

Interim Report Q1 2021: 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**

- 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

- 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

- 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

Quotes from executive management

Gitte Aabo, CEO of GN Hearing, comments: *“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.”

René Svendsen-Tune, CEO of GN Audio, comments: “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.”

Financial overview Q1 2021

DKK million	GN Hearing			GN Audio			GN Store Nord*		
	Q1 2021	Q1 2020	Growth	Q1 2021	Q1 2020	Growth	Q1 2021	Q1 2020	Growth
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 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%p	24.8%	17.4%	+7.4%p	18.3%	10.1%	+8.2%p
Earnings per share (EPS) - DKK							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"

Teleconference

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

For further information, please contact:

Investors and analysts

Henriette Wennicke
Vice President – Investor Relations & Treasury
Tel: +45 45 75 03 33

Or

Rune Sandager
Director – Investor Relations & Treasury
Tel: +45 45 75 92 57

Press and the media

Lars Otto Andersen-Lange
Head of Media Relations & Corporate Public Affairs
Tel: +45 45 75 02 55



About GN Group

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

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

Visit our homepage GN.com - and connect with us on [LinkedIn](#), [Facebook](#) and [Twitter](#).