion (Free cash flow excl. M&A/EBITA*)	-208%	-120%	310%
GN Audio			
Revenue	2,876	1,653	8,724
Revenue growth	74%	24%	40%
Organic growth	82%	22%	42%
Gross profit margin	51.5%	50.0%	50.4%
EBITA*	714	288	2,002
EBITA margin*	24.8%	17.4%	22.9%
ROIC** (EBITA*/Average invested capital)	86%	46%	81%
Free cash flow excl. M&A	438	-67	1,729
Cash conversion (Free cash flow excl. M&A/EBITA*)	61%	-23%	86%
GN Store Nord			
Revenue	4,110	2,967	13,449
Revenue growth	39%	4%	7%
Organic growth	46%	3%	9%
Gross profit margin	54.7%	56.2%	54.3%
EBITA*	753	300	1,866
EBITA margin*	18.3%	10.1%	13.9%
Profit (loss) before tax	612	139	1,612
Effective tax rate	21.2%	23.7%	21.3%
ROIC** (EBITA*/Average invested capital)	23%	21%	19%
Earnings per share, basic (EPS)	3.66	0.78	9.72
Earnings per share, fully diluted (EPS diluted)	3.61	0.78	9.63
Free cash flow excl. M&A	-22	-160	1,865
Cash conversion (Free cash flow excl. M&A/EBITA*)	-3%	-53%	100%
Equity ratio	34.1%	29.8%	31.0%
Net interest-bearing debt	4,334	6,063	4,198
Net interest-bearing debt (period-end)/EBITDA**	1.6	2.3	1.8
Share buybacks***	-	453	453
Outstanding shares, end of period (thousand)	129,877	128,751	128,975
Average number of outstanding shares (thousand)	129,426	128,781	128,805
Average number of outstanding shares, fully diluted (thousand)	131,211	130,095	130,032
Treasury shares, end of period (thousand)	12,391	13,517	13,293
Share price at the end of the period	499.4	303.8	487.2
Market capitalization	64,861	39,115	62,837

* 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

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

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

GN Hearing

Organic revenue growth of 1% in Q1 2021, in a market continuously impacted by COVID-19. Signs of market recovery towards the end of the quarter

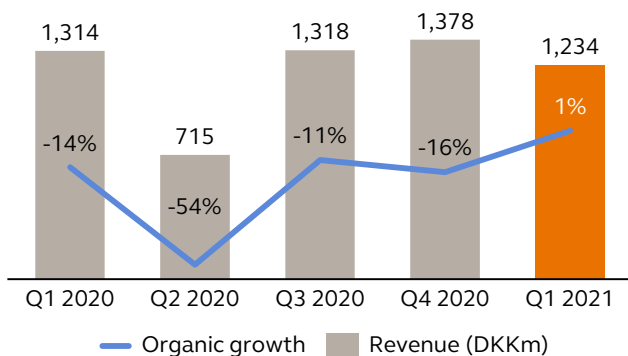
Highlights Q1 2021

- GN Hearing delivered positive organic revenue growth of 1% in a market continuously impacted by the ongoing COVID-19 pandemic. Signs of market recovery towards the end of the quarter, especially in US and UK
- EBITA was DKK 98 million in Q1 2021 compared to DKK 55 million in Q1 2020 supported by sustainable quarterly cost savings and prudent cost management on top of investments into R&D and IT infrastructure
- Free cash flow excl. M&A was DKK -204 million in Q1 2021 compared to DKK -66 million in Q1 2020, mainly driven by traditional seasonality and a negative development in net working capital

Revenue

GN Hearing delivered positive 1% organic revenue growth in Q1 2021. Revenue growth was -6% including around -6% impact from the development in foreign exchange rates and around -1% impact from M&A.

As for the hearing aid industry overall, COVID-19 continued to have significant negative impact on GN Hearing in Q1 2021 due to the impact from the retightening of restrictions during the winter, but with markets showing signs of recovery towards the end of the quarter. The impact from the pandemic on the hearing aid market continued to vary greatly across regions, countries, and channels.



North America

In North America, the hearing aid market continued to be heavily impacted by the pandemic during the beginning of the quarter, but with significant differences across states and channels. Especially the Veteran Affairs channel continued to be severely impacted in January and February, but with early signs of recovery towards the end of the quarter. The market improvement was in general

seen throughout the US market in March, and with vaccination programs continuing to progress effectively, this should bode well for the coming quarters. Despite challenging market conditions in North America in especially January and February, GN Hearing continued to see solid performance across the independent market during Q1 2021 driven by the full and updated ReSound portfolio. Organic revenue growth in North America was -7% and revenue growth was -16% including around -8% impact from the development in foreign exchange rates and around -1% from M&A, mainly related to the ongoing successful optimization of the Beltone retail portfolio.

Europe

In Europe, the recovery of the hearing aid market varied greatly with some markets severely impacted by the pandemic and others performing in line with pre-COVID-19 levels. GN Hearing experienced an encouraging performance in especially the Southern European countries, but offset by other countries, where new restrictions related to COVID-19 were imposed during the winter. The organic revenue growth in Europe was -5% in Q1 2021 and revenue growth was -7% including around -2% impact from the development in foreign exchange rates.

Rest of World

The Rest of World region continued to be impacted in different ways across countries by COVID-19, dependent on the level of local restrictions. GN Hearing saw encouraging performance in among other ANZ and China. In the Rest of World region organic revenue growth was 27%. Revenue growth was 21% including around -6% impact from the development in foreign exchange rates.

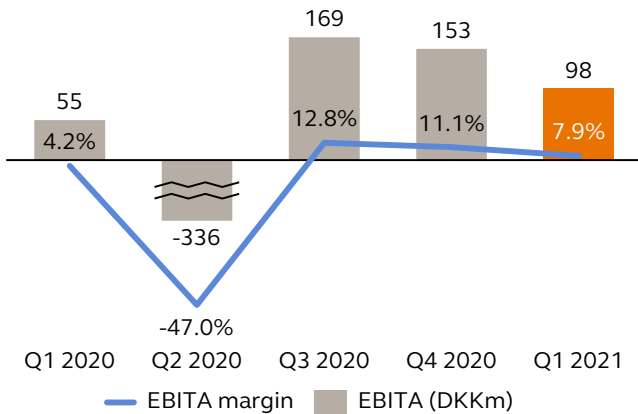
Earnings and other financial highlights

Gross profit reached DKK 769 million in Q1 2021 corresponding to a gross margin of 62.3% in Q1 2021 compared to 64.0% in Q1 2020, mainly related to mix effects. In addition, the gross margin continues to be impacted by the fixed production costs, with volumes being below normalized levels.

