



Annual Report 2022

GN Store Nord A/S



Integrated financial and ESG reporting

Building the technology of the future, sustainably

Over the past several years, sustainability has become increasingly integrated into GN's fundamental business strategy.

For the financial year 2022, GN therefore combines our reporting on financial and ESG (environmental, social, governance) performance in a single publication. This provides our investors and other stakeholders with a holistic view of GN's business, value drivers, strategy, governance, financial, and non-financial performance.

GN's sustainability strategy is driven by a desire to create real and lasting value for all our stakeholders. Therefore, sustainability is integrated into how we run our company, as a consideration in every decision we make. Accordingly, we have not set up a separate sustainability governance structure but use our existing business processes to drive this agenda, like sustainability is part of Executive Management's performance targets – and now also present this in one integrated annual report along with our business and financial performance.

At GN, we are proud of the positive difference our products make to society and people's lives. Our hearing instruments help our users lead better lives, while our audio and video solutions help our customers choose remote collaboration over carbon-emitting travel.

We continuously work on all environmental, social, and governance topics that are material to our business and processes, whether it is moving towards recycled material in products, nurturing a diverse and inclusive workforce, supporting children with hearing loss in low-income countries, or working with our suppliers on safeguarding human rights for everyone working in our value chain.

As the effects of the climate crisis are felt across the world, 2022 marked an important milestone in GN's ambition to reduce its carbon emissions in line with the scientific consensus on what is needed to keep global warming well below 2°C. Following our commitment to set science based targets in 2021, in November 2022, the Science Based Targets initiative formally approved our targets and plans to reach these.

This report covers our financial, environmental, social, and governance performance as well as our goals and strategies.

Reporting framework

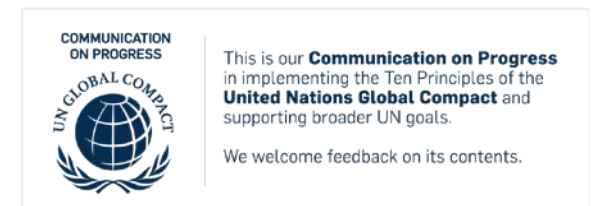
This integrated Annual Report 2022 for GN Store Nord A/S has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and covers the period January 1, 2022, to December 31, 2022.

The integrated Annual Report 2022 constitutes GN's corporate responsibility report 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.

Further to this report, GN's annual reporting consists of two additional reports:

GN's Remuneration Report 2022 prepared in accordance with section 139 (b) of the Danish Companies Act: www.gn.com/remuneration2022.

GN's statutory report on corporate governance, cf. section 107b of the Danish Financial Statements Act: www.gn.com/corporategovernance2022.



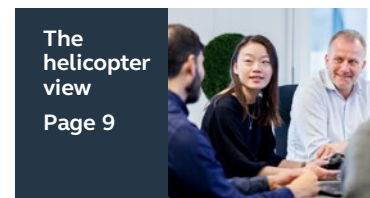
GN has been a member of UN Global Compact since January 14, 2010.



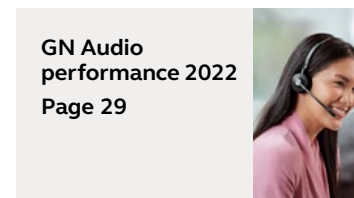
Table of contents

Management's report

Introduction	
2022 performance highlights	4
2022 key events	5
Chairman's foreword	6
Five year overview	8
The helicopter view	
Bringing people closer	10
Vision and strategy	11
Our business model	13
Innovation and ecosystem leadership	14
Global reach, local presence	15
Key business areas and product brands	16
Serving attractive markets	17
Financial guidance 2023	18
Financial performance	
Group performance 2022	21
GN Hearing performance 2022	24
The strongest hearing aid portfolio ever	27
Changing the rules of the hearing game	28
GN Audio performance 2022	
GN Audio's strongest product portfolio ever	29
Inclusive meetings in the hybrid workplace	32
Improve customer experiences with AI	33
Growing demand for FalCom's systems	34
Environmental performance	
Decarbonization	37
Circularity	38
Responsible manufacturing	39
Designing for sustainability	40
Social performance	
Diversity, equity, and inclusion	44
Supporting communities	46
Governance performance	
Ethics and human rights	48
Risk management	51
Corporate governance	55
Shareholder information	57



Board of Directors	
Executive Management	59
Consolidated ESG data	
Progress towards our 2025 ESG goals	62
ESG data	64
ESG data – climate related	65
ESG data – other	66
Frameworks, certifications, and ratings	68
Materiality matrix	70
Stakeholder engagement	71
Policy overview and governance	72
EU Taxonomy Regulation disclosure	73
TCFD index	74
Additional financial information 2022 (unaudited)	
Q4 financial highlights	76
Quarterly reporting by segment	78
Regional growth composition	81
Q4 segment disclosures	83



Statements

Consolidated Financial statements	
Income statement	86
Statement of comprehensive income	86
Balance sheet at December 31	87
Statement of cash flow	88
Statement of equity	89
Consolidated notes	90
Parent company Financial statements	
Statements	147
Parent Company notes	151
Statements	
Statements by the Executive Management and the Board of Directors	162
Independent Auditor's Reports	163
Independent limited assurance report on Selected ESG data	167



Remuneration
Report 2022

Corporate Governance
Report 2022

Other 2022 reports
www.gn.com/remuneration2022
www.gn.com/corporategovernance2022

GN Store Nord A/S
 Lautrupbjerg 7
 2750 Ballerup
 Denmark

+45 45 75 00 00
 info@gn.com
 www.gn.com
 Co.reg. no 24257843



2022 performance highlights



Financial highlights

Revenue (DKK)

-3% organic revenue growth vs 2021

18.7 bn

Adj. EBITA (DKK)

-19% vs 2021

2.2 bn

Free cash flow excl. M&A (DKK)

-1.3 bn

Adj. Earnings per share (DKK)

-31% vs 2021

10.54



ESG highlights

Environmental

Scope 1 and 2 emissions (tons CO₂e)

8,475

Scope 3 emissions (tons CO₂e)

530,190

Social

Number of people with hearing loss helped (million)

9.8

Supplier ESG audits

31

Governance

Women in senior management (%)

23%

AGM elected women on GN's Board (%)

66%

ESG ratings

MSCI

AA

Sustainalytics

13.2 (low risk)

CDP

B





2022 key events

GN stops all business activities and abandons Russia and Belarus due to Russia's war against Ukraine



Feb

First company-wide inclusion survey, where all employees could contribute to improvements in this area



Mar

Launching Jabra Engage 55, portable professional headset, designed for ultimate call security and quality



Apr

Launching Custom made by ReSound; advanced, rechargeable hearing aids for all day use



Jun

Launching ReSound OMNIA; hearing aids with 150% improvement in speech understanding in noise



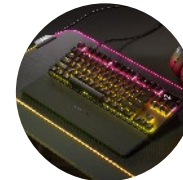
Jul

Introducing the newest addition to Jabra's true wireless range, the Jabra Elite 5



Sep

Launching the SteelSeries Apex Pro TKL series keyboards – even faster and more adjustable



Oct

Introducing Jabra Evolve2 Buds; professional, pocketable true wireless earbuds for hybrid and remote work



Nov

Changing of the guard in GN Audio – Peter Karlstromer takes over as CEO from René Svendsen-Tune



Jan



New ReSound ONE Behind-the-Ear hearing aids deliver world-class technology to people with moderate to severe hearing loss



Introducing Jabra Enhance Plus; earbuds for hearing enhancement and clearer conversations, music, and calls



GN hosts Meet-the-Management event giving investors and analysts a deeper insight into the business



SteelSeries produces a new level of excellence with the Arctis Nova Pro series



Introducing a new SteelSeries franchise – premium line of gaming speakers; the Arena 3, Arena 7, and Arena 9



Launching Jabra Engage AI, unique software for improving customer and agent experience in contact centers as a SaaS solution



In the U.S., Jabra Enhance Plus are now available over the counter (OTC), as new hearing aid regulation comes into effect



The Science Based Targets initiative validates and approves GN's new reduction targets for 2030 in line with the Paris Agreement



Launching next generation FalCom soldier system with audio and data enabled headsets and control units

Chairman's foreword

Enterprise, gaming, and now hearing products gain market share despite headwinds; targeted cost reduction programs initiated to counter challenging macro-environment

Multiple external factors presented GN with significant headwinds throughout 2022: War in Ukraine, soaring inflation, declining consumer confidence, looming recession. This came on top of continued COVID-19 market disturbances, supply chain challenges, foreign exchange headwinds, and very high freight costs – not to forget the global climate crisis, which we also need to address with responsible sustainability initiatives.

Still, GN delivered revenue of DKK 18.7 billion and adj. EBITA of DKK 2.2 billion. Organic growth was -3%, impacted by the macro-economic headwinds. That said, we managed to gain market share in this tough environment.

The acquisitions of Lively – now rebranded JabraEnhance.com – and SteelSeries are strategically important to GN Hearing and GN Audio, both doing very well in their market segments and present significant growth opportunities. The decision on how to fund the SteelSeries acquisition was taken in October 2021 under different macro-economic assumptions of growth and earnings from what we are now realizing with the war in Ukraine and its consequences on global markets and financing conditions.

In light of the current macroeconomic environment and GN's leverage, GN intends to raise gross proceeds of DKK 7 billion in the first half of

2023 through the issuance of new shares with pre-emptive rights for GN's shareholders. Proceeds from the Rights Offering will be used to strengthen GN's balance sheet and provide appropriate financial flexibility.

Also, facing the above-mentioned headwinds, GN, during 2022, took action across the Group to reduce our cost base, so we can come out of the current economic climate in a stronger financial position. This included reduction of inventory, targeted budget cuts, reduction of headcount, and every other relevant item in the expense base.

Multiple growth opportunities and strong market positions

When taking these decisions – including difficult ones such as having to let go of loyal employees – our guiding principles are to focus on GN's continued ability to innovate and to prioritize commercial excellence to capture the growth opportunities ahead. We continue to be uniquely well positioned for growth in very attractive markets when the world has normalized again.

GN Hearing - strongest product portfolio ever

The global hearing aid markets are now recovering post-pandemic, except in China. GN Hearing has successfully transformed its R&D organization and increased quality, predictability, and efficiency. The company has the strongest product portfolio ever, addressing all relevant segments with some of the best products in the industry – and a very strong roadmap for 2023. A testament to the strength of the portfolio is the recent meaningful increase in market share in the U.S. Veterans Affairs channel.

At the same time, a paradigm shift is underway in the world's largest hearing aid market, the U.S., with sales of hearing aids over-the-counter without medical prescription. While this new market will take some time to mature, we expect this to expand the hearing care market reaching people at a younger age – and GN Hearing is strongly

GN Hearing



Hearing market share gains in 2022

GN Hearing flagship product **ReSound OMNIA** rolled out globally during autumn 2022. Based on a new technology platform, these hearing aids address the No.1 challenge – hearing speech in noise – and delivers an outstanding 150% improvement in speech understanding. Customer reception and market share gains have been very strong.

GN Audio



Enterprise market share gains in 2022

Jabra Engage 55 is a portable professional headset, designed for ultimate call security with advanced technology and microphone performance that enables more employees to have meetings in the same space without interference. Jabra Engage 55 is one of the strongest performers in GN Audio's professional portfolio driving market share gains in the Enterprise segment.



Gaming market share gains in 2022

Arctis 7P+ is a **SteelSeries** bestseller, awarded best gaming headset, best wireless gaming headset and several other accolades important to the enthusiast gamer. This versatile quality gaming headset was one of the reasons SteelSeries continued to gain market share during 2022, despite the general downturn in consumer markets.



positioned with the JabraEnhance.com channel and the Jabra Enhance portfolio.

Additionally, GN Hearing is well positioned to capture growth and market share in the strategically important Managed Care Organizations in the U.S., which include major insurance carriers, Medicaid programs, healthcare benefit programs, and more. In Europe, GN Hearing delivered strong growth. Asia continued to be slowed by COVID-19, while we won an important tender as main supplier to the biggest single customer in Australia with over 100,000 hearing aids distributed per year commencing in early 2023.

These positive developments will allow GN Hearing to capture market share in the prescription-based hearing aid markets, which we already saw happening in late 2022, and in the emerging markets, where e.g. JabraEnhance.com delivered 73% organic growth.

GN Audio - strong market positions and growing markets

For GN Audio and its enterprise business, we also see lots of growth opportunities and very strong market positions. All the underlying trends driving our business are there, suffering a temporary setback, especially in markets directly impacted by consumer sentiments. We are taking share in professionals, contact center, and gaming, and still have a major opportunity ahead of us in video collaboration, which is one of the new sustained investment and growth areas.

Also, we are ready to further expand with our FalCom business, which provides integrated hearing protection and communications solutions for special operations, military, law enforcement, and security personnel who all depend on optimal perception in extreme environments.

And we aspire to address frontline workers as unified communication and collaboration is moving beyond the office with an estimated two billion workers potentially needing professional communication tools.

GN Audio right now offers the most comprehensive and competitive product portfolio ever. And we now see the supply chain issues around the world improving, so our growth will be supported by better product availability.

With the macro-environment continuing to be a challenge short term, we focus on our organizational readiness, transform our setup, and strengthen our portfolio in order to capture market share.

Changes to Executive Management and Board of Directors

As of January 2 this year, Peter Karlstromer joined as new CEO of GN Audio, following the retirement of René Svendsen-Tune. Together with GN Audio's strong leadership team, talented employees, and agile organization, the Board is convinced that Peter Karlstromer with his strong international leadership track record is well suited to take GN Audio further and take advantage of the great opportunities in front of us. The Board sincerely thanks René for his services to the company, among other, taking GN Audio from a marginal DKK 3.2 billion audio-only company to a world-leading DKK 12.5 billion market leading innovative technology company.

Further, GN in December 2022 announced Søren Jelert as new CFO for the GN Group, replacing Peter la Cour Gormsen when he leaves GN in Q2 of 2023. Peter has throughout seven years actively supported GN Audio's remarkable growth journey, for which the Board sincerely thanks him. We are very pleased to have attracted such an experienced and strong financial leader as Søren Jelert to take over as our new CFO.

Finally, at the Annual General Meeting in March, Jukka Pekka Pertola will be recommended to replace me as Chair of the Board. It has been my pleasure to serve this great company for the past 15 of its 150-year legacy – taking it from a loss-making DKK 6 billion revenue company in 2008 to a highly profitable DKK 18.7 billion company. I'm also pleased

that Klaus Holse has offered to stand for election as he will further strengthen the Board upon my departure.

