

GN Store Nord's Audio division revises financial guidance for 2022

The financial guidance for 2022 is revised to reflect the impact of the worsened macroeconomic environment, lower consumer sentiment and general higher uncertainty which impacts the markets in which GN operates:

- A worsening of the consumer markets across GN Audio with an updated expectation that these markets will decline ~30% for 2022
- Although we are observing solid demand in the Enterprise market, we now expect lower than previously anticipated market growth in Q4

Guidance revision

- GN Audio organic revenue growth guidance is revised from "0-5%" to now "-7% to -5%"
- Reflecting the lower-than-expected revenue development and the further appreciating USD, GN Audio's adj. EBITA margin guidance is revised from "17-18%" to now "14-15%"
- As a consequence of the revised financial guidance for GN Audio, GN Store Nord revises the financial guidance on growth in adj. EPS from between -10% to 0% to now "around -30%"
- Acknowledging the current sentiment related to a potential recession, GN Audio is taking proactive and significant actions to reduce the cost base and defend the agility of the company. For this purpose, guidance for non-recurring items is increased by DKK -100 million relating to Q4 initiatives taking the 2022 non-recurring items from around DKK -400 million to around DKK -500 million
- All other guidance parameters are confirmed

Updated financial guidance 2022

| | Organic revenue growth | Adjusted EBITA margin ³⁾ | Non-recurring items (DKK million) ⁴⁾ | Growth in adjusted EPS ⁵⁾ |
|---|------------------------|-------------------------------------|---|--------------------------------------|
| GN Hearing | | | | |
| - Core business organic | 5-8% | ~14% | ~ -150 | |
| - Emerging Business ¹⁾ (DKK million) | | ~ -200 | | |
| GN Audio^{2) 6)} | | 14-15% | ~ -500 | |
| - GN Audio organic | -7% to -5% | | | |
| - SteelSeries | >-25% | | | |
| Other (DKK million) | | ~ -190 | | |
| GN Store Nord | | | | ~ -30% |

Note 1) Emerging Business mainly includes the Lively acquisition

Note 2) The SteelSeries organic revenue growth will be reported as M&A growth for GN Audio

Note 3) Excluding non-recurring items

Note 4) Non-recurring items in GN Hearing primarily related to supply chain investments (DKK ~ -150m) and in GN Audio related to transaction and integration costs (DKK ~ -200m) as well as non-cash PPAs (DKK ~ -200m), associated with SteelSeries and cost reduction measures (DKK ~ -100m)

Note 5) Compared to 2021 adjusted EPS (excluding non-recurring items and amortization and impairment of acquired intangible assets) of DKK 15.29

Note 6) Reflecting updated FX assumptions for 2022 following the significant appreciation of the USD since August 2022

Financial guidance based on foreign exchange rates as of November 2, 2022

Pre-release of preliminary key figures for Q3 2022:

- 0% organic revenue growth in GN Hearing in soft market conditions. Strong initial sales data from the launch of ReSound OMNIA boding well for strong performance and significant market share gains in Q4 2022
- GN Hearing adj. EBITA margin of 10.6% in the Core business impacted by higher freight and material costs and investments in launch activities
- -2% organic growth in GN Audio Organic driven by solid organic revenue growth in Enterprise of 7%, but offset by -34% organic revenue growth in the Consumer business
- Strong sequential improvement in SteelSeries leading to -13% organic revenue growth
- GN Audio adj. EBITA margin of 14.6%, reflecting investments in growth opportunities, higher freight and material costs, the development in FX and the consolidation of SteelSeries

| DKKm | GN Hearing | | GN Audio | |
|------------------------|---------------|-------------------|------------------|-------------|
| | Core business | Emerging business | GN Audio Organic | SteelSeries |
| Revenue | 1,495 | 59 | 2,551 | 596 |
| Organic revenue growth | 0% | 64% | -2%* | -13% |
| Adj. EBITA | 159 | -40 | 461 | |
| Adj. EBITA margin | 10.6% | | 14.6% | |

* +7% organic revenue growth in Enterprise and -34% organic revenue growth in Consumer

| DKKm | GN Hearing | GN Audio | Other | GN Store Nord |
|------------------------|------------|----------|-------|---------------|
| Revenue | 1,554 | 3,147 | | 4,701 |
| Organic revenue growth | 0% | -2% | | -1% |
| Adj. EBITA | 119 | 461 | -32 | 548 |
| Adj. EBITA margin | 7.7% | 14.6% | | 11.7% |

GN Store Nord will, as previously communicated, release its interim Q3 2022 report on November 11, 2022, with further details on the performance in Q3 2022 and will host a teleconference for investors and analysts on the same day.

Primary risk factors in relation to the financial guidance

Due to the COVID-19 pandemic, the global supply situation and the macro-economic environment – which impacts GN in many ways – it must be stressed that the basic assumptions behind the guidance remain more uncertain than normal. The situation is impacting GN's operational performance, predictability and visibility across markets, channels and supply chain.

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About GN

GN facilitates communication between people through intelligent hearing, audio, video, and gaming technology. Inspired by people and driven by our passion for innovation, we leverage technologies to deliver unique user experiences that bring people closer through the power of sound and vision.

GN was founded more than 150 years ago with a vision to connect the world. Today, we proudly honor that legacy with our world-leading expertise in the human ear, audio, video and speech, wireless technologies, software, miniaturization, and collaboration with leading technology partners. GN's solutions are marketed by the brands ReSound, SteelSeries, Jabra, Beltone, Interton, BlueParrott, Danavox and FalCom in 100 countries. Founded in 1869, the GN Group employs more than 7,000 people and is listed on Nasdaq Copenhagen (GN.CO).

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