GN Hearing's OPEX continued to be prudently managed during Q1 2021, which resulted in a 14% OPEX reduction compared to Q1 2020. Selling, distribution and administrative expenses decreased by 15% in Q1 2021 compared to Q1 2020, mainly driven by tight OPEX control, including sustainable cost savings of around DKK 50 million, on top of investments into an expected market normalization and IT

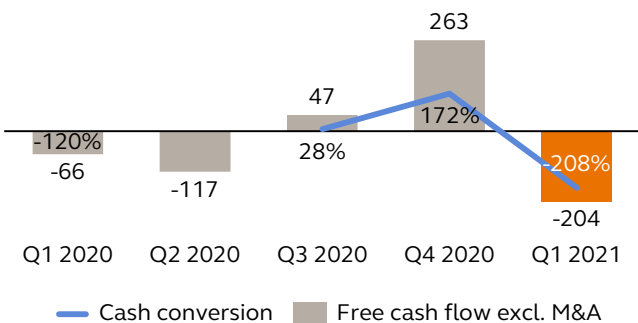
infrastructure. Furthermore, GN Hearing continued to invest significantly into R&D, in line with the strategy.

GN Hearing’s EBITA was DKK 98 million in Q1 2021 compared to DKK 55 million in Q1 2020 driven by tight OPEX control. The EBITA margin was 7.9% in Q1 2021, an improvement of 3.7 percentage points compared to Q1 2020.



The return on invested capital (ROIC) was 1% in Q1 2021, compared to 15% in Q1 2020, due to the impact from COVID-19 as ROIC is calculated based on a 12-months rolling EBITA.

Free cash flow excl. M&A was DKK -204 million in Q1 2021 compared to DKK -66 million in Q1 2020. The cash flow in Q1 2021 was impacted by traditional seasonality including the corporate tax payment in March and a negative development in net working capital due to higher inventories mainly related to sourcing of components.



Business highlights

ReSound ONE

During Q1 2021, GN Hearing has continued to execute on the global roll-out of the revolutionary new class of hearing aids that solves one of the hearing industry’s most enduring obstacles to improving speech intelligibility in noise, ReSound ONE. Feedback continues to be overwhelmingly positive, and GN Hearing experiences strong uptake in the Independent market. The uptake in VA channel has been impacted by challenging conditions following the ongoing pandemic.

ReSound ONE has been available in the VA since the end of 2020, and under normal circumstances VA is a channel that easily adopts new technology, but due to the COVID-19 physical meetings have not been possible. This combined with the fact that ReSound ONE is completely new and groundbreaking technology has resulted in a slower uptake than under normal circumstances.

ReSound Key

In early February 2021, GN Hearing announced the launch of ReSound Key, a full essential hearing aid portfolio that provides greater access to proven and award-winning hearing technology worldwide. Based on an advanced chip platform and GN’s Organic Hearing philosophy, ReSound Key delivers clear, natural sound quality. It is also packed with the latest technology, such as rechargeable options and state-of-the-art streaming, so that more people can now stay connected to live life to the fullest. ReSound Key joined the groundbreaking ReSound ONE™ with M&RIE and ReSound LiNX Quattro™ in the strongest and broadest ReSound portfolio ever, offering premium hearing solutions at all price levels.

Market development

The hearing aid market growth in Q1 2021 continued to be negatively impacted by COVID-19, but compared to the low-point in April 2020, the market has shown some resilience even as new and severe COVID-19 restrictions have been put into place across the world in Q1 2021. The market visibility continues to be low, and the predictability highly uncertain. We continue to believe that the fundamentals of the hearing aid market are intact. We expect the market to return to more normalized conditions at 2019 levels in H2 2021, as vaccination programs progress across the world. In the mid-term, GN Hearing consequently still estimates the annual market growth to be around 4 - 6% in volumes with annual ASP decline of around 1 - 2%.

Management quote

“GN Hearing is well positioned to return to highly profitable growth, supported by the strongest and broadest product portfolio ever. As vaccines are generally becoming more available and the fact that people gradually adapt to life with various degrees of COVID-19 restrictions, we see the demand for hearing aids return towards a more normalized level.”

Gitte Aabo, CEO of GN Hearing

GN Audio

Exceptional strong momentum continued into 2021, with GN Audio delivering outstanding 82% organic revenue growth and EBITA margin of 24.8% in Q1 2021

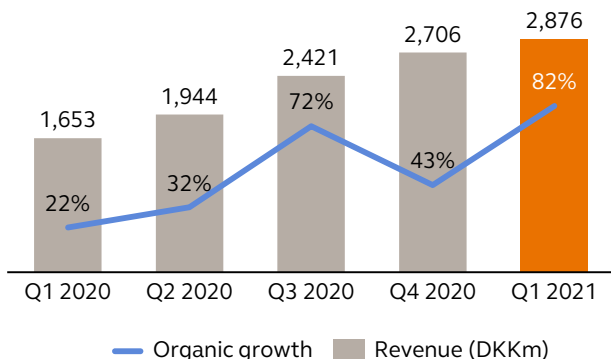
Highlights Q1 2021

- GN Audio continued the exceptionally strong momentum going into 2021 and delivered outstanding 82% organic revenue growth in Q1 2021, driven by strong double-digit growth in both the enterprise and the consumer segment
- EBITA increased by 148% to DKK 714 million in Q1 2021 corresponding to an EBITA margin of 24.8%. The EBITA margin development primarily reflects the strong topline development and phasing of OPEX
- Free cash flow excl. M&A was DKK 438 million in Q1 2021 compared to DKK -67 million in Q1 2020, reflecting the strong growth in revenue and EBITA
- GN Audio continue to work closely with suppliers of components to address immediate and future demand

Revenue

GN Audio continued the exceptionally strong momentum into 2021 and delivered outstanding 82% organic revenue growth in Q1 2021. The enterprise segment delivered high double-digit organic revenue growth in the quarter, driven by continuous investments across organizations into hybrid and flexible working solutions combined with significant market share gains. The consumer segment experienced strong demand for consumer headsets and delivered high double-digit organic revenue growth in Q1 2021.

Revenue growth was 74%, including around -8% impact from the development in foreign exchange rates. Strong performance continued quarter over quarter, driven by GN Audio's world-leading product portfolio and strong business execution. GN Audio continued to gain market share across regions in Q1 2021.



North America

GN Audio saw strong performance in Q1 2021 in North America, with both the consumer and enterprise segment delivering strong growth leading to an organic revenue

growth for the region of 59%. Revenue growth was 43% including around -16% impact from the development in foreign exchange rates.