Strategic direction confirmed

This Annual Report is our first to integrate reporting on our financial, environmental, social, and governance performance, documenting that we in 2022 also made significant progress on sustainability and diversity. As we confirm GN's strategic direction, focus, and priorities, the Board is confident that GN is well-equipped and positioned to weather the immediate storm and get back as a growth company as soon as the world has stabilized again. In difficult times, we will double down on our purpose of bringing people closer, working for the benefit of our customers, investors, and other stakeholders. GN has endured multiple world crises throughout its 153-year history, reinvented itself many times before, and today is more relevant than ever.

On behalf of the Board of Directors, I would like to thank our outgoing management for their dedicated service to the company over many years, and to bid welcome to our new management team that will take GN through the next chapters of the company's history. As I'm stepping down I would like to also express my sincere gratitude to my current and past colleagues on the Board, and to the thousands of engaged and talented GN managers and employees across the world who tirelessly – despite many challenges – work to benefit our customers with world-class products and services.

*Per Wold-Olsen,
Chairman of the Board*





Five year overview

DKK million	2018	2019	2020	2021	2022
GN Store Nord					
Revenue	10,607	12,574	13,449	15,775	18,687
Revenue growth	11%	19%	7%	17%	18%
Organic growth	13%	15%	9%	20%	-3%
Gross profit margin	62.0%	60.3%	54.3%	55.0%	48.9%
EBITA*	1,956	2,321	1,866	2,619	1,560
EBITA margin*	18.4%	18.5%	13.9%	16.6%	8.3%
Operating profit (loss)	1,796	2,002	1,627	2,397	1,111
Financial items, net	-203	-92	-6	-90	-405
Profit (loss) before tax	1,606	1,913	1,612	2,271	725
Effective tax rate	22.4%	23.3%	21.3%	21.2%	21.4%
Profit (loss) for the year	1,247	1,468	1,269	1,790	570
Total assets	13,017	16,683	16,682	23,552	30,589
Total equity	5,096	4,849	5,178	6,229	6,800
ROIC (EBITA*/Average invested capital)	24%	25%	19%	25%	9%
Earnings per share, basic (EPS)	9.25	11.12	9.72	13.63	4.00
Earnings per share, fully diluted (EPS diluted)	9.13	10.98	9.63	13.49	3.99
Investments in property, plant and equipment	-160	-232	-221	-457	-209
Free cash flow excl. company acquisitions and divestments	1,110	1,296	1,865	702	-1,291
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA*)	57%	56%	100%	27%	-83%
Equity ratio	39.1%	29.1%	31.0%	26.4%	22.2%
Net interest-bearing debt**	2,699	4,805	3,755	4,829	14,561
Net interest-bearing debt (period-end)/EBITDA	1.3	1.8	1.6	1.6	7.1
Payout ratio	16%	14%	16%	12%	-
Share buybacks***	1,061	1,626	453	1,166	-
Outstanding shares, end of period (thousand)	132,576	128,952	128,975	127,718	127,973
Average number of outstanding shares (thousand)	134,114	130,762	128,805	128,816	127,823
Average number of outstanding shares, fully diluted (thousand)	135,864	132,367	130,032	130,194	128,126
Treasury shares, end of period (thousand)	13,108	13,316	13,293	10,458	9,220
Share price at the end of the period	243.3	313.3	487.2	411.3	159.8
Market capitalization	32,256	40,401	62,837	52,530	20,444

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

Note: 2018 is not adjusted for changes related to IFRS 16

DKK million	2018	2019	2020	2021	2022
GN Hearing					
Revenue	5,833	6,351	4,725	5,332	6,227
Revenue growth	4%	9%	-26%	13%	17%
Organic growth	7%	7%	-24%	16%	5%
Gross profit margin	69.2%	69.0%	61.5%	63.8%	62.7%
EBITA*	1,194	1,284	41	643	453
EBITA margin*	20.5%	20.2%	0.9%	12.1%	7.3%
ROIC (EBITA*/Average invested capital)	19%	19%	1%	9%	5%
Free cash flow excl. company acquisitions and divestments	574	672	127	198	-377
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA*)	48%	52%	310%	31%	-83%
GN Audio					
Revenue	4,774	6,223	8,724	10,443	12,460
Revenue growth	20%	30%	40%	20%	19%
Organic growth	21%	26%	42%	22%	-7%
Gross profit margin	53.2%	51.5%	50.4%	50.6%	41.9%
EBITA*	905	1,192	2,002	2,164	1,299
EBITA margin*	19.0%	19.2%	22.9%	20.7%	10.4%
ROIC (EBITA*/Average invested capital)	59%	57%	81%	79%	17%
Free cash flow excl. company acquisitions and divestments	798	849	1,729	1,288	-91
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA*)	88%	71%	86%	60%	-7%

ESG summary

	2018	2019	2020	2021	2022
Environmental					
Scope 1 and 2 emissions (tons CO2e)	-	-	10,092	10,507	8,475
Scope 3 emissions (tons CO2e)	-	-	353,605	513,727	530,190
Social					
Number of people with hearing loss helped (m)	-	9.0	9.1	9.4	9.8
Supplier ESG audits	39	49	39	40	31
Governance					
Women in senior management (%)	20%	20%	21%	21%	23%
AGM elected women on GN's Board (%)	50%	40%	57%	57%	66%

The helicopter view

Bringing people closer	10
Vision and strategy	11
Our business model	13
Innovation and ecosystem leadership	14
Global reach, local presence	15
Key business areas and product brands	16
Serving attractive markets	17
Financial guidance 2023	18



Bringing people closer

GN's purpose guides the Group's business activities and how we work

For more than 150 years, GN has leveraged 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 – still with GN as innovation leader. In the 1940s, audio and hearing aid technology came into play. Recently, audio and video collaboration tools have become crucial in how we connect, communicate, and play.

All along, GN's focus has been on technology innovation with the purpose of **bringing people closer**.

Upholding our Great Nordic spirit

GN's founder, C.F. Tietgen, was inspired by creativity, innovation, and new ways of thinking – a Nordic spirit rooted in respect and compassion which meant he believed everyone had something to offer. Tietgen and his team started by connecting Europe and China via the telegraph, enabling communication and thus, also fostering understanding, empathy, and trust between people.

This trust led to further success, and inspired by its Nordic heritage, GN set out to help even more people connect, communicate, and collaborate. Today, GN touches more lives than ever, with the broadest portfolio of products and services in our history – all bringing people closer, fostering a sense of community, openness, and understanding.

This is what GN stands for – a spirit which we believe can make a world of difference, at a time when the world needs it most. It's Great Nordic.

Sustainable and inclusive mindset

As a globally operating company, a sustainable approach to business means an inclusive approach – welcoming and benefitting from the knowledge, skill, and wisdom from people of all ages, genders, nationalities, cultures, and creeds.

To the people of GN, this is not just a moral requirement, it is a business imperative. Our values are a critical enabler for us to achieve our purpose – **listening** to what everyone has to say, **challenging** the status quo, and striving to **transform** the world.

As the climate crisis intensifies, ensuring our children's future requires that we innovate and adapt. Business as usual is no longer good enough, as we must address the environmental, social, and governance challenges.

Our products help people lead healthier and happier lives, and collaborate in climate-friendly ways, while our business provides decent employment to thousands of people across our value chain.

To be fit for a future in which the needs of business are balanced with the needs of society, we will also reduce our carbon footprint. We will move towards a circular business model, protect human rights across our full value chain, govern our company in a responsible way, while diversity and inclusion are ingrained in everything we do.

We will only become fit for the future by bringing people closer, whether it's our customers, our business partners, our suppliers, or our employees. We need to work together, now more than ever.

Bringing people closer ... that is GN's reason for being



*Throughout 2022, a number of employees were interviewed about their views on working at GN. These testimonials were shared on social media under the banner of **We are GN** – some of these are reflected throughout this Annual Report 2022. Click on the photo to see the full interview.*

Vision and strategy

GN's core legacy built through generations is technology-driven enhancement of vital human senses – such as the senses of hearing and sight – with the underlying philosophy of bringing people closer.

With Bringing People Closer as our uniting purpose, GN today helps people with hearing loss overcome real life challenges, improves communication and collaboration for businesses, and provides great experiences for audio and gaming enthusiasts – all based on innovative technology-based enhancement solutions.

Strategic focus for the Group

GN's "Strategy for 2020 and beyond" – with updates announced in the Annual Report 2021 – defines the Group's direction for taking individualized customer experience to a whole new level, and:

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

Over the past several years, GN has been redefined from a hardware to a software-enabled company; repositioned from mainly being perceived as a hearing aid company to being a fully integrated sound processing company operating in the traditional hearing aid and headset spaces; and now further leveraging its technology platform in increasingly converging product categories to also being:

- an innovation leader in enterprise video collaboration
- a global leader in the high-end gaming gear space

- an innovation leader and uniquely positioned to become one of the leaders in the emerging OTC hearing aid market
- well-positioned to lead the emerging market addressing frontline workers' need for professional communication tools
- a strong player in integrated communication and hearing protection systems for the military space

GN maintains its proven growth model, focusing resources on being a dedicated developer, manufacturer, and distributor, refraining from vertical integration. 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.

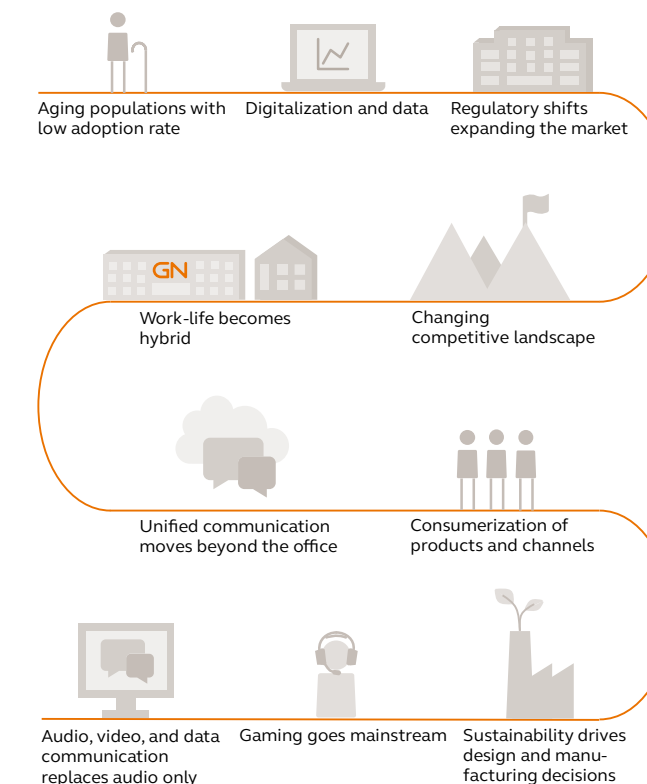
Utilizing its ability to transfer deep and complex technology between its diversified R&D organizations and drive synergies between its diversified go-to-market models, GN's commercial success builds on driving innovation leadership across multiple user segments in select attractive markets characterized by high growth and high entry barriers. This is further fueled by GN's continuous ability to spot the next market and develop relevant products to benefit from technology shifts and key megatrends.

Right now, we are well underway to realize the benefits of a fully integrated GN Group:

- Our R&D efforts and investments benefit all operating units
- Group procurement benefits all operating units
- Common logistical setup reducing cost and time-to-market
- Common IT infrastructure and security benefits all units

Key megatrends and strategic drivers

The growth of GN's hearing, audio, collaboration, and gaming business areas are supported by several strong and attractive megatrends that have accelerated in recent years as well as the emergence of new ones.



- Common back office functions support all operating units
- Common human resource management, tools, and processes for all

Upon this foundation the strategic focus areas for the operating units continues to center on how best to pursue profitable growth opportunities in the specific markets that they address:

Current strategic focus areas in the hearing space

- Modernize hearing care by building new ways of connecting hearing care professionals, consumers, and partners
- Digitize, simplify, and automate the supply chain
- Simplify the way we work and reduce complexity
- Accelerate through M&A and partnerships

Current strategic focus areas in audio, collaboration, and gaming

- Transform from an audio-only business to an audio, video, and gaming business
- Prioritize resources in Office, Collaboration, and Gaming – taking share in Consumer and Contact Center
- Broaden scope of the Office business unit beyond office headsets
- Accelerate through M&A and drive simpler ways of working

Integrated sustainability strategy with ambitious goals

GN's sustainability strategy is integrated into the business strategy to create real and lasting value. We continuously work on all material environmental, social, and governance topics. In the areas of climate, products and packaging, and health, our sustainability goals for 2025 provide a clear and ambitious direction.

Additionally, GN in 2022 set science-based targets to further reduce its own operational emissions (scope 1 and 2) by 80%, and its value chain emissions (scope 3) by 25% by 2030. These targets and our plans to reach them have been validated and approved by the Science Based Targets initiative.

Significant growth opportunities ahead

In the mid-term, GN will continue to invest in growth through innovation and harvest further synergies to deliver double-digit organic revenue growth rates. Driven by the top-line growth, we will return to our strong EBITA margin levels of more than 20% and double-digit growth in earnings per share.

GN pursues 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.

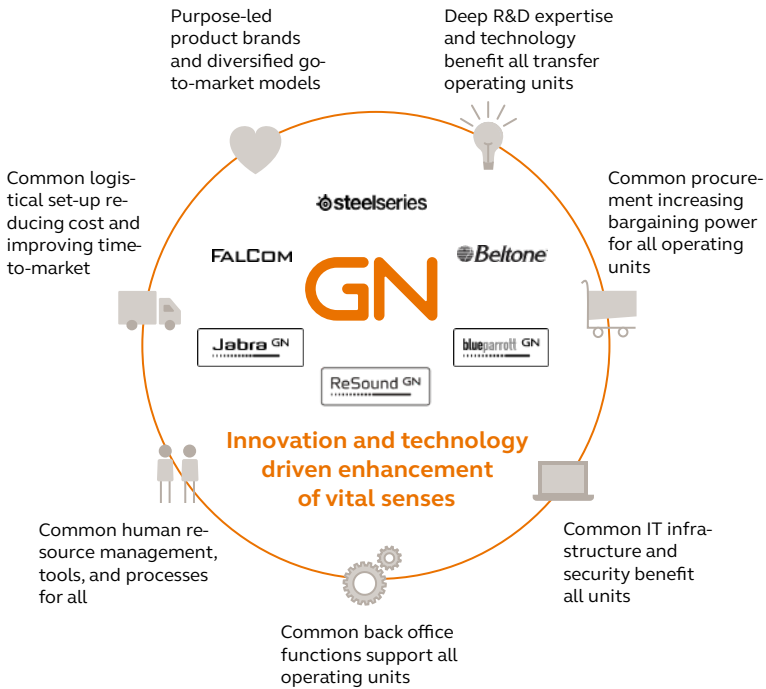
Mid-term targets

DKK million	Organic revenue growth	EBITA margin	Growth in EPS
GN Hearing (Excl. Emerging Business)	>market growth¹	>20%	
GN Audio (Incl. SteelSeries)	>market growth²	>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

GN synergies stronger than ever

Utilizing technology transfer and synergies from diversified R&D and go-to-market organizations to drive innovation leadership across multiple user segments.