Europe

Strong momentum continued into 2021 in Europe, with outstanding performance across the region with particular strong performance in Germany and France. Organic revenue growth was 113% driven by exceptional strong growth in the enterprise segment, while the consumer segment delivered strong growth. Revenue growth was 111% including around -2% impact from the development in foreign exchange rates.

Rest of World

In the Rest of World region, GN Audio saw strong performance across the region with strong organic revenue growth in among other ANZ and Japan driven by strong double-digit growth in the enterprise segment. Organic revenue growth for the Rest of World region was 40%. Revenue growth was 33% including around -7% impact from the development in foreign exchange rates.

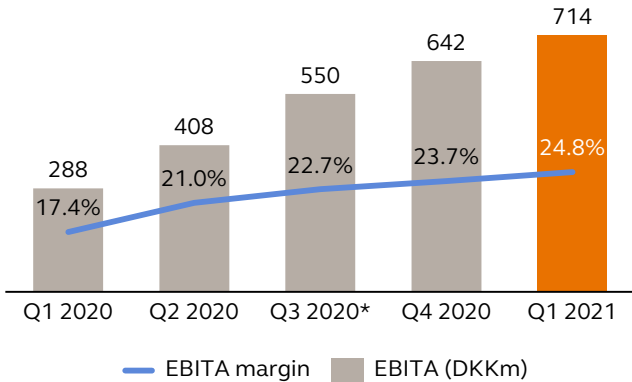
Earnings and other financial highlights

GN Audio's gross profit reached DKK 1,480 million in Q1 2021 compared to DKK 827 million in Q1 2020, corresponding to an increase of 79%. The gross margin was 51.5% in Q1 2021 compared to 50.0% in Q1 2020 driven by positive product mix and a positive contribution from the development in foreign exchange rates, offset by increased freight and production costs due to COVID-19. GN Audio continues to be impacted by tariffs.

GN Audio's OPEX was DKK 766 million in Q1 2021, an increase of 42% compared to Q1 2020. Investments into R&D increased by 81% driven by focused product development across audio and video, while selling, distribution and administrative costs increased 29%, mainly driven by continued investments in future growth opportunities.

GN Audio's EBITA increased 148% to DKK 714 million in Q1 2021 reflecting the strong revenue growth, but also reflecting a phasing of OPEX over the year. Going forward, GN Audio will continue to invest significantly across OPEX lines to drive future growth opportunities in line with the strategy and financial guidance.

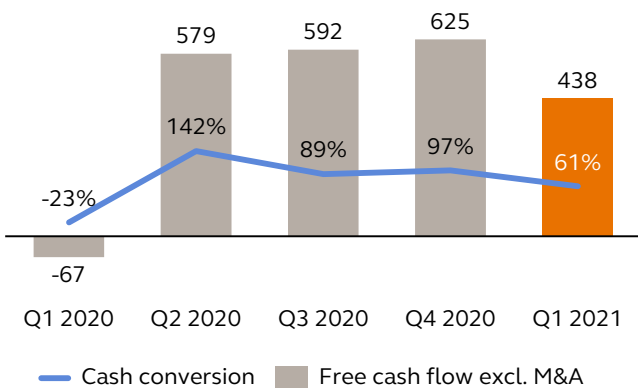
The EBITA margin was 24.8% in Q1 2021 compared to 17.4% in Q1 2020.



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

The return on invested capital (ROIC) was 86% in Q1 2021 compared to 46% in Q1 2020 driven by continued strong growth in EBITA.

Free cash flow excl. M&A was DKK 438 million in Q1 2021 compared to DKK -67 million in Q1 2020. The cash flow in Q1 2021 reflects the strong growth in earnings but offset by the traditional seasonality including the corporate tax payment in March. Cash conversion was 61% compared to -23% in the same period last year.



Business highlights

Jabra Evolve2 30

In early March 2021, GN Audio announced the launch of a new value-for money headset, Jabra Evolve2 30, the latest product to join the Evolve2 range. The headset is built with the modern-day desk worker in mind, engineered for collaboration, concentration, and comfortable productivity all day long. The Evolve2 30 is also available in a Microsoft Teams certified variant, and taking collaboration one step further, the Jabra Evolve2 30 meets the Microsoft Open Office requirements. The easy plug-and-play feature means users can seamlessly connect to all devices for maximum collaboration.

New Jabra PanaCast camera line-up

On April 27, 2021 GN Audio announced the new Jabra PanaCast camera line-up that has been engineered to help businesses navigate the flexible hybrid way of working. The line-up combines immersive vision and video, world-leading audio technologies and cutting-edge Artificial Intelligence to completely reinvent meetings and collaboration.

Jabra PanaCast 50 is engineered to be the world's first new-normal-ready intelligent video bar. The new solution utilizes a multi-camera array creating a 180° field of view covering the full room. Coming with several intelligent processors, the system enables to carry out real-time integration of audio, video and data, which among other allows for Intelligent Zoom – a feature that always frames the user perfectly, regardless of the surroundings. The video bar also incorporates Safety Capacity and Room Usage enabling timely decisions, including PeopleCount which generates anonymous room occupancy data. On top of the immersive vision and video, it includes Jabra's well-known sound and microphone capabilities using precise voice detection and intelligent algorithms that remove disruptive noise.

Jabra PanaCast 20, an intelligent personal camera allowing high-quality, secure video collaboration, no matter where you are. All the experiences are powered on the device itself, significantly minimizing the risk of security breaches and maximizing speed, accuracy, and the overall quality of the experience. The PanaCast 20 delivers 4K Ultra HD Video as well as personalized Intelligent Zoom. It also has automatic lighting correction, so whatever the time of day, or the situation of collaboration, the video stream is optimized in the best possible way.

Market development

In Q1 2021, the demand in GN Audio's core addressable market was continuously very strong, partly driven by the continued need for flexible working solutions.

GN Audio expects that the favorable global enterprise market trend will continue in 2021, creating a solid foundation for continued strong market growth. For the coming years, GN Audio expects its markets to grow at around 10% in value when assuming a stable macro environment. GN Audio's mid-term targets of growing faster than the market and delivering EBITA-margin of more than 20% are fully intact.

Management quote

"Q1 further accelerated GN Audio's leadership in solutions for flexible working, and our highly scalable business model delivered exceptionally 82% growth. With our recent launch of the new Jabra PanaCast camera line-up, we are set to continue our growth agenda with a portfolio consisting of the most innovative and advanced collaboration solutions for the new normal."