Our business model

Impact across our value chain

Value chain

- ↑ Maximize positive impact
- ↓ Minimize negative impact

Value created

Customers

Individualized customer experiences – enabling people with hearing loss, consumers, and workers to hear more, do more, and be more

Employees

A great, safe, and rewarding place to work, providing a level playing field with equal opportunity for all and ensuring people and talent development at all levels

Community and environment

Pursuing responsible and inclusive business practices. Designing products, services, and operations in an environmentally conscious way. Sustaining thousands of jobs and paying significant corporate tax in countries where we operate

Investors

Deliver consistent high return on investment to shareholders via share price increase, dividend payment, and share buyback programs

Key resources

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

Key business areas

Advanced hearing technology

Innovative medical grade hearing aids and care solutions for all types of hearing loss; over-the-counter hearing enhancement for mild to moderate hearing loss

Professional collaboration

Audio, video, communication, and collaboration solutions for enterprises and organizations – in and beyond the office

Gaming, consumer calls, and media

Gaming audio and other gaming peripherals, consumer headsets and earbuds for calls and media consumption

↑ Maximize energy efficiency, switch to renewable energy

↓ Reduce emissions from operations, production, and distribution

↑ Provide good jobs; safeguard human rights across our value chain

↑ Promote gender equality, diversity, and inclusivity

↑ Enable millions of people to hear well again

↑ Innovate for effective remote collaboration: reduce business travel

↑ Traffic safety and wellbeing for drivers

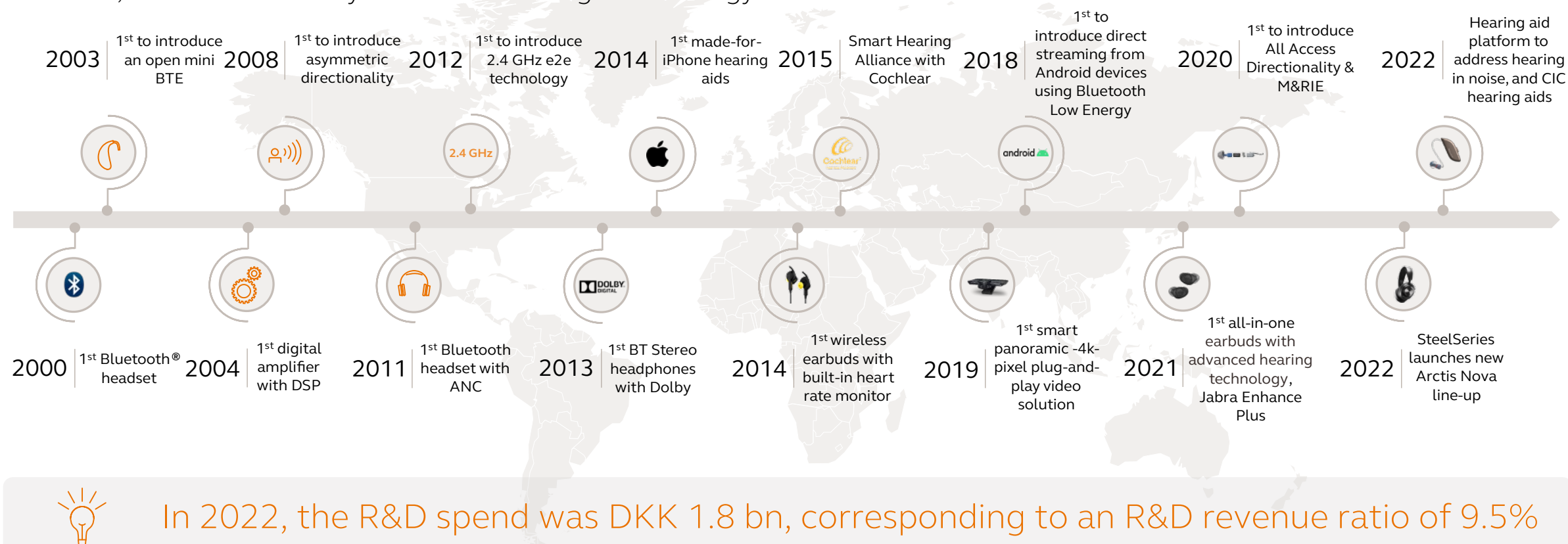
↑ Increase circularity: take-back schemes, recycling, and reuse

↓ Expand repair and refurbish programs: extend product lifespan

↓ Reduce consumption of raw materials; ensure responsible sourcing of minerals

Innovation and ecosystem leadership

GN's engineering capabilities in hardware and software for audio and video deliver unique and individualized customer experiences, enhancing vital human senses. To add to our own impact, we partner with leading channels, ecosystems, scientists, and other industry leaders to leverage technology and market access



Definitions: DSP: Digital Signal Processing; e2e: Ear to Ear; CIC: Completely-in-Canal.

Global reach, local presence

GN develops and manufactures innovative and intelligent audio and video communications solutions that are 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 commands a unique blend of leading expertise of the human ear, audio, video, speech, gaming, wireless technologies, software, and miniaturization.

In 2022, GN invested DKK 1.8 bn in research and development.



Manufacturing

GN has its global 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 mainly produced by carefully selected manufacturers in China and Southeast Asia, and most components are sourced from suppliers in Asia. GN Audio 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 organization in 30+ countries and operates via partners and distributors in another 70 countries.

GN's audio, video, and gaming products are sold via distributors and retailers in around 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.



Key business areas and product brands



Medical grade hearing technology



Highly advanced and innovative medical grade individualized hearing solutions sold globally via hearing care professionals



Leading hearing brand based on individual care and technically optimal hearing solutions – sold via 1,500 Beltone branded hearing care stores in the U.S. and via hearing care professional in select other markets



High-tech, all-in-one hearing enhancement earbuds to help users hear conversation, music, and calls in select situations and professional high-tech hearing aids that offer more choice and convenience for select direct-to-consumer channels



Value-based, affordable hearing solutions based on core GN technology sold via hearing care professionals in select markets



A complete medical grade hearing solution offering based on proven GN technology for hearing care professionals in specific markets only, often with geographic, partner, or channel exclusivity

Professional collaboration



Cutting-edge headsets, speakerphones, and video collaboration solutions to help people work in the way that suits them best, from the office to the home office and everywhere in between



Communication headsets for professional drivers and enterprise workers, providing superior call quality in high-noise environments, all-day comfort, and durability



Integrated hearing protection and communication solutions for special operations, military, law enforcement, and security personnel who all depend on optimal perception in extreme environments

Gaming



Innovative pioneer in premium software-enabled and system-integrated gaming gear

Consumer calls and media



Wireless earbuds and headphones for rich sound and crystal-clear calls, keeping people seamlessly connected to the people and content they love



GN builds on its core technology and engineering expertise to deliver innovative and relevant products and solutions that enhance business and personal productivity and well-being across multiple user segments with differentiating brands

Serving attractive markets

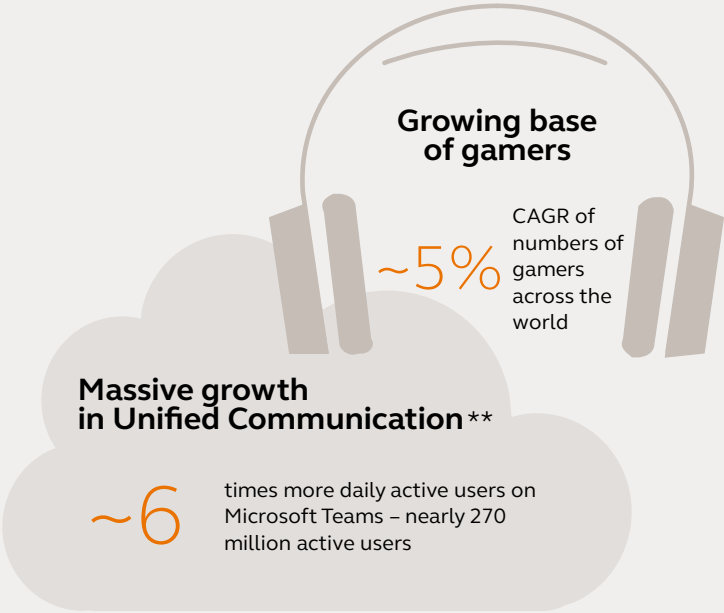
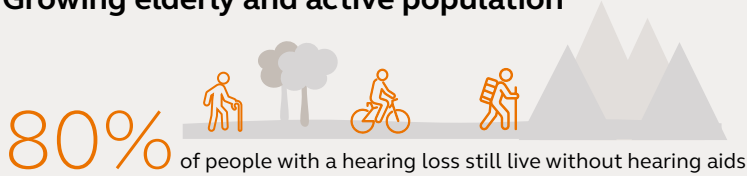
Driven by a unique portfolio of medical, professional, and consumer technology solutions, GN serves across attractive markets with high barriers of entry and multiple drivers of sustainable long-term growth

	Target users	Market characteristics	Market share
 Hearing aids*	Hearing aids for hearing impaired	Aging population and low penetration with hearing impaired	
 Hearing protection	Tactical hearing protection for defense and security	Hearing protection systems is a growing political need	
 Office	Office-based knowledge workers	From desk-phone telephony in private offices to UC&C in open offices	
 Contact center	“Calls for a living”	From desk-phones using on-premise infrastructure to laptop-based cloud calling	
 Collaboration	Plug-and-play collaboration	From built-in legacy equipment to UC&C-enabled plug-and-play solutions	
 Consumer	Preference for great calls, music, and an active lifestyle	From corded headbands to true wireless as the preferred form factor	
 Gaming	Premium software-enabled gaming gear	Growing base of gamers and low penetration of purpose-built gaming gear	

* Wholesale
** The growth in Microsoft Teams Unified Communication numbers is from pre COVID-19 levels (between late 2019 - early 2020) to current levels (beginning of 2022)
Sources: MarkeTrak, EuroTrak, GN estimates, Microsoft, NewZoo, The NPD Group Inc.

“ A growing, affluent, and aging world population, new digital communication trends, and a growing base of gamers offer opportunities for intelligent audio and video solutions

Growing elderly and active population





Financial guidance 2023

GN Hearing

In 2023, GN Hearing expects to continue to grow faster than the projected market growth. Due to the current macroeconomic environment, GN Hearing is projecting 1-3% market volume growth and -1% to -2% market ASP decline. It is currently expected that market growth will be higher in H2 2023 compared to H1 2023. Due to GN Hearing's current momentum and competitive product portfolio, an organic revenue growth between 2% to 8% driven by market share gains is expected for 2023.

Non-recurring items primarily relates to investments in the supply chain in the magnitude of DKK ~ -150 million expected in 2023 in order to restore profitability. For the core hearing aid business, the EBITA margin is expected to be between 13% to 16% for 2023 excluding non-recurring items. In the Emerging Business (including JabraEnhance.com (formerly Lively) and further investments into the digital space), GN Hearing will continue to invest, and with the expected strong topline growth, the EBITA impact for 2023 is expected to be DKK ~ -150 million.

The GN Hearing financial guidance is based on the following assumptions for Q1 2023:

- Revenue: Q1 2023 organic revenue growth is assumed to be within the 2-8% guidance
- EBITA: Q1 2023 EBITA margin assumed to be mid-single digit (excluding non-recurring items) due to seasonality and launch costs. The EBITA margin is expected to improve in H2 2023 due to operating leverage

GN Audio

In 2023, GN Audio expects to continue to grow faster than the market. The uncertainties arising from the current macroeconomic environment are expected to negatively impact the market growth. GN Audio is expecting organic revenue growth between -10% to +5%. The EBITA margin is expected to be 10% to 15% for 2023, excluding non-recurring items. This reflects an expectation of gaining market share in a challenging market environment and continued cost prudence.

In order to further reduce the cost base, GN Audio is expecting non-recurring items of DKK ~ -150 million in 2023 in relation to cost reduction measures.

The GN Audio financial guidance is based on the following assumptions for Q1 2023:

- Revenue: Q1 2023 organic revenue growth is assumed to be negative due to challenged market conditions
- EBITA: Q1 2023 EBITA margin assumed to be mid-single digit (excluding non-recurring items) due to the topline development and investment in launch activities. The EBITA margin is expected to improve in H2 2023 due to improvement in operating leverage

GN Store Nord

For full year 2023, GN Store Nord consequently expects organic revenue growth of -6% to +6% in 2023, while EBITA in "Other" is expected to be DKK ~ -200 million.

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, 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).

The securities offered will not be and have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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



Primary risk factors in relation to the financial guidance

Due to the COVID-19 pandemic, the global supply situation, worsened macroeconomic environment, lower consumer sentiment, and general higher uncertainty – which impact 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.

The basic assumptions behind the guidance remain more uncertain than normal. Primary risk factors include inflationary pressures, consumer sentiment and general economic uncertainty. GN's supply chains, including component sourcing and local and geopolitical instability and deteriorating trade relations may impact key suppliers and GN's operations.

Financial guidance 2023

	Organic revenue growth	Adjusted EBITA margin ²⁾	Non-recurring items (DKK million)
GN Hearing	2% to 8%		
- Core business organic		13% to 16%	~ -150
- Emerging Business ¹⁾ (DKK million)		~ -150	
GN Audio	-10% to +5%	10% to 15%	~ -150
Other (DKK million)		~ -200	
GN Store Nord	-6% to +6%		~ -300

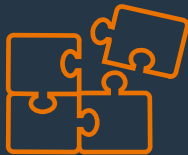
Note 1) Emerging Business mainly includes the JabraEnhance.com (formerly Lively)

Note 2) Excluding non-recurring items

Based on foreign exchange rates as of February 9, 2023

Financial performance

Group performance 2022	21
GN Hearing performance 2022	24
The strongest hearing aid portfolio ever	27
Changing the rules of the hearing game	28
GN Audio performance 2022	29
GN Audio’s strongest product portfolio ever	32
Inclusive meetings in the hybrid workplace	33
Improve customer experiences with AI	34
Demand increases for FalCom’s systems	35



Capital structure review concluded

-3%

Organic revenue growth

214
DKK million in
shareholder distribution

-31%
Adj. EPS growth

11.6%
Adj. EBITA margin

Group performance 2022

Revenue

In 2022, like in 2021, GN was significantly impacted by external factors outside of Management's control: War in Ukraine, soaring inflation, declining consumer confidence, looming recession, supply chain challenges, foreign exchange headwinds, and continued COVID-19 market disturbances. Despite this, GN increased revenue by 18% to DKK 18,687 million compared to DKK 15,775 million in 2021. Organic revenue growth was -3%, compared to 20% in 2021.