René Svendsen-Tune, CEO of GN Audio

GN Store Nord

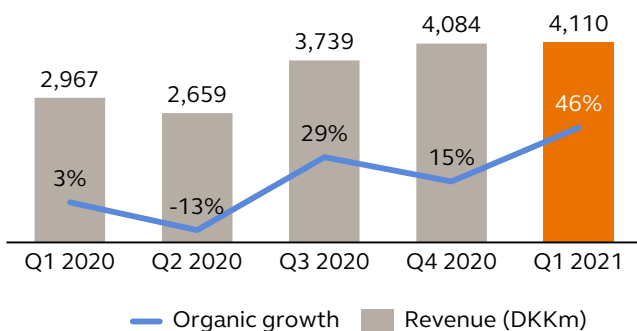
Highlights Q1 2021

- GN delivered strong 46% organic revenue growth in Q1 2021
- EBITA reached DKK 753 million corresponding to an EBITA margin of 18.3% compared to 10.1% in Q1 2020, reflecting strong execution across the company
- Free cash flow excl. M&A was DKK -22 million in Q1, reflecting strong execution across the company but offset by traditional seasonality
- Leverage of 1.6x net interest-bearing debt to EBITDA, compared to 1.8x by the end of Q4 2020
- New share buyback program to be initiated today, with the intention to buy back shares worth DKK 2.5 billion until March 8, 2022
- The financial guidance, upgraded on April 14, 2021 is confirmed. Due to the COVID-19 situation, it must be stressed that the basic assumptions behind the guidance remain significantly more uncertain than normal

We strongly believe that the fundamentals of the company are solid and that the business will “return to normality” when the impact of the pandemic is safely behind us. The impact of the virus obviously influences GN Hearing in a completely different way than GN Audio, and we see having the two businesses under one roof as a position of strength for the company.

Revenue

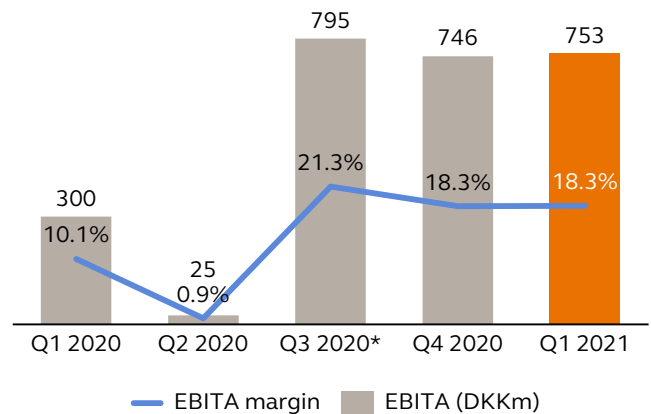
GN delivered 46% organic revenue growth in Q1 2021. Revenue growth was 39% including around -7% impact from the development in foreign exchange rates.



Earnings and other financial highlights

EBITA in Other amounted to DKK -59 million in Q1 2021, compared to DKK -43 million in Q1 2020 driven by phasing of costs. GN Store Nord's EBITA reached DKK 753 million in Q1 2021 compared to DKK 300 million in Q1 2020, driven by strong execution across the company with outstanding growth in GN Audio and continued cost prudence in GN Hearing. Consequently, the EBITA margin was 18.3% in Q1 2021 compared to 10.1% in Q1 2020.

In Q1 2021, amortization of acquired intangible assets amounted to DKK -41 million compared to DKK -50 million in Q1 2020, following a reduction of the asset base due to the ongoing optimization of the Beltone Corporate Retail portfolio.



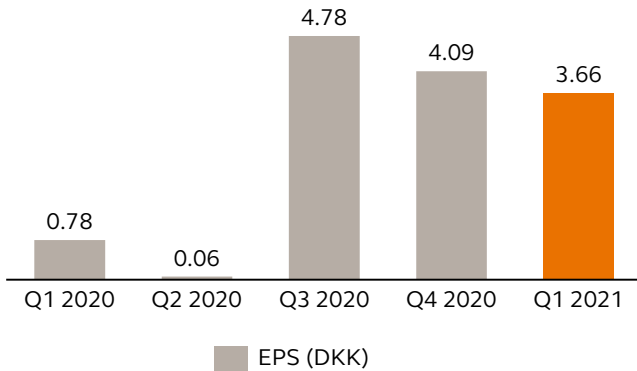
* Excluding gain of DKK 114m from legal settlements and litigation

Financial items were DKK -99 million in Q1 2021 compared to DKK -111 million in Q1 2020, driven by a negative non-cash contribution from foreign exchange revaluation of certain balance sheet items from the depreciating USD. In Q1 2021, share of profit (loss) in associates was DKK -1 million which is at the same level as in Q1 2020.

The profit before tax was DKK 612 million in Q1 2021 compared to DKK 139 million in Q1 2020. The effective tax rate was 21.2%, translating into a net profit of DKK 482 million in Q1 2021 compared to DKK 106 million in Q1 2020, corresponding to an increase of 355%.

Free cash flow excl. M&A was DKK -22 million in Q1 2021 compared to DKK -160 million in Q1 2020, driven by strong growth in earnings and cash flow generation, but offset by investments into property, plant and equipment related to an acquisition at the corporate headquarter in Ballerup, Denmark. This equals a cash conversion of -3% in Q1 2021 compared to -53% in Q1 2020.

Earnings per share (EPS) was DKK 3.66 in Q1 2021 compared to DKK 0.78 in Q1 2020, equal to an increase of 369%.



By the end of Q1 2021, equity in GN Store Nord amounted to DKK 5,905 million compared to DKK 4,594 million in Q1 2020, corresponding to an increase of 29%. The increase was driven by the net profits generated during the period, on top of the execution of the ordinary annual dividend payment.

Capital structure

Net interest-bearing debt was DKK 4,334 million compared to DKK 4,198 million by the end of 2020 which was driven by the strong cash flow generation but offset by the annual ordinary dividend payment and the acquisition at the corporate headquarter. Net interest-bearing debt to EBITDA leverage ratio decreased to 1.6x compared to 1.8x by the end of 2020. The balance sheet remains very sound with ample sources of liquidity. GN had cash and cash equivalents of DKK 1,898 million at the end of Q1 2021.

As previously communicated, GN has a long-term capital structure target of a net interest-bearing debt between one- and two-times EBITDA.

In Q1 2021, GN distributed DKK 206 million back to shareholders through a DKK 1.45 dividend in respect of the fiscal year 2020 as approved at the Annual General Meeting in March 2021.