The impact from M&A was around 16%, primarily reflecting SteelSeries and JabraEnhance.com (formerly Lively), while the impact of the development in foreign exchange rates was around 5%.

The revenue growth reflects strong execution and market share gains across business segments in challenged markets.

Earnings

GN Store Nord's adj. EBITA was DKK 2,166 million in 2022 compared to DKK 2,664 million in 2021. The decline was primarily driven by the constrained supply situation particularly in the beginning of the year, reduced consumer sentiment, the acquisitions of JabraEnhance.com and SteelSeries, as well as unfavorable development in foreign exchange rates and increased freight cost.

EBITA in Other amounted to DKK -192 million in 2022, compared to DKK -188 million in 2021 due to prudent cost management. 2022 earnings correspond to an adj. EBITA margin of 11.6% compared to 16.9% in 2021.

Reported EBITA was DKK 1,560 million, reflecting non-recurring items of DKK -606 million due to supply chain initiatives in GN Hearing and the non-recurring items related to SteelSeries as well as cost reduction measures.

In 2022, amortization of acquired intangible assets amounted to DKK -440 million compared to DKK -226 million in 2021 reflecting the consolidation of SteelSeries. Financial items were DKK -405 million in 2022 (of which DKK -18 million were non-recurring) compared to DKK -90 million in 2021, primarily driven by financing costs relating to the SteelSeries acquisition.

In 2022, share of profit (loss) in associates was DKK 19 million compared to DKK -36 million in 2021. Gain (loss) on divestment of operations etc. was DKK -9 million in 2022 compared to DKK 4 million in 2021. Adj. profit before tax was DKK 1,349 million in 2022 (reported profit before tax was DKK 725 million) compared to DKK 2,316 million in 2021. The effective tax rate was 21.4%, translating into an adj. net profit of DKK 1,060 million in 2022 (reported net profit of DKK 570 million) compared to DKK 1,825 million in 2021.

Free cash flow

Free cash flow excl. M&A was DKK -1,291 million in 2022 compared to DKK 702 million in 2021, mainly driven by significant inventory build-up, particularly in GN Audio incl. SteelSeries, lower earnings, and investments in growth through financial support agreements. Inventory build-up is a consequence of the previously challenging global supply situation and the current macro-economic challenges.

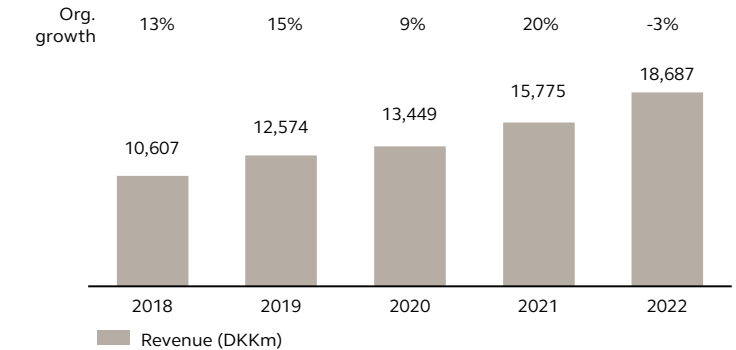
Other performance indicators

Adj. earnings per share (adj. EPS) was DKK 10.54 in 2022 compared to DKK 15.29 in 2021, translating into a growth of -31%, in line with the updated financial guidance. The reported EPS ended at DKK 4.0. The return on invested capital (ROIC) was 9% in 2022 compared to 25% in 2021.

By the end of 2022, equity in GN Store Nord amounted to DKK 6,800 million, compared to DKK 6,229 million in 2021. The increase was primarily driven by the net profit generated in the year.

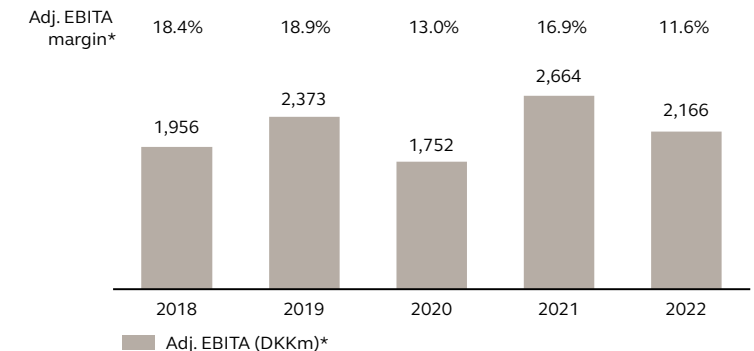
Revenue (DKKm) and organic revenue growth

GN Store Nord



Adj. EBITA (DKKm) and Adj. EBITA margin

GN Store Nord



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

Capital structure

Net interest-bearing debt ended at DKK 14,561 million in 2022 compared to DKK 4,829 million by the end of 2021, mainly driven by the SteelSeries acquisition. As a result, the adj. leverage ended at 5.5x. Reported leverage ratio was 7.1x reflecting the DKK -606 million non-recurring items.

In September 2022, GN signed a three-year EUR 520 million term loan with its commercial banking group to cover its short-term funding requirements, while a new combined EUR 110 million R&D loan from EIB and KfW was signed in November 2022. By the end of 2022, GN had cash and cash equivalents of DKK 990 million.

In line with the last couple of years, GN continues to proactively secure a diversified funding profile. The diverse 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 short-term Euro Commercial Paper Program, bilateral loan facilities provided by EIB, KfW and the commercial banking group, as well as uncommitted bank facilities including overdraft lines.

In accordance with our announcement on November 11, 2022, GN has conducted a comprehensive review of the appropriate capital structure.

In light of the current macroeconomic environment and GN’s leverage, GN has announced that it intends to raise gross proceeds of DKK 7 billion in the first half of 2023 through the issuance of new shares with pre-emptive rights for GN’s shareholders (the “Rights Offering”).

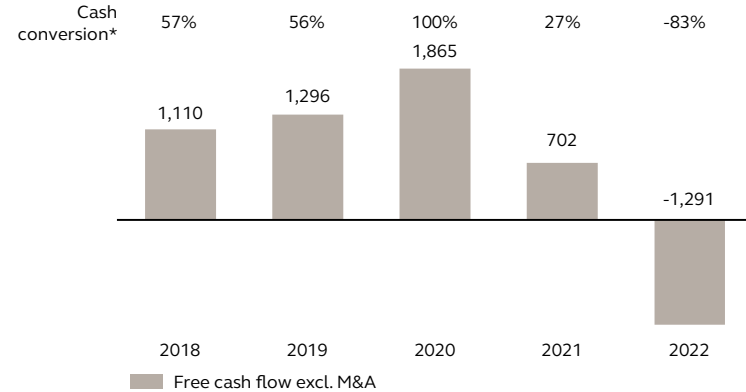
Proceeds from the Rights Offering will be used to strengthen GN’s balance sheet and provide appropriate financial flexibility.

With these actions we are confirming our commitment to the capital structure policy with a target of 1-2x NIBD/EBITDA, which we plan to reach in the short term.

GN has entered into a standby underwriting letter and, as such, the Rights Offering is, subject to certain customary conditions, fully underwritten by a syndicate of banks. In connection with the Annual General Meeting on March 15, 2023, GN’s Board of Directors plan to seek authorization to increase the share capital with pre-emptive rights for the existing shareholders.

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

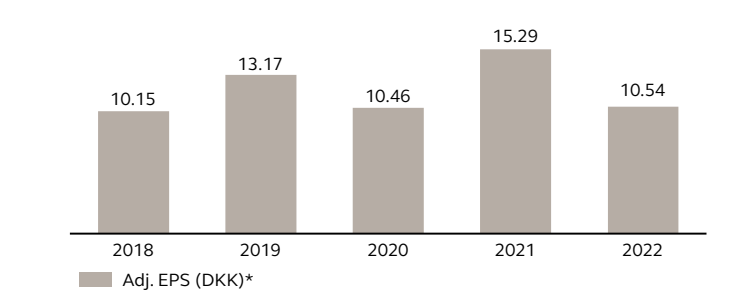
GN Store Nord



* Free cash flow excl. M&A / EBITA

Adj. Earnings per share (EPS)

GN Store Nord



* Excluding non-recurring items and amortization of acquires intangible assets

Dividend and share buyback program

In 2022, GN distributed DKK 214 million to shareholders through a dividend payment. In March 2022, GN paid out DKK 1.55 per share in respect of the fiscal year 2021, as approved at the Annual General Meeting in 2022.

Due to the acquisition of SteelSeries as announced in October 2021, GN Store Nord's share buyback program has been paused for the time being.

As a consequence of the concluded capital structure review, GN will not pay out a dividend in respect to the financial year 2022. As GN's

capital structure policy is confirmed, GN expects to return making dividend payments, once the leverage is back within the long-term target.

Financial overview 2022

DKK million - 2022	GN Hearing			GN Audio		
	GN Hearing	Core business	Emerging business	GN Audio	GN Audio organic	Steel-Series
Revenue	6,227	6,022	205	12,460	10,143	2,317
Organic growth	5%	5%	73%	-7%	-7%	-19%
Adj. EBITA**	599	786	-187	1,759		
Adj. EBITA margin**	9.6%	13.1%		14.1%		

DKK million	Group total*			GN Hearing			GN Audio		
	2022	2021	Growth	2022	2021	Growth	2022	2021	Growth
Revenue	18,687	15,775	18%	6,227	5,332	17%	12,460	10,443	19%
Organic growth	-3%	20%		5%	16%		-7%	22%	
Adj. Gross profit**	9,384	8,682	8%	3,963	3,400	17%	5,421	5,282	3%
Adj. Gross profit margin**	50.2%	55.0%	-4.8%p	63.6%	63.8%	-0.2%p	43.5%	50.6%	-7.1%p
Adj. EBITA**	2,166	2,664	-19%	599	643	-7%	1,759	2,209	-20%
Adj. EBITA margin**	11.6%	16.9%	-5.3%p	9.6%	12.1%	-2.5%p	14.1%	21.2%	-7.1%p
Adj. Earnings per share (EPS)***	10.54	15.29	-31%						
Free cash flow excl. M&A	-1,291	702	NA	-377	198	NA	-91	1,288	NA

* Including "Other"

** 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 -45 million in OPEX in GN Audio) in 2021

*** Excluding non-recurring items (DKK -624 million in 2022 and DKK -45 million in 2021) and amortization of acquired intangible assets

"We strive to get the best out of every product. We innovate and we raise the bar."

GN Hearing performance 2022

5%

organic revenue growth

Revenue of DKK 6.2 bn



Organic revenue growth
by region

0%

North America

10%

Europe

8%

Rest of World

13.1%

Adj. EBITA margin

Adj. EBITA of DKK 0.8 bn
in Core business

10%

R&D investment

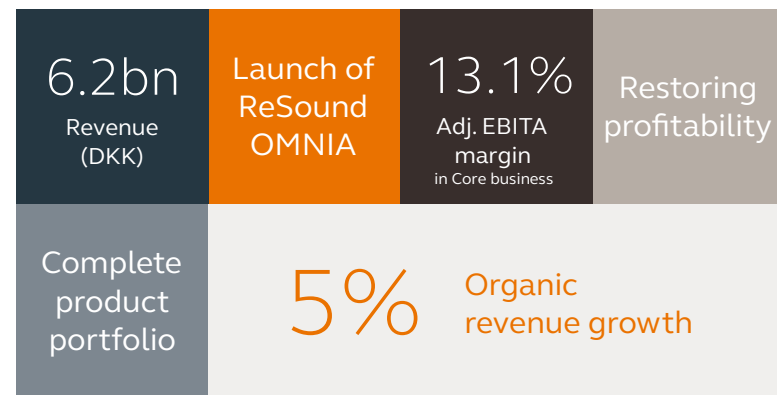
(percentage of revenue)



Launch of
ReSound OMNIA



GN Hearing



Revenue

GN Hearing delivered 5% organic revenue growth in 2022 which was in line with the financial guidance. Revenue growth was 17% including around 7% impact from the development in foreign exchange rates and around 5% impact from M&A. The Emerging business (JabraEnhance.com) delivered 73% organic revenue growth. The revenue in 2022 reached DKK 6,227 million, compared to DKK 5,332 million in 2021.

The hearing aid market continued to be impacted by COVID-19 although at different magnitudes across countries, depending on the level of local restrictions. Most countries also experienced some softness due to reduced consumer sentiment. The launch of the new flagship product ReSound OMNIA delivered strong growth in the second half of the year, particularly in the fourth quarter, and was the main reason for strong market share gains in 2022.

North America

The hearing aid market in North America was soft in the second half of 2022, with volumes slightly below 2021, although the managed care

segment showed solid growth. GN Hearing's organic revenue growth was 0% in 2022 driven by solid performance in the independent market with ReSound OMNIA. The performance in the U.S. Veterans Affairs (VA) was in most of the year negatively impacted by challenging conditions in the channel, however, positively affected by good reception of ReSound OMNIA launched in November. In Costco, new product launches further strengthened GN Hearing's position in the branded segment by the end of the year. Growth in Costco was, however, negatively impacted by the ASP development in the channel. Revenue growth in North America was 16% including around 13% impact from the development in foreign exchange rates and around 3% impact from M&A.

Europe

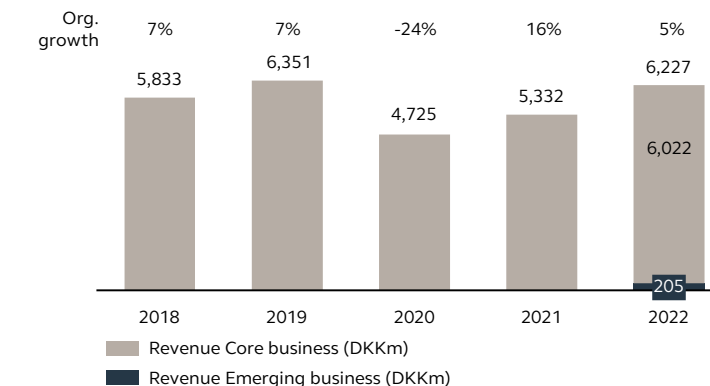
In Europe, GN Hearing delivered strong organic revenue growth of 10% primarily driven by Germany, UK, and Southern Europe and further supported by larger than normal revenue from GN Hearing's key strategic partner, Cochlear. The strong growth was achieved despite GN's decision to suspend all sales to Russia. Revenue growth was 22% including around 1% impact from the development in foreign exchange rates and around 11% impact from M&A reflecting a retail ownership in transition.