New share buyback program

Based on the continued solid business performance and GN's capital structure policy and in accordance with the authorization granted to the Board of Directors at the annual general meeting on March 17, 2021, GN intends to buy back shares worth DKK 2,500 million, which will be initiated on May 6, 2021 and concluded no later than March 8, 2022. The buyback will be divided between a DKK 2,400 million Safe Harbor program, and shares worth DKK 100 million under a bilateral agreement with the GN Store Nord Fondet.

Issuance of bond under the EMTN program

On March 1, 2021 GN successfully signed a private placement issuance in a principal amount of EUR 50 million maturing on March 3, 2036 under its Euro Medium Term Note (EMTN) program. The Notes were issued on March 3, 2021 with a coupon of 1.970% per annum and was listed on Euronext Dublin. The net proceeds from the transaction will be used for general corporate purposes.

In line with the last couple of years, GN continues to proactively secure a diversified funding profile. The different sources of financing now available to GN include the convertible bond market (via the listed convertible bond), traditional bonds (via the Euro Medium-Term Note program), the Euro Commercial Paper Program, bilateral loans from EIB and NIB, uncommitted bank facilities including overdraft lines as well as immediate access to an undrawn revolving credit facility of DKK 2 billion. GN considers this debt funding flexibility, in addition to the equity market access as a listed company, important for navigating the current uncertain capital markets.

Foreign exchange exposure

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

Financial guidance 2021

The financial guidance for 2021, announced on April 14, 2021 is confirmed

COVID-19 risks

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

GN Hearing

The fundamental assumptions behind the financial guidance for GN Hearing are that the global hearing aid market in H1 2021 will remain heavily impacted by COVID-19 and the consequential volatile regional and local restrictions, resulting in markets being below the H1 2019 level. As hearing care professionals and end-users in our main markets will have access to the vaccine throughout H1 2021, the current expectation is that in H2 2021 the market will reset and normalize. GN Hearing will continuously aim to outgrow the market and invest in maintaining its innovation leadership and improving the IT infrastructure.

For full year 2021, GN Hearing expects an organic revenue growth of more than 25% and an EBITA margin of more than 16%. It is expected that the EBITA margin in a more normalized market in H2 2021 is recovering to our mid-term targets of more than 20%.

GN Audio

The fundamental assumption behind the financial guidance for GN Audio is that the demand for collaboration solutions from enterprises and organizations will continue in 2021 and beyond. It is expected that the GN Audio organic revenue growth will be significantly higher in H1 2021 than in H2 2021, mainly due to difference in comparison base. GN Audio will continuously aim to outgrow the market and invest in future growth opportunities.

For full year 2021, GN Audio expects organic revenue growth to be more than 25% and an EBITA margin of more than 21%. GN Audio expects to continue to deliver solid growth in the remaining quarters of 2021, on top of the significant growth rates delivered in Q2-Q4 2020.

Other activities and EPS

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

GN Store Nord expects a growth in EPS of more than 60% for full year 2021.

Forward-looking statements

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

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

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

Additional information

Teleconference

GN will host a teleconference at 11.00 am CET on May 6, 2021. Please visit www.gn.com to access the teleconference. Presentation material will be available on the website approximately one hour prior to the start of the teleconference.

Financial calendar 2021

Interim Report Q2 2021:	August 19, 2021
Interim Report Q3 2021:	October 29, 2021

Forward-looking statements

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

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

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GN strategy 2020 and beyond

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

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

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

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

Our focus going forward

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

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

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

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

GN Store Nord

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

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



**INDIVIDUALIZED
CUSTOMER EXPERIENCE**



INNOVATION LEADERSHIP



**COMMERCIAL &
ECOSYSTEM EXCELLENCE**



Engagement
& focus



Lean
& efficient



Sustainability

Mid-term guidance

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

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

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

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Quarterly reporting by segment

DKK million	Q1 2020 (unaud.)	Q2 2020 (unaud.)	Q3 2020 (unaud.)	Q4 2020 (unaud.)	Q1 2021 (unaud.)	Full year 2020 (aud.)
Income statement						
Revenue						
GN Hearing	1,314	715	1,318	1,378	1,234	4,725
GN Audio	1,653	1,944	2,421	2,706	2,876	8,724
Total	2,967	2,659	3,739	4,084	4,110	13,449
Organic growth						
GN Hearing	-14%	-54%	-11%	-16%	1%	-24%
GN Audio	22%	32%	72%	43%	82%	42%
Total	3%	-13%	29%	15%	46%	9%
Gross profit						
GN Hearing	841	332	859	873	769	2,905
GN Audio	827	1,009	1,239	1,318	1,480	4,393
Total	1,668	1,341	2,098	2,191	2,249	7,298
Gross profit margin						
GN Hearing	64.0%	46.4%	65.2%	63.4%	62.3%	61.5%
GN Audio	50.0%	51.9%	51.2%	48.7%	51.5%	50.4%
Total	56.2%	50.4%	56.1%	53.6%	54.7%	54.3%
Development costs						
GN Hearing	-149	-124	-120	-118	-139	-511
GN Audio	-110	-118	-181	-145	-199	-554
Other *	-22	-20	-19	-23	-34	-84
Total	-281	-262	-320	-286	-372	-1,149
Selling and distribution costs and administrative expenses etc.						
GN Hearing	-637	-544	-570	-602	-532	-2,353
GN Audio	-429	-483	-394	-531	-567	-1,837
Other *	-21	-27	-19	-26	-25	-93
Total	-1,087	-1,054	-983	-1,159	-1,124	-4,283
EBITA						
GN Hearing	55	-336	169	153	98	41
GN Audio	288	408	664	642	714	2,002
Other *	-43	-47	-38	-49	-59	-177
Total	300	25	795	746	753	1,866
EBITA margin						
GN Hearing	4.2%	-47.0%	12.8%	11.1%	7.9%	0.9%
GN Audio	17.4%	21.0%	27.4%	23.7%	24.8%	22.9%
Total	10.1%	0.9%	21.3%	18.3%	18.3%	13.9%
Depreciation and software amortization						
GN Hearing	-47	-45	-54	-35	-42	-181
GN Audio	-28	-29	-31	-34	-33	-122
Other *	-29	-32	-30	-24	-30	-115
Total	-104	-106	-115	-93	-105	-418
EBITDA						
GN Hearing	102	-291	223	188	140	222
GN Audio	316	437	695	676	747	2,124
Other *	-14	-15	-8	-25	-29	-62
Total	404	131	910	839	858	2,284
EBITA						
Amortization and impairment of acquired intangible assets	-50	-52	-82	-51	-41	-235
Gain (loss) on divestment of operations etc.	1	-1	-1	-3	-	-4
Operating profit (loss)	251	-28	712	692	712	1,627
Share of profit (loss) in associates	-1	-6	-2	-	-1	-9
Financial items, net	-111	49	91	-35	-99	-6
Profit (loss) before tax	139	15	801	657	612	1,612
Tax on profit (loss)	-33	-2	-178	-130	-130	-343
Profit (loss)	106	13	623	527	482	1,269
Balance sheet						
Development projects						
GN Hearing	1,058	1,069	1,080	1,084	1,019	1,084
GN Audio	377	399	369	426	508	426
Other *	-19	-18	-16	-15	-13	-15
Total	1,416	1,450	1,433	1,495	1,514	1,495
Inventories						
GN Hearing	580	603	610	650	677	650
GN Audio	585	711	805	1,072	939	1,072
Total	1,165	1,314	1,415	1,722	1,616	1,722
Trade receivables						
GN Hearing	1,095	835	1,025	972	987	972
GN Audio	1,477	1,593	1,860	1,704	1,670	1,704
Total	2,572	2,428	2,885	2,676	2,657	2,676
Net working capital						
GN Hearing	927	649	581	552	785	552
GN Audio	765	512	764	357	652	357
Other *	-142	-121	-139	-93	-189	-93
Total	1,550	1,040	1,206	816	1,248	816
Free cash flow excl. M&A						
GN Hearing	-66	-117	47	263	-204	127
GN Audio	-67	579	592	625	438	1,729
Other *	-27	55	-27	8	-256	9
Total	-160	517	612	896	-22	1,865
Acquisitions and divestments of companies						
	-29	-10	-107	-	-38	-146
Free cash flow	-189	507	505	896	-60	1,719