Rest of World

The Rest of World region continued to be impacted by COVID-19 at varying degrees depending on the level of local restrictions with especially China affected during 2022. Despite impact from COVID-19 in China, organic revenue growth in the Rest of World region was 8%. Revenue growth was 12% including around 4% impact from the development in foreign exchange rates.

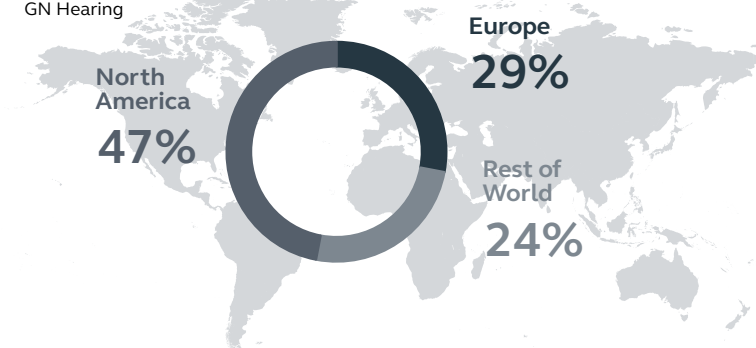
Revenue (DKKm) and organic revenue growth

GN Hearing



Revenue distribution

GN Hearing



Earnings and other financial highlights

GN Hearing’s adj. gross profit reached DKK 3,963 million in 2022 corresponding to an adj. gross margin of 63.6% compared to 63.8% in 2021. The adj. gross margin was negatively impacted by elevated freight costs, increased material costs, and was off-set by pricing initiatives.

In 2022, GN Hearing continued to take prudent OPEX measures to manage costs. Excluding non-recurring items, OPEX increased 22% to DKK 3,364 million, compared to DKK 2,757 million in 2021. This was driven by investments in launch activities, foreign exchange rate impact and consolidation of the JabraEnhance.com (formerly Lively) acquisition as well as a retail-in-transition acquisition in Q2 2022.

Adj. selling and distribution costs increased by 40% reflecting JabraEnhance.com, retail-in-transition, additional launch costs, and foreign exchange rates. Adj. R&D costs decreased by 6% compared to 2021, primarily driven by timing effects. Adj. general and administrative costs decreased by 4% due to prudent cost management. Other operating income amounted to DKK -70 million in 2022 compared to DKK -27 million in 2021 due to foreign exchange hedging.

GN Hearing’s adj. EBITA was DKK 599 million, with the Core business delivering adj. EBITA of DKK 786 million corresponding to an adj. EBITA margin of 13.1%, which was in line with the financial guidance. The Emerging business, primarily JabraEnhance.com, delivered an EBITA of DKK -187 million. Reported EBITA amounted to DKK 453 million reflecting non-recurring items of DKK -146 million in 2022.

The return on invested capital (ROIC) was 5% in 2022 compared to 9% in 2021, mainly driven by lower reported EBITA as a reflection of JabraEnhance.com and launch activities.

Free cash flow excl. M&A was DKK -377 million in 2022 compared to DKK 198 million in 2021. The free cash flow excl. M&A reflects the

earnings level as well as investments into future growth opportunities and strategic financial support agreements. During 2022, certain projects have been initiated internally to significantly reduce working capital in order to return to delivering strong cash flows in the future.

Business highlights

Hearing Australia tender

In October 2022, GN Hearing won a tender to be main supplier for hearing aids and ear moulds to Hearing Australia for five years with an extension option for further five years. Hearing Australia is the biggest single customer in Australia with over 100,000 hearing aid units distributed per year. The contract is expected to come into force Q1 2023.

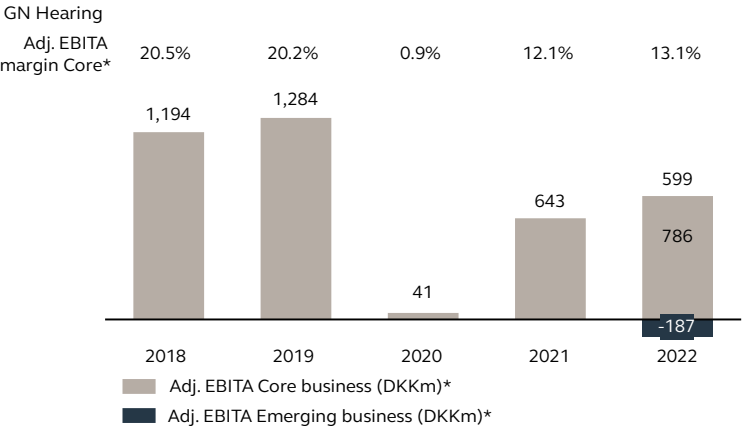
Restoring profitability and non-recurring items

As communicated, GN Hearing expects the Core business to restore profitability to an EBITA margin of more than 20% in 2024, driven by above-market revenue growth and several operational initiatives, primarily related to the supply chain. With a focus to digitalize, simplify and automate the supply chain, GN outsourced GN Hearing’s UK distribution setup to an external partner operating out of the Netherlands. To accelerate the initiatives and restore profitability, GN Hearing incurred DKK ~ -146 million in non-recurring items in 2022.

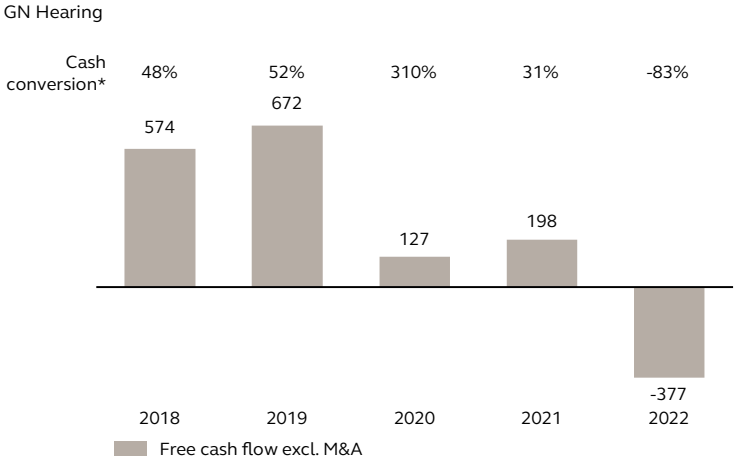
GN Hearing non-recurring items

(DKK million)	2022	2021
Revenue	-	-
Production costs	-56	-
Gross profit	-56	-
Development costs	-7	-
Selling and distribution costs	-54	-
Management and administrative expenses	-29	-
Other operating income and costs, net	-	-
EBITA	-146	-

Adj. EBITA (DKKm) and Adj. EBITA margin



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



The strongest hearing aid portfolio ever

Completely new line-up of products addresses key needs for all with hearing difficulties

Innovation at GN focuses on delivering customer-centric products and experiences – listening to and understanding customers' true needs. In line with this philosophy, GN Hearing during 2022 and into 2023 launched five new product lines addressing the specific, yet very diverse requirements in five different customer segments.

GN Hearing's portfolio now offers a completely new line-up across all form factors and for all users – whether they want:

- uncompromised hearing
- a reliable and robust hearing aid
- an earbud experience
- discreet above all
- or a solution for occasional use

With this portfolio, GN Hearing both expands the hearing aid market as well as provides customers in existing market segments with new and more technologically advanced hearing solutions.

Advancing in the prescription based market

GN Hearing's core business is delivering hearing aids for individuals with mild to profound hearing loss. Most of them elderly, and in most cases with a hearing care professional as the most important stakeholder in the decision about which product to choose, and the fitting experience highly supported by a physically present hearing care professional.

In 2022, we introduced ReSound OMNIA which sets a new standard in hearing technology, improving the way people with hearing loss interact with the world through better 'hearing in noise'. 86% of people who wear hearing aids describe hearing in noise as the key challenge. ReSound OMNIA has been engineered to deliver a 150% improvement to speech understanding in noisy environments¹.

ReSound OMNIA sounds natural, feels natural, and helps people connect naturally to the world. The product also offers the most natural 'own voice' perception, so users can join in on conversations without being distracted by the sound of their own voice. ReSound OMNIA is created for people with mild to profound hearing loss. Customer and market reception has been very positive.

For people with moderate to profound hearing loss, we introduced the ReSound OMNIA Behind-the-Ear (BTE), aimed at hearing aid users who want improved technology in reliable and robust hearing aids. For people diagnosed with mild to severe hearing loss who want the earbud experience or very discreet hearing aids, we expanded the portfolio with two types of custom hearing aids based on the ReSound OMNIA technology – In-the-Ear (ITE) and Completely-in-Canal (CIC).

Expanding the hearing aid market

For the new over the counter (OTC) hearing aid market in the U.S., we launched the Jabra Enhance Plus earbuds (see more on the next page).

Further, with the acquisition in December 2021 of JabraEnhance.com (formerly Lively), GN Hearing is expanding the market with the leading online hearing care platform, enabling consumers to explore, purchase and receive hearing care in the U.S. from home. Combining Jabra's renowned brand for audio expertise and sound engineering with JabraEnhance.com's tradition for innovative telehealth and a digital-care-first model will accelerate making hearing care more accessible and affordable for millions of Americans.

Wants uncompromised hearing



Mild-to-profound hearing loss

Age 18-75



ReSound OMNIA RIE in different styles

Wants reliable and robust



ReSound OMNIA Power BTE

Moderate-to-profound hearing loss

Age 70+



Wants earbud experience



Mild-to-severe hearing loss

Age 50-75



ReSound OMNIA Custom ITE/ITC

Wants discreet above all



ReSound OMNIA CIC

Mild-to-severe hearing loss

Age 50-75



Wants occasional use



Self-diagnosed

Age 18-75



Jabra Enhance Plus

¹compared to previous generations

Changing the rules of the hearing game

Empowering millions to begin their hearing health journey

In October 2022, the world's largest hearing aid market, the U.S., opened for sales of hearing aids over the counter (OTC). Initial consumer interest, media coverage, and debate have been intense.

Although OTC marks a paradigm shift which fundamentally changes the rules of the game in hearing care, it is expected to take time for this new OTC market to mature.

However, several major retailers – Best Buy, Amazon, Walgreens, and more – embrace the new opportunity and now offer Americans with mild to moderate hearing loss new ways to improve their hearing without having to go through a prescription process.

Significant market and health opportunity

Only one in five people who could benefit from hearing improvement wears hearing aids. An estimated 50 million Americans find themselves with some degree of hearing loss but have not yet sought or found the right solution.

Untreated hearing loss makes it difficult to communicate and socialize, ultimately impacting overall health and well-being. Despite the fact that 96% of hearing aid users report improved quality of life¹, there is still much stigma on wearing hearing aids.

GN has welcomed this new regulation as it provides access to help for many more people with a hearing disability. With our vision to modernize hearing care through innovation that overcomes the barriers many have, GN's first OTC offering was launched immediately following the market opening in online and retail stores nation-wide.

Not a typical hearing aid

Launched under the Jabra brand – well-known for high-quality consumer electronics – Jabra Enhance Plus are miniaturized true wireless earbuds that deliver a 3-in-1 experience of hearing enhancement, music, and calls. By combining GN's medical and consumer audio expertise, Jabra Enhance Plus offers a modern and discreet earbud design for people with perceived mild-to-moderate hearing loss, acknowledging hearing difficulties, but not yet ready for traditional hearing aids. The earbuds are unique, different, and inviting for new target audiences.

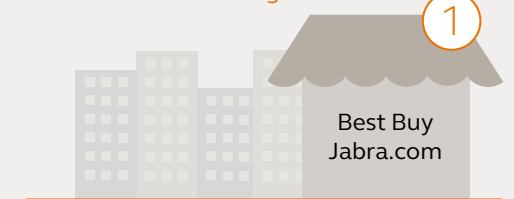
Three options provide choice

With the OTC regulation, consumers now have the option of getting a hearing enhancement product easier than previously. GN is proud to offer a variety of options to Americans looking to address their hearing health:

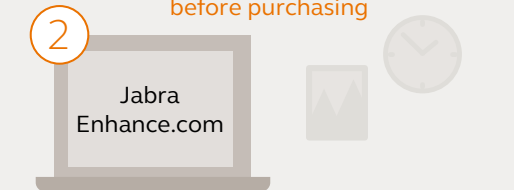
1. Even without a hearing assessment and prescription, consumers can buy Jabra Enhance Plus online at Amazon, Jabra.com, or retailers such as Best Buy in stores across the U.S.
2. For people who would like support by a professional before purchasing, but prefer it to be easy and convenient, JabraEnhance.com (formerly Lively) offers consumers online support by audiologists, ensuring a product that fits their needs.
3. People who prefer in-person professional support can visit one of the many ReSound or Beltone Hearing Care Professionals across the U.S. Here, consumers can get their hearing tested by a hearing care professional to ensure they have a reliable and robust hearing solution that fits their ears.