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

Regional growth composition Q1 2021

(DKK million)	GN Hearing		GN Audio		Consolidated total	
	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)
Europe - revenue	354	381	1,694	801	2,048	1,182
Organic growth	-5%		113%		75%	
FX growth	-2%		-2%		-2%	
M&A growth	0%		0%		0%	
Revenue growth	-7%	1%	111%	20%	73%	13%
North America - revenue	571	678	735	515	1,306	1,193
Organic growth	-7%		59%		21%	
FX growth	-8%		-16%		-11%	
M&A growth	-1%		0%		-1%	
Revenue growth	-16%	-16%	43%	26%	9%	-2%
Rest of World - revenue	309	255	447	337	756	592
Organic growth	27%		40%		34%	
FX growth	-6%		-7%		-6%	
M&A growth	0%		0%		0%	
Revenue growth	21%	-21%	33%	32%	28%	2%
Total revenue	1,234	1,314	2,876	1,653	4,110	2,967
Organic growth	1%	-14%	82%	22%	46%	3%
FX growth	-6%	3%	-8%	1%	-7%	2%
M&A growth	-1%	-2%	0%	1%	0%	-1%
Revenue growth	-6%	-13%	74%	24%	39%	4%

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

Consolidated income statement

(DKK million)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Full Year 2020 (aud.)
Revenue	4,110	2,967	13,449
Production costs	-1,861	-1,299	-6,151
Gross profit	2,249	1,668	7,298
Development costs	-372	-281	-1,149
Selling and distribution costs	-848	-837	-3,349
Management and administrative expenses	-283	-259	-1,037
Other operating income and costs, net	7	9	103
EBITA*	753	300	1,866
Amortization and impairment of acquired intangible assets	-41	-50	-235
Gain (loss) on divestment of operations etc.	-	1	-4
Operating profit (loss)	712	251	1,627
Share of profit (loss) in associates	-1	-1	-9
Financial income	70	23	294
Financial expenses	-169	-134	-300
Profit (loss) before tax	612	139	1,612
Tax on profit (loss)	-130	-33	-343
Profit (loss) for the period	482	106	1,269
Attributable to:			
Non-controlling interests	8	5	17
Shareholders in GN Store Nord A/S	474	101	1,252
Earnings per share (EPS):			
Earnings per share (EPS)	3.66	0.78	9.72
Earnings per share, fully diluted (EPS diluted)	3.61	0.78	9.63

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

Consolidated statement of comprehensive income

(DKK million)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Full Year 2020 (aud.)
Profit (loss) for the period	482	106	1,269
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gains (losses)	-	-8	-1
Items that may be reclassified subsequently to profit or loss			
Adjustment of cash flow hedges	10	41	-13
Foreign exchange adjustments, etc.	238	78	-601
Tax relating to other comprehensive income	-2	-	14
Other comprehensive income for the period	246	111	-601
Total comprehensive income for the period	728	217	668
Attributable to:			
Non-controlling interests	8	5	17
Shareholders in GN Store Nord A/S	720	212	651

Consolidated balance sheet

(DKK million)	Mar. 31 2021 (unaud.)	Dec. 31 2020 (aud.)	Sep. 30 2020 (unaud.)	Jun. 30 2020 (unaud.)
Assets				
Intangible assets	7,214	7,007	7,175	7,447
Property, plant and equipment	1,243	1,057	1,107	1,074
Investments in associates	537	523	522	243
Deferred tax assets	405	392	403	417
Other non-current assets	1,289	1,187	1,185	1,271
Total non-current assets	10,688	10,166	10,392	10,452
Inventories	1,616	1,722	1,415	1,314
Trade receivables	2,657	2,676	2,885	2,428
Tax receivables	27	63	36	161
Other receivables	429	398	340	309
Cash and cash equivalents	1,898	1,657	1,456	967
Total current assets	6,627	6,516	6,132	5,179
Total assets	17,315	16,682	16,524	15,631
Equity and liabilities				
Equity	5,905	5,178	4,874	4,500
Bank loans and issued bonds	5,445	5,069	5,184	4,802
Lease liabilities, non-current	320	324	356	348
Pension obligations	35	36	33	33
Provisions, non-current	237	203	90	88
Deferred tax liabilities	364	362	550	551
Other non-current liabilities	498	482	477	451
Total non-current liabilities	6,899	6,476	6,690	6,273
Bank loans	352	341	892	1,259
Lease liabilities, current	115	121	129	129
Trade payables	1,018	1,238	1,076	953
Tax payables	199	253	31	66
Provisions, current	391	333	474	393
Other current liabilities	2,436	2,742	2,358	2,058
Total current liabilities	4,511	5,028	4,960	4,858
Total equity and liabilities	17,315	16,682	16,524	15,631

Consolidated statement of cash flow

(DKK million)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Full Year 2020 (aud.)
Operating activities			
Operating profit (loss)	712	251	1,627
Depreciation, amortization and impairment	274	273	1,167
Other non-cash adjustments	115	-7	346
Cash flow from operating activities before changes in working capital	1,101	517	3,140
Changes in working capital	-431	-241	368
Cash flow from operating activities before financial items and tax	670	276	3,508
Financial items, net	-130	-78	-13
Tax paid, net	-102	-112	-289
Cash flow from operating activities	438	86	3,206
Investing activities			
Development projects	-147	-164	-638
Investments in other intangible assets, net	-58	-25	-234
Investments in property, plant and equipment, net	-242	-53	-219
Investments in other non-current assets, net	-13	-4	-250
Company acquisitions	-38	-30	-147
Company divestments	-	1	1
Cash flow from investing activities	-498	-275	-1,487
Cash flow from operating and investing activities (free cash flow)	-60	-189	1,719
Financing activities			
Paid dividends	-147	-187	-187
Share-based payment (exercised)	129	168	194
Purchase/sale of treasury shares and other equity instruments	-	-453	-453
Net proceeds from issue of Eurobonds	363	-	-
Increase/decrease in bank loans and other adjustments	-54	-471	-1,325
Cash flow from financing activities	291	-943	-1,771
Net cash flow	231	-1,132	-52
Cash and cash equivalents beginning of period	1,657	1,728	1,728
Adjustment foreign currency, cash and cash equivalents	10	-7	-19
Cash and cash equivalents, end of period	1,898	589	1,657

Consolidated statement of equity

Q1 2020 (DKK million)	Other reserves				Proposed dividends for the year	Retained earnings	Equity, shareholders in GN Store Nord A/S	Non-controlling interests	Total equity
	Share capital*	Foreign exchange adjustments	Hedging reserve	Treasury shares					
Balance at December 31, 2019	569	-910	-11	-3,424	206	8,419	4,849	-	4,849
Profit (loss) for the period	-	-	-	-	-	101	101	5	106
Actuarial gains (losses)	-	-	-	-	-	-8	-8	-	-8
Adjustment of cash flow hedges	-	-	41	-	-	-	41	-	41
Foreign exchange adjustments, etc.	-	78	-	-	-	-	78	-	78
Other comprehensive income for the period	-	78	41	-	-	-8	111	-	111
Total comprehensive income for the period	-	78	41	-	-	93	212	5	217
Share-based payment (granted)	-	-	-	-	-	12	12	-	12
Share based payment (exercised)	-	-	-	192	-	-24	168	-	168
Purchase/sale of treasury shares	-	-	-	-453	-	-	-453	-	-453
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	-7	-7	1	-6
Paid dividends	-	-	-	-	-187	-	-187	-6	-193
Dividends, treasury shares	-	-	-	-	-19	19	-	-	-
Balance at March 31, 2020	569	-832	30	-3,685	-	8,512	4,594	-	4,594
Q1 2021 (DKK million)									
Balance at December 31, 2020	569	-1,500	-21	-3,640	206	9,564	5,178	-	5,178
Profit (loss) for the period	-	-	-	-	-	474	474	8	482
Adjustment of cash flow hedges	-	-	10	-	-	-	10	-	10
Foreign exchange adjustments, etc.	-	238	-	-	-	-	238	-	238
Tax relating to other comprehensive income	-	-	-2	-	-	-	-2	-	-2
Other comprehensive income for the period	-	238	8	-	-	-	246	-	246
Total comprehensive income for the period	-	238	8	-	-	474	720	8	728
Share-based payment (granted)	-	-	-	-	-	17	17	-	17
Share-based payment (exercised)	-	-	-	179	-	-50	129	-	129
Tax related to share-based incentive plans	-	-	-	-	-	46	46	-	46
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	3	3	-8	-5
Paid dividends	-	-	-	-	-188	-	-188	-	-188
Dividends, treasury shares	-	-	-	-	-18	18	-	-	-
Balance at March 31, 2021	569	-1,262	-13	-3,461	-	10,072	5,905	-	5,905

* shares of DKK 4 each

Note 1 – Accounting policies

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

New standards, interpretations and amendments adopted by GN Store Nord

As of January 1, 2021, GN Store Nord adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2021 or earlier. The new or revised Standards and Interpretations did not affect recognition and measurement or result in any material changes to disclosures. Apart from this, the accounting policies applied are unchanged from those applied in the Annual Report 2020.

Note 2 – Segment disclosures Q1 2021

Income statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)
(DKK million)								
Revenue	1,234	1,314	2,876	1,653	-	-	4,110	2,967
Production costs	-465	-473	-1,396	-826	-	-	-1,861	-1,299
Gross profit	769	841	1,480	827	-	-	2,249	1,668
Development costs	-139	-149	-199	-110	-34	-22	-372	-281
Selling and distribution costs	-380	-490	-468	-347	-	-	-848	-837
Management and administrative expenses	-158	-146	-100	-92	-25	-21	-283	-259
Other operating income and costs, net	6	-1	1	10	-	-	7	9
EBITA*	98	55	714	288	-59	-43	753	300
Amortization and impairment of acquired intangible assets	-24	-30	-17	-20	-	-	-41	-50
Gain (loss) on divestment of operations etc.	-	-	-	1	-	-	-	1
Operating profit (loss)	74	25	697	269	-59	-43	712	251
Share of profit (loss) in associates	-1	-1	-	-	-	-	-1	-1
Financial items	-68	-89	-45	-13	14	-9	-99	-111
Profit (loss) before tax	5	-65	652	256	-45	-52	612	139
Tax on profit (loss)	-1	15	-139	-60	10	12	-130	-33
Profit (loss) for the period	4	-50	513	196	-35	-40	482	106

Cash flow statement	GN Hearing		GN Audio		Other**		Consolidated total	
	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)
(DKK million)								
Operating activities before changes in working capital	232	176	897	356	-28	-15	1,101	517
Cash flow from changes in working capital	-230	-27	-251	-282	50	68	-431	-241
Cash flow from operating activities excluding financial items and tax	2	149	646	74	22	53	670	276
Cash flow from investing activities:								
Development projects	-61	-102	-86	-62	-	-	-147	-164
Other	-58	-53	-42	-16	-251	-42	-351	-111
Cash flow from operating and investing activities before financial items and tax	-117	-6	518	-4	-229	11	172	1
Tax and financial items	-122	-89	-83	-63	-27	-38	-232	-190
Cash flow from operating and investing activities (free cash flow)	-239	-95	435	-67	-256	-27	-60	-189
Cash flow from M&A activities	-35	-29	-3	-	-	-	-38	-29
Free cash flow excl. M&A	-204	-66	438	-67	-256	-27	-22	-160