Offering three options to address hearing health

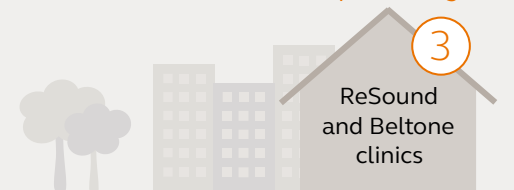
Buy product online or in-store without a hearing assessment



Get online support by a professional before purchasing



Get in-person support by a Hearing Care Professional before purchasing



¹EuroTrak pooled data GER, FRA, UK, 2018: Hearing aid owners



GN Audio performance 2022

-7%

organic revenue growth

Revenue of DKK 12.5 bn



Organic revenue growth
by region

-19%	-1%	-6%
North America	Europe	Rest of World

14.1%

Adj. EBITA margin

Adj. EBITA of DKK 1.8 bn

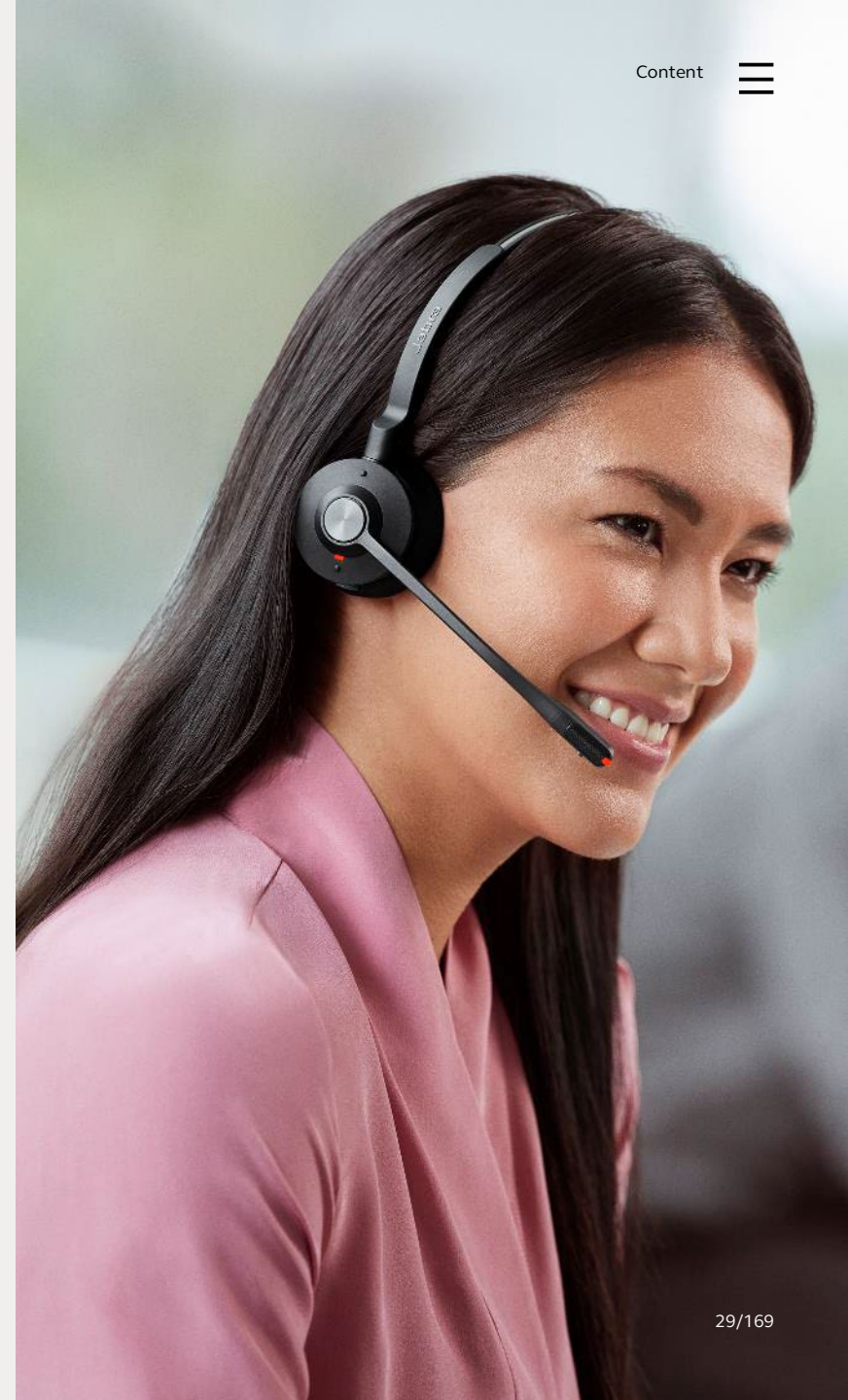
9%

R&D investment

(percentage of revenue)

SteelSeries

Successfully
integrated



GN Audio



Revenue

GN Audio delivered -7% organic revenue growth in 2022, compared to organic growth of 22% in 2021, in line with the updated financial guidance. The decline was driven by a -37% organic revenue growth in the Consumer segment partly offset by 0% organic revenue growth in Enterprise despite significant constraints from an improving yet challenging global supply chain situation. GN Audio continues to deliver market share gains, driven by the world-leading product portfolio and strong channel execution. The total revenue in GN Audio in 2022 reached DKK 12,460 million, compared to DKK 10,443 million in 2021.

SteelSeries delivered organic revenue growth of -19% while gaining market share in a significantly declining market, impacted by low consumer sentiment. Market share gains were driven by the strong and updated product line-up including category expansion into gaming speakers. Sell-out growth for SteelSeries was much stronger than sell-in due to the generally significant channel reduction across retailers impacting many different product categories. Revenue growth was 19% including a 22% impact from M&A, reflecting SteelSeries.

The impact from the development in foreign exchange rates was around 4%.

North America

GN Audio delivered -19% organic revenue growth driven by soft Enterprise markets, weak consumer business, and significant supply challenges particularly in the beginning of the year. Revenue growth was 26% including around 10% impact from the development in foreign exchange rates and around 35% impact from M&A, reflecting the SteelSeries acquisition.

Europe

In Europe, GN Audio delivered organic revenue growth of -1% with strong performance in, among other, Germany and the UK. The development also reflects GN's decision to suspend all sales to Russia. The organic revenue growth was negatively impacted by the supply challenges particularly in the beginning of the year as well as a weak performance in the consumer business. Revenue growth was 12% including around 13% impact from M&A and no impact from the development in foreign exchange rates.

Rest of World

In the Rest of World region, GN Audio delivered -6% organic revenue growth with strong performance in, among other, India, while also being negatively impacted by the supply challenges. Revenue growth was 27% including around 26% impact from M&A and around 7% impact from the development in foreign exchange rates.

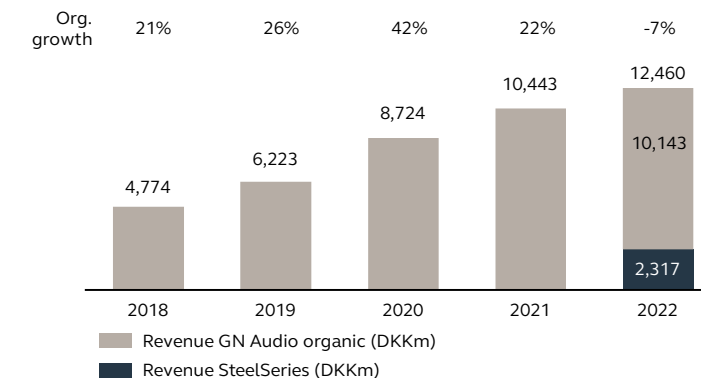
Earnings and other financial highlights

GN Audio's adj. gross profit reached DKK 5,421 million in 2022 compared to DKK 5,282 million in 2021 representing a growth of 3%.

GN Audio delivered an adj. gross margin of 43.5% in 2022 compared to 50.6% in 2021, driven by an elevated level of freight costs, increased

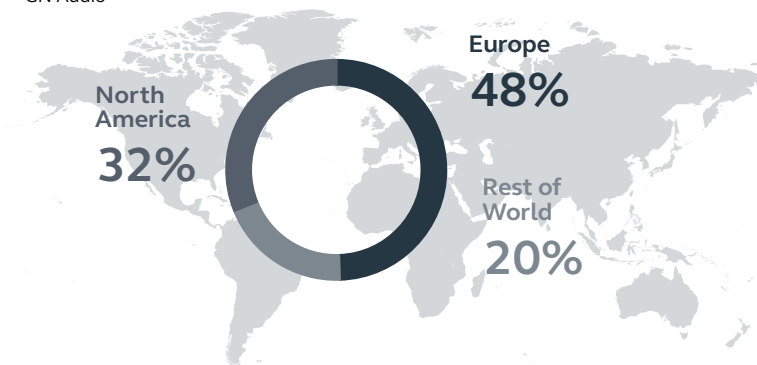
Revenue (DKKm) and organic revenue growth

GN Audio



Revenue distribution

GN Audio





material costs, the consolidation of SteelSeries and a significant negative impact from the development in foreign exchange rates. In order to mitigate the impact from increasing input costs, GN Audio initiated price increases across the Enterprise portfolio in the beginning of 2022. Further price increases will come into effect in the beginning of 2023 to further mitigate the high inflation.

GN Audio's adj. OPEX was DKK -3,662 million in 2022, reflecting an 19% increase compared to 2021, primarily driven by the consolidation of SteelSeries. Selling and distribution costs increased by 21%, while adj. general and administrative costs increased by 33%. Investments in R&D increased by 8% compared to 2021. GN Audio's adj. EBITA ended at DKK 1,759 million in 2022, translating into an adj. EBITA margin of 14.1%, compared to 21.2% in 2021 and in line with the updated financial guidance. The development reflects the gross margin decline due to increasing freight and production costs, the consolidation of SteelSeries and the development in foreign exchange rates. Reported EBITA was DKK 1,299 million, reflecting DKK -460 million in non-recurring items related to the acquisition of SteelSeries and cost reduction measures.

The return on invested capital (ROIC) was 17% in 2022 compared to 79% in 2021. Free cash flow excl. M&A was DKK -91 million in 2022 compared to DKK 1,288 million in 2021, reflecting strong operating cash flows excluding changes in working capital of DKK 899 million, negatively impacted by significant inventory build-up. During 2022, certain projects have been initiated internally to significantly reduce working capital to return to delivering strong cash flows in the future.

Business highlights

Global supply situation

The business was significantly constrained by the global supply situation primarily in the first half of the year. In the second half of 2022, the global supply situation saw an improving trend and was close to

fully resolved by the end of the year. As a result, the order backlog at the end of 2022 was limited.

SteelSeries integration and non-recurring items

The initiated SteelSeries integration of sales, supply chain, finance, and other back-office functions is progressing according to plan. GN Audio realized annual operational run-rate synergies of around DKK 150 million by the end of 2022. Around half of these synergies impacted 2022 as expected. In addition, future revenue synergies are expected. During 2022, GN incurred booked non-recurring items related to the SteelSeries acquisition of DKK -357 million, of which DKK -196 million was booked as COGS (non-cash PPAs) and DKK -161 million was recognized as general and administrative expenses.

GN Audio non-recurring items

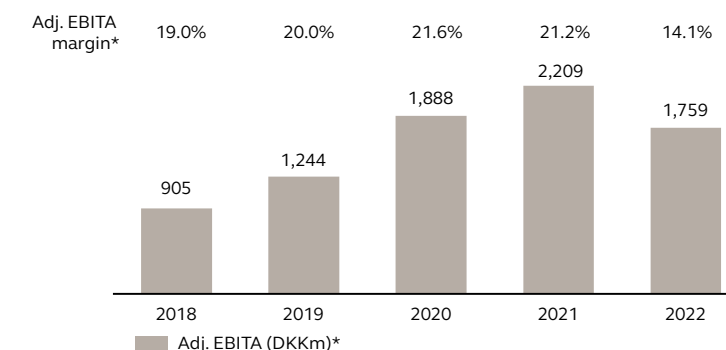
(DKK million)	2022	2021
Revenue	-	-
Production costs	-196	-
Gross profit	-196	-
Development costs	-	-
Selling and distribution costs	-	-
Management and administrative expenses	-264	-45
Other operating income and costs, net	-	-
EBITA	-460	-45

Taking strong actions in an ever-changing macro-environment

Acknowledging the current sentiment related to a potential recession, GN Audio took proactive and significant actions to reduce the cost base and defend the agility of the company. For this purpose, GN booked non-recurring items of DKK -103 million in 2022. The current actions are expected to drive DKK 200-300 million costs savings for 2023 and beyond.

Adj. EBITA (DKKm) and Adj. EBITA margin

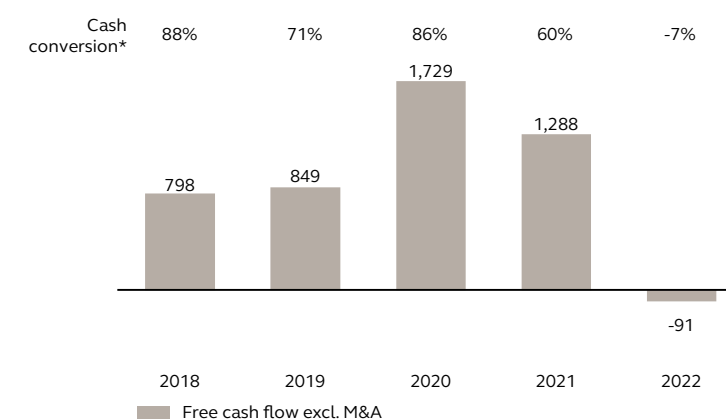
GN Audio



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

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

GN Audio



* Free cash flow excl. M&A / EBITA

GN Audio's strongest product portfolio ever

Jabra and SteelSeries launched a record number of new industry leading products

In 2022, GN Audio had multiple successful product launches under the Jabra and SteelSeries brands. All new product families have received stellar reviews. With these new innovations, GN Audio now offers enterprises, consumers, and enthusiast gamers the strongest product portfolio ever.

New products under the Jabra brand

Jabra Connect 5t

True wireless earbuds engineered for remote working.

Jabra Evolve2 Buds

Professional, pocketable true wireless earbuds engineered for hybrid and remote working.

Jabra Perform 45

Wireless headset designed to keep frontline workers connected wherever they are.

Jabra Engage 50 II and Jabra Engage 40

A new generation of contact centre headsets to the Engage line.

Jabra Engage 55

A portable professional headset, designed for ultimate call security and quality.

Jabra Engage AI

New Software-as-a-Service (SaaS) solution improving customer and agent experience in contact centres (also see page 34).

Jabra Elite 4 Active

True wireless earbuds made for an active lifestyle.

Jabra Elite 5

True wireless earbuds designed for calls anywhere and perfect for enjoying media during leisure.

Jabra PanaCast 50 Video Bar System

Plug-and-play full meeting room system allowing all participants to be seen, included, and have equal presence and impact – see page 33 for more details.

New products under the SteelSeries brand

Arctis Nova Pro + Sonar Audio Software Suite

SteelSeries fuses the Arctis Nova Pro series headsets with Sonar Audio Software Suite - to create the ultimate listening experience.

Arctis Nova 7

Heir to one of the best-selling gaming headsets of all time.

Arena speakers

Premium speakers allowing total immersion within any game.

Apex 9 keyboards

World's fastest optical switches.

Apex Pro Mini keyboards

Wireless, compact, fast, and adjustable – and the first wireless keyboard to win a CS:GO tournament.

Apex Pro TKL keyboards

Even faster and more adjustable.



Jabra Connect 5t



Jabra Evolve2 Buds



Jabra Perform 45



Jabra Engage 50 II



Jabra Engage 40



Jabra Engage 55



Jabra Engage AI



Jabra Elite 4 Active



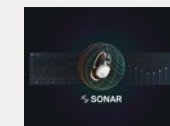
Jabra Elite 5



Jabra PanaCast 50 Video Bar System



Arctis Nova Pro



Sonar Audio Software Suite



Arctis Nova 7



Arena speakers



Apex 9 keyboard



Apex Pro Mini keyboard



Apex Pro TKL keyboard

Inclusive meetings in the hybrid workplace

Part of Microsoft's new global standard for meeting rooms

Defining a new global standard for the hybrid workplace meeting experience, Microsoft and GN – as part of their long-standing alliance partnership – have worked together to make this come to life.