Additional information	GN Hearing		GN Audio		Other**		Consolidated total	
	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)	Q1 2021 (unaud.)	Q1 2020 (unaud.)
(DKK million)								
Revenue distributed geographically								
Denmark	22	32	81	53	-	-	103	85
Europe	332	349	1,613	748	-	-	1,945	1,097
North America	571	678	735	515	-	-	1,306	1,193
Rest of World	309	255	447	337	-	-	756	592
Revenue	1,234	1,314	2,876	1,653	-	-	4,110	2,967
Incurred development costs	-110	-176	-241	-124	-35	-23	-386	-323
Capitalized development costs	61	102	86	62	-	-	147	164
Amortization, impairment and depreciation of development projects***	-90	-75	-44	-48	1	1	-133	-122
Expensed development costs	-139	-149	-199	-110	-34	-22	-372	-281
EBITDA	140	102	747	316	-29	-14	858	404
Depreciation and software amortization	-42	-47	-33	-28	-30	-29	-105	-104
EBITA*	98	55	714	288	-59	-43	753	300
EBITA margin	7.9%	4.2%	24.8%	17.4%	N/A	N/A	18.3%	10.1%
Number of employees, end of period	4,458	4,444	2,019	1,715	259	217	6,736	6,376

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

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

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

Note 2 – Segment disclosures Q1 2021 (Continued)

Balance sheet	GN Hearing		GN Audio		Other*		Consolidated total	
	Mar. 31 2021 (unaud.)	Mar. 31 2020 (unaud.)	Mar. 31 2021 (unaud.)	Mar. 31 2020 (unaud.)	Mar. 31 2021 (unaud.)	Mar. 31 2020 (unaud.)	Mar. 31 2021 (unaud.)	Mar. 31 2020 (unaud.)
(DKK million)								
ASSETS								
Goodwill	3,388	3,592	1,154	1,224	-	-	4,542	4,816
Development projects	1,019	1,058	508	377	-13	-19	1,514	1,416
Other intangible assets	386	513	368	445	404	295	1,158	1,253
Property, plant and equipment	512	556	323	281	408	261	1,243	1,098
Investments in associates	513	232	-	-	24	27	537	259
Deferred tax assets	360	317	147	163	-102	-57	405	423
Loans to dispensers and ownership interests	793	943	-	-	-	-	793	943
Other financial assets	496	403	-	-	-	-	496	403
Total non-current assets	7,467	7,614	2,500	2,490	721	507	10,688	10,611
Inventories	677	580	939	585	-	-	1,616	1,165
Trade receivables	987	1,095	1,670	1,477	-	-	2,657	2,572
Receivables from group companies**	-	-	1,673	690	-1,673	-690	-	-
Tax receivables	40	130	122	42	-135	-17	27	155
Other receivables	232	156	119	85	78	106	429	347
Cash and cash equivalents	218	176	173	174	1,507	239	1,898	589
Total current assets	2,154	2,137	4,696	3,053	-223	-362	6,627	4,828
Total assets	9,621	9,751	7,196	5,543	498	145	17,315	15,439
EQUITY AND LIABILITIES								
Equity	5,224	6,378	4,236	3,496	-3,555	-5,280	5,905	4,594
Bank loans and issued bonds	-	-	-	-	5,445	5,357	5,445	5,357
Lease liabilities, non-current	221	234	79	94	20	42	320	370
Pension obligations	29	28	6	5	-	-	35	33
Provisions, non-current	120	77	117	13	-	-	237	90
Deferred tax liabilities	260	240	156	184	-52	128	364	552
Other non-current liabilities	343	385	155	132	-	-	498	517
Total non-current liabilities	973	964	513	428	5,413	5,527	6,899	6,919
Bank loans	22	2	6	-	324	790	352	792
Lease liabilities, current	75	89	32	33	8	11	115	133
Trade payables	228	232	751	437	39	41	1,018	710
Amounts owed to group companies**	2,021	1,106	-	-	-2,021	-1,106	-	-
Tax payables	12	41	125	87	62	-45	199	83
Provisions, current	183	267	208	117	-	-	391	384
Other current liabilities	883	672	1,325	945	228	207	2,436	1,824
Total current liabilities	3,424	2,409	2,447	1,619	-1,360	-102	4,511	3,926
Total equity and liabilities	9,621	9,751	7,196	5,543	498	145	17,315	15,439
Invested capital***	6,580	7,245	2,680	2,962	610	395	9,870	10,602
Average invested capital	6,913	7,257	2,821	2,778	503	361	10,237	10,396

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

** Net amount

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

Note 3 – Incentive plans

As of March 31, 2021, the total number of outstanding warrants in GN Hearing was 1,780 (0.3% of the shares issued in GN Hearing). The total number of outstanding warrants in GN Audio was 1,773 (0.5% of the shares issued in GN Audio). The total number of outstanding options in GN Store Nord is 1,919,964 (1.3% of the shares issued in GN Store Nord)

Note 4 – Shareholdings

On March 31, 2021, members of the board of directors and the executive management, respectively, own 300,935 and 133,739 shares in GN Store Nord.

On March 31, 2021, GN owns 12,391,460 treasury shares, equivalent to 8.7% of the 142,268,100 shares issued.

The GN stock is 100% free float, and the company has no dominant shareholders. APG Asset Management N.V. and BlackRock, Inc. have reported an ownership interest in excess of 5% of GN's share capital. Foreign ownership of GN is estimated to be around 70%.

Note 5 – Significant events and transactions in the quarter

During Q1 2021, GN has agreed to purchase the office building located at Lautrupbjerg 13, 2750 Ballerup from C.W. Obel Ejendomme A/S for a purchase price of DKK 196 million. GN currently leases a major part of the building which forms part of the corporate headquarter.

Statement by the Executive Management and the Board of Directors

Today, the board of directors and the executive management have reviewed and approved the interim report for GN Store Nord A/S for the period January 1 – March 31, 2021.

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

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

March 31, 2021 and of the results of the group's operations and cash flows for the period January 1 – March 31, 2021.

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

Ballerup, May 6, 2021

Executive Management

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

Gitte Aabo
CEO, GN Hearing

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

Board of Directors

Per Wold-Olsen
Chairman

Jukka Pekka Pertola
Deputy Chairman

Wolfgang Reim

Hélène Barnekov

Ronica Wang

Montserrat Maresch Pascual

Anette Weber

Leo Larsen

Morten Andersen

Marcus Stuhr Perathoner



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