Microsoft set up the Hive – a laboratory within Microsoft dedicated to transforming how meetings happen at Microsoft with Microsoft Teams Rooms. In 2022, the team had a key role in providing feedback to GN and the Microsoft Teams Rooms (MTR) product group, to ensure that the solution fitted the needs of the hybrid workplace – in Microsoft and for Microsoft and GN's Jabra customers.

For its first iteration of internal meeting room standards, the Hive team selected the Jabra PanaCast 50 to be the first new normal-ready intelligent video bar to be deployed in Microsoft's own hybrid conference rooms. The hybrid workplace meeting experience is defined as one where some meeting

participants are in the meeting rooms, some are working from home, and others may be on the go.

The challenges of these kinds of meetings are what Microsoft and GN address with solutions designed to create a seamless experience for all meeting participants.

Partnering to create better hybrid experiences

Being part of a plug-and-play full room system is a first for Jabra. Our Microsoft Teams Room (PanaCast 50 Room System), consisting of Jabra PanaCast 50, a PC, an HDMI ingest, and a touch console, comes certified for Microsoft Teams.

The Jabra PanaCast 50 Room System is a big growth opportunity for GN. The shift to hybrid work – which began long before COVID-19 and expanded rapidly during the pandemic – continues to grow for productivity and cost reasons. It has led to an increased demand for video-enabled conference rooms, but also for better hybrid experiences than most video-enabled conference rooms offered at the onset of the pandemic.

Today, companies want meeting experiences in which all participants are seen and included and have equal presence and impact – whether they are in the conference room, in their homes, or in transit.

As real as if you all gather in the same space

Imagine giving everyone in and outside of the conference room equal space and impact, a chance to brainstorm on shared digital canvas, pickup visual cues in a meeting with remote participants as the camera zooms in on who is speaking.

These functionalities make up a competitive offering and require only a minimum of configuration before use. With Jabra's PanaCast 50 Room System powered by Microsoft Teams, artificial intelligence does the work, brings all participants into play, and brings people closer across the hybrid workplace.

Our solutions enable new meeting experiences and allow the hybrid working experience to be as collaborative as if meeting participants were all gathered in the same physical space.

Join your call...



...and feel fully included

Improve customer experiences with AI

Jabra Engage AI – revolutionary new contact center software

Jabra Engage AI is the first stand-alone commercial software solution that GN brought to market in September 2022.

The solution targets contact centers, enabling them to improve customer and agent experience. The solution is focused on engaging contact center agents to deliver their best performance and on bringing them closer to their supervisors.

This new offering has had a promising start with the first customers secured and a promising pipeline heading into 2023.

Contact centers are used in many industries to offer customer support in a cost efficient way – from customer support centers at insurance agencies and cellphone carriers to customer support centers at large retail chains.

Just a few short years ago, contact center supervisors used to be able to walk among contact center agents to evaluate their performance, but the landscape has changed, and the agents are increasingly

working from home. This calls for different ways of evaluating and engaging the agents.

The biggest driver of customer experience are the customer service professionals operating the voice channel. Their performance depends on their engagement and wellbeing.

In GN Audio, we found that the key to a great customer experience lies in the human tone, so analyzing voice by using AI (artificial intelligence) was a natural next step for us.

Working on the frontier of what is possible

Engage AI gives supervisors the possibility of monitoring “angry calls”, “great calls” and other calls needing feedback and evaluation.

With Engage AI monitoring calls, supervisors can set up notifications for different tones of voice and for actions upon which to give the customer service professionals feedback. In this way, supervisors no longer need to listen to hours of random calls to evaluate agent performance.

Investment in innovation pays off

GN’s investment in the technology that made Engage AI possible started in 2018 by investing in

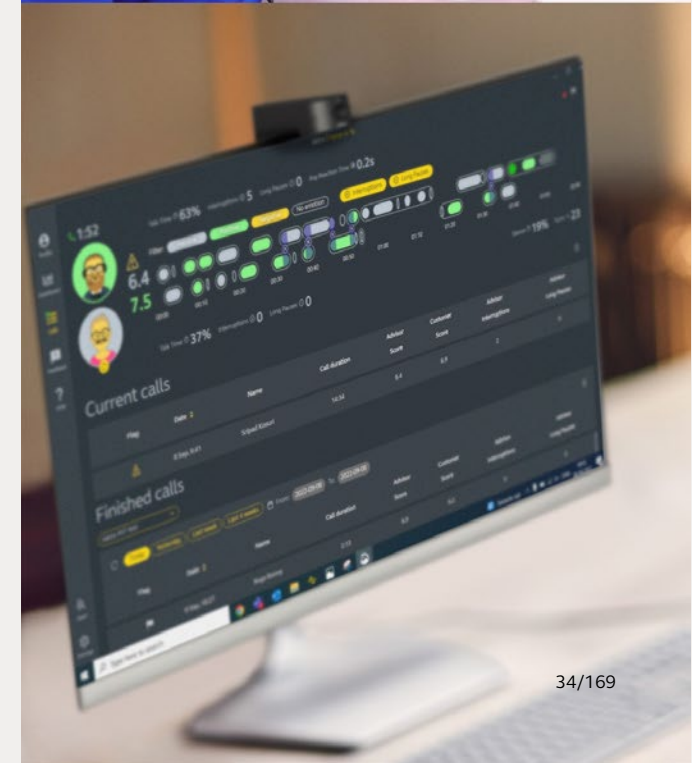
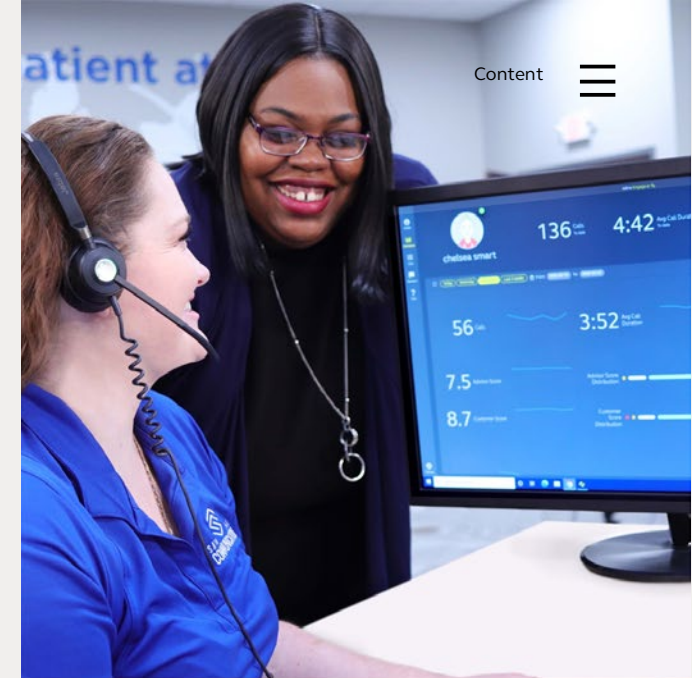
audEERING, a Munich-based AI company focused on voice. audEERING is led by Dagmar Schuller and co-owned by Bjorn Schuller, the world’s most cited scientist in the space of audio-based affective computing and who is also a top-25 global AI scientist.

GN is making Engage AI available on all platforms, as the solution is agnostic across headsets and commercialized as a service for the entire industry.

Past, present, and future

GN has delivered audio equipment for contact centers for 40 years. Contact centers, supervisors, and their managers are key stakeholders for us.

Our knowledge of this industry is extensive and, through research, market insights, and innovation, we will continue to help our stakeholders enable the digital transformation of their industry.



Growing demand for FalCom's systems

Integrated communication and hearing protection for high noise and critical environments

During 2022, FalCom broadened its global reach and has established a meaningful presence across NATO countries.

FalCom was established in 2018 in line with GN's strategy to leverage the Group's technological expertise where this provides a particular competitive advantage in new segments and markets.

Utilizing GN's technology expertise, FalCom provides integrated hearing protection and communication solutions for special operations, military, law enforcement, and security personnel who all depend on optimal perception in extreme environments.

In particular, FalCom combines capabilities from GN Audio's high-tech headsets and GN Hearing's medical device size and accuracy to achieve the ultimate soldier communication system.

Geopolitical factors increase demand

The demand has significantly increased for FalCom's solutions that provide the dismounted soldier with clear communication in high-noise and critical environments.

There are ongoing efforts within NATO countries to modernize military equipment, with one such area being new tactical radios and hearing protection systems.

With an increasing number of troops, and larger defense budgets that are projected to increase substantially in the foreseeable future, the total addressable market for FalCom products is growing rapidly.

Providing critical systems to the U.S. Army

For the past two years, FalCom has been the headset supplier toward the U.S. Army's Integrated Tactical Network which equips soldiers with cutting edge encrypted radios.

The U.S. Army continues to be one of FalCom's largest customers and is a stamp of approval for FalCom in NATO countries.

Utilizing knowledge of hearing, safety, and health

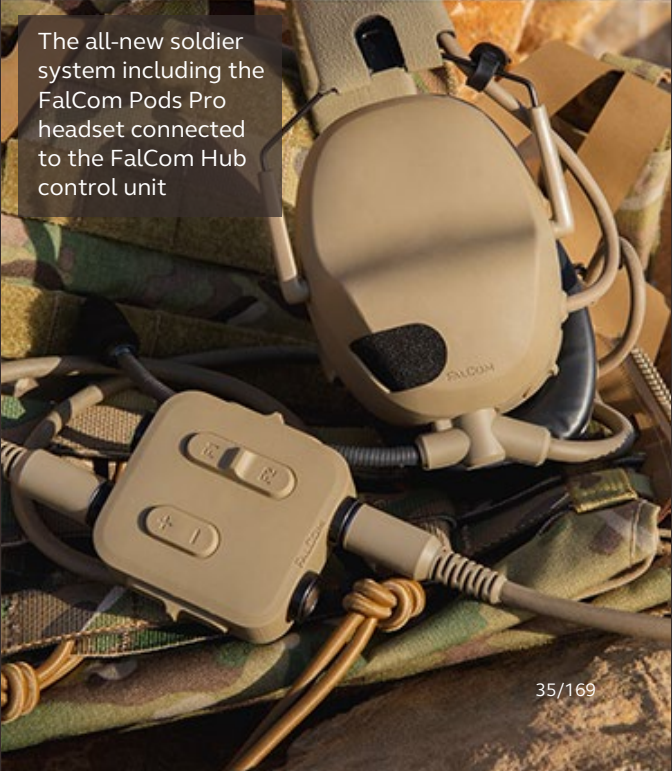
FalCom products are designed with an end-user focus. A soldier operates in dangerous situations where the ability to hear and communicate clearly is crucial. Our knowledge of hearing aids, and the negative effects of hearing loss, impacts everything FalCom develops.

FalCom in-ear and over-ear headsets allow users to operate in high-noise environments, to communicate with a team, and to listen to their surroundings — while providing protection from noise induced hearing loss.

The best way to protect someone's hearing is to provide them with hearing protection that they will wear for as long as necessary. That is why FalCom has designed the system to fit with the user's equipment while providing all-day comfort and superior audio quality – and why FalCom has a real competitive edge.



Soldiers in the field wearing the FalCom OTE2000 headset and MFC2000 Control Unit



The all-new soldier system including the FalCom Pods Pro headset connected to the FalCom Hub control unit

Environmental performance

Decarbonization	37
Circularity	38
Responsible manufacturing	39
Designing for sustainability	40



Decarbonization

Paving the way for net-zero

By 2030, GN will reduce absolute CO₂ emissions from our own operations by 80% and from our value chain by 25% from a 2021 baseline.

In 2022, our science-based emission reduction targets for 2030 were approved by the Science Based Targets initiative. The new targets reach beyond our 2025 goal (announced in February 2021) to be carbon neutral in our own operations, ensuring that GN decarbonizes in accordance with the Paris Agreement to limit global temperature increase. Further, we are committed to setting a science-based net-zero target and are working towards a strategy to become a net-zero business before 2050.

Scope 1 and 2 – the energy transition at GN

To meet our scope 1 and 2 emission reduction target, we are improving energy efficiency and sourcing renewable energy as fast as possible. In 2022, we invested in energy attribute certificates from hydropower projects in China, ensuring renewable power for our hearing aid production site in Xiamen and cutting emissions by ~1,234 metric tons CO₂e. This has led to a 15% reduction in scope 1+2 emissions from 2021.

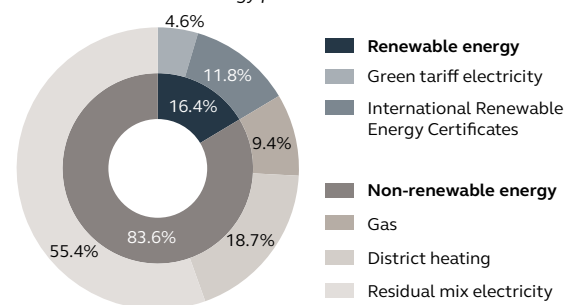
Where possible, we find local solutions that provide additional renewable capacity. From 2023, our headquarters and hearing aid production in Denmark will run on 100% renewable energy, powered by a new solar farm in Denmark via a power purchase agreement (PPA). The PPA will reduce annual scope 2 emissions by ~2,108 metric tons CO₂e.

GN's car fleet accounts for the largest share of our scope 1 emissions. We have set an emission limit for all new leases, with electric and plug-in hybrid vehicles made compulsory where local infrastructure permits.

Work has begun on increasing the electric charging points at our headquarters from four to 74, making it easier for employees to opt for an electric car. This runs alongside initiatives to encourage carpooling and use of public transport to get to work.

GN's energy consumption in 2022

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



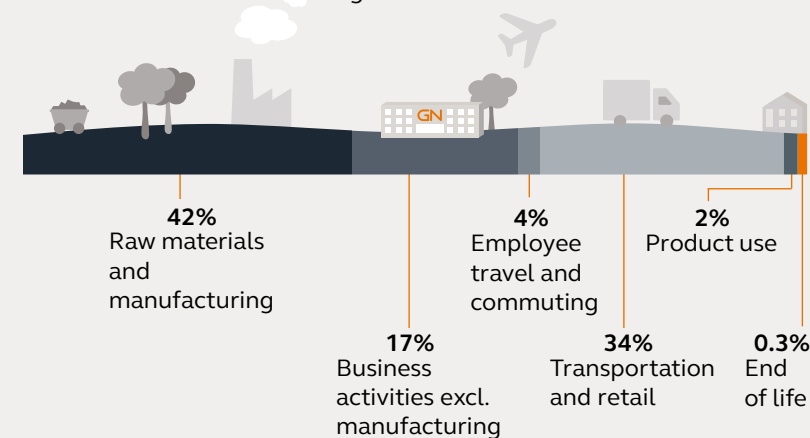
Scope 3 - tackling our largest impact head on

GN's largest climate impact comes from the materials and components in our products, and their transportation to customers around the world. These activities therefore lie at the heart of our decarbonization strategy. You can read more about how we are decarbonizing our products and packaging through innovative design and supply chain engagement on page 40.

Accelerating the shift from air to ocean freight and optimizing shipments has cut emissions from the transportation of products by ~12,000 metric tons CO₂e in 2022, compared to 2021. We expect further reductions in 2023, when we have planned for even larger volumes to move by ocean freight, as well as further decentralizing final customization of products.

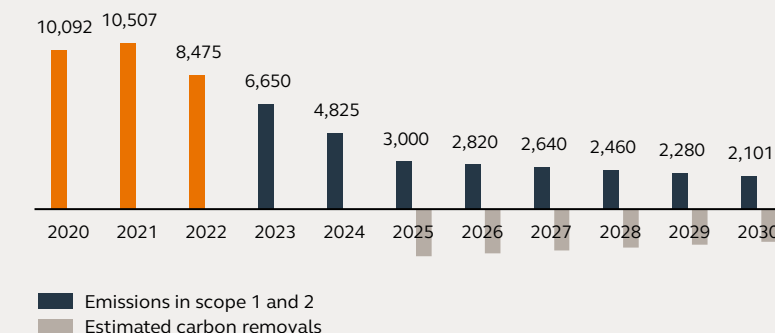
Our carbon footprint

In 2022, 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 reduce scope 1 and 2 emissions rapidly over the next years by moving to renewable energy for all major sites. To reach carbon neutrality by 2025, we will invest in carbon removal to offset remaining emissions from that year onwards.



Circularity

Circularity is an integral part of our sustainability strategy. As a manufacturing company in the technology space, challenging the prevailing linear business model within our industry mitigates long-term environmental risks to our company and society as a whole.

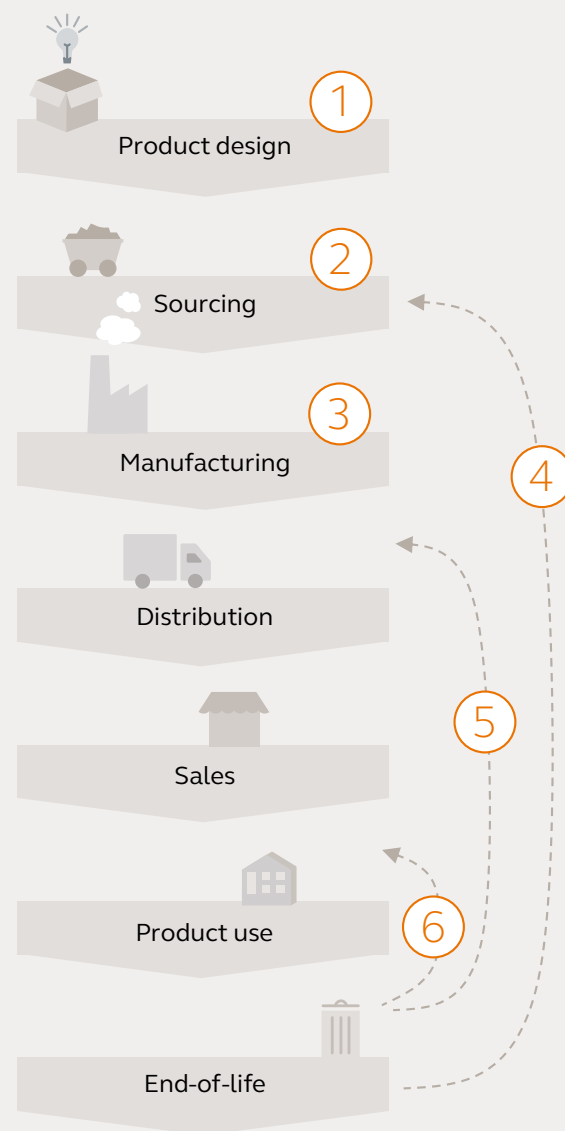
Through our circularity efforts, we aim to:

- Address the issue of increasing e-waste from improper end-of-life treatment outside our control
- Reduce GN's and our industries' dependency on virgin materials, especially where those are increasingly scarce
- Avoid carbon emissions related to raw material sourcing and manufacturing by prolonging product lifetime

Pursuing circularity presents profound challenges to many parts of our business. It starts with design, which is the key enabler for circular use of products and components.

Beyond that, we focus on building the required logistics, offering circularity-linked services and entering the market for second-hand products.

Although we have a long way to go, in 2022, we made progress in several areas 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 39 and 41).

2. Circular materials

Achieving our target to use at least 50% non-virgin materials in new products by 2025 requires that we establish solid supply of recycled and/or bio-based alternatives, which is a priority in our materials sourcing.

3. Low-waste manufacturing

We strive for minimum waste in manufacturing by optimizing for yield and responsible disposal of unusable waste. In 2022, we further reduced manufacturing waste by reusing materials.

4. Recycling

In Europe, we finance recycling through our contributions to e-waste collection and recycling infrastructure through local recycling partners in accordance with the EU WEEE directive. In 2022, GN financed the recycling of 4,302 tons of e-waste.

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. In GN Audio, we are in the process of investigating additional takeback and refurbishment solutions.

6. Device As A Service

In 2022, we launched a device as a service offering in selected markets in GN Audio with a built-in takeback option, enabling us to give products a second life at the end of the contract (in 2024 for 2022 contracts). In 2023, we will further integrate this service into GN Audio's service portfolio.

Responsible manufacturing

Waste

GN facilities use licensed disposal contractors for waste collection and disposal, including recycling of materials, such as plastic, cardboard, and wooden pallets. High-value waste, such as electronics, is processed to allow other companies to reclaim and reuse materials, where possible.

Energy

We are continually investigating and implementing initiatives to improve energy efficiency across our sites, such as switching to LED lighting, optimizing heat settings, and replacing and maintaining vital equipment.

Annual electricity consumption at our second largest hearing aid manufacturing facility in Xiamen (China) has been reduced by 480,000 kWh (24%) compared to 2021 through adjustments to cooling technology.

Investments in ventilation and lighting at our U.S. production site in Bloomington have cut annual electricity consumption by as much as 30-35% compared to 2021.

Despite progress in energy efficiency at GN-operated sites, overall energy consumption at these sites has remained stable due to higher production volumes.

Water

Water consumption at GN’s facilities is very 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.

Environmental management

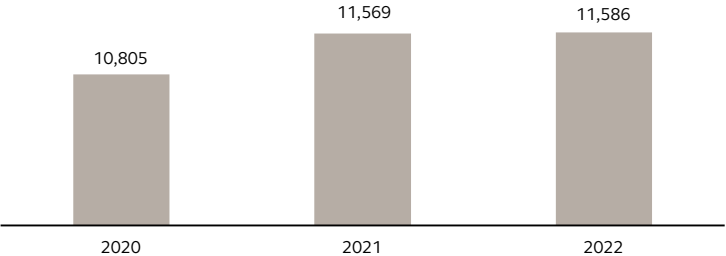
To ensure we continuously improve in minimizing the environmental impact of our manufacturing processes, comply with all relevant legislation, our manufacturing sites in GN Hearing in China and Malaysia are ISO14001 certified, alongside GN Audio’s repair center in China. GN Audio’s manufacturing is outsourced. All of GN Audio’s tier 1 manufacturing suppliers are ISO14001 certified, meaning all sites at which GN products are manufactured comply with this standard.

Occupational health and safety

The main risks associated with occupational health and safety relate to our manufacturing process. For that reason, rigorous occupational health and safety processes are in place across our main manufacturing sites, including training, incident reporting and tracking of key metrics. In 2022, there have been 11 incidents leading to lost time at our manufacturing sites, all as a consequence of minor injuries.

Energy consumption

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



Designing for sustainability

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

Product safety and compliance

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.

In 2022, GN Hearing 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. GN Hearing’s 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).

Our approach to sustainable product development

We consider sustainability in every life phase of our products, from their inception to their end-of-life (see graphic). In product development, we use non-negotiable hard requirements largely based on compliance, as well as areas where we seek to maximize the positive environmental impact by pushing the boundaries. Our approach is data-driven, using product-level life-cycle assessments (LCAs) of existing products to optimize for decarbonization in subsequent products – see page 42.

TCO Certification as a minimum standard for relevant products

To ensure that we follow the highest 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.

In 2022, many of our Jabra Evolve2 and Jabra Engage products were certified by TCO Certified, adding to the products that were already certified before. As TCO Certified develops standards for additional product categories such as speakerphones, we will strive to get more products certified. For a full overview of TCO Certified GN products, see <https://tcocertified.com/product-finder/index?brand=Jabra&tq=&pp=1>.

Sustainable sourcing

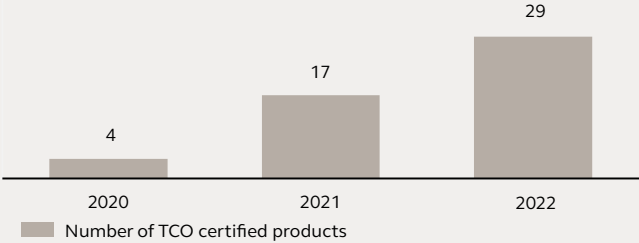
The standards we set for all suppliers are described in our supplier codes of conduct, as well as standard supplier contracts, which are based on the UN’s principles of responsible business, covering all relevant ESG areas. For further details on our supplier due diligence, see page 48.

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

Mechanics: Achieving our 2025 target to use at least 50% non-virgin materials in new products requires that we establish solid supply of recycled and/or bio-based alternatives, which is a priority in our mechanics sourcing. In early 2023, we will launch our first products containing significant volumes of recycled plastic.

Acoustics: The production of speakers currently relies heavily on neodymium, a rare element for which demand is expected to exceed

TCO certifications



Sustainability in the product lifecycle



supply. We engage actively 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 where relevant.

Packaging: In support of our ambitious sustainable packaging goals, we prioritize working with suppliers that are able to 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.

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.

Rechargeable batteries set the new sustainability standard

For our hearing instruments, a major contributor to the lifecycle environmental product impact is the use of batteries. By transitioning to rechargeable batteries, we drastically reduce the number of batteries our users require per hearing aid to one, preventing the environmental impact of the production and end-of-life of a significant number of batteries in the process.

With rechargeable battery options ReSound OMNIA, ReSound ONE, and ReSound LiNX Quattro hearing aids offer a sustainable charging solution. As the rechargeable batteries are expected to last the full lifetime of the product, we reduce the number of batteries our users require per hearing aid to one, preventing the environmental impact of

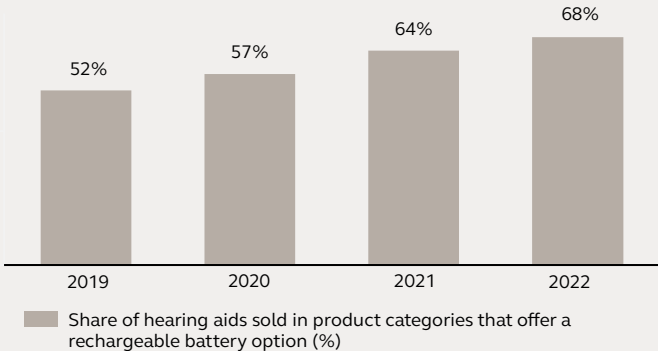
the production and end-of-life of a significant number of batteries in the process.

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 2022, we continued to make progress towards this goal with 51% of our newly launched products in 2022 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 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, such as the belly band pouch. This approach is illustrated by the 84% carbon reduction we achieved in our Jabra Evolve2 packaging since 2018.

Share of rechargeable battery products



Packaging evolution



Based on internal full lifecycle assessment, assuming 10-18 packs per master carton box shipped. Carbon savings measured with the 2018 brown box as baseline.

Life-cycle assessment

In 2022, GN conducted life-cycle assessments (LCAs) on nine products. The purpose of these LCAs is twofold. First, LCAs improve transparency about the carbon footprint of products, supporting our customers to improve their carbon accounting. Second, they reveal how we can best decarbonize products by identifying ‘climate hotspots’. For example, based on LCA results, energy efficiency in the use phase is especially relevant to reduce the footprint of our video products, while using low-carbon materials is relevant for all product categories.

LCA methodology
Our LCAs were conducted in accordance with the standard ISO 14044:2006 and ISO 14067:2018. Our input data is based on bills of material, manufacturing and distribution data, use phase energy data, and end-of-life data from our partners under the WEEE Directive. The assumed user is based in London, UK.

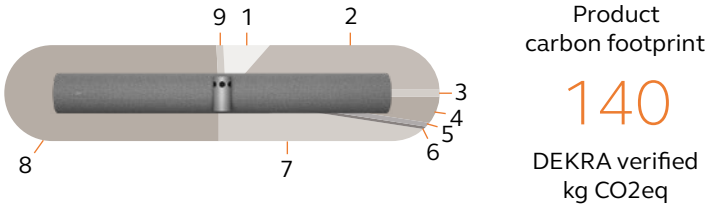
Our LCAs are externally verified by Bureau Veritas. For a full overview of LCAs, see www.jabra.com/sustainability. In 2023, we will conduct further LCAs across our product portfolio, as well as regional alternatives to existing LCAs.

Jabra Evolve2 85



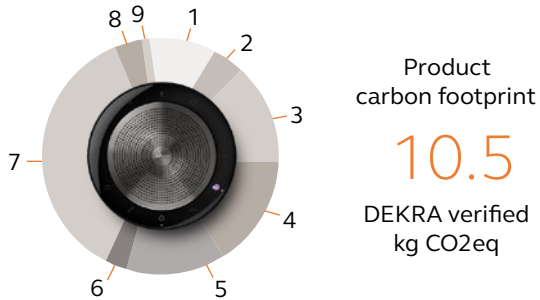
1	Plastics	15.0%
2	Metals	0.6%
3	Electronic components	3.2%
4	Printed circuit board	36.8%
5	Manufacturing energy	13.8%
6	Packaging	0.6%
7	Transport	26.2%
8	Usage	0.9%
9	Other (foams and EoL)	2.9%

Jabra PanaCast 50



1	Plastics	4.8%
2	Metals	19.7%
3	Electronic components	1.9%
4	Printed circuit board	7.2%
5	Manufacturing energy	0.8%
6	Packaging	0.4%
7	Transport	14.7%
8	Usage	49.6%
9	Other (foams and EoL)	0.9%

Jabra Speak 750



1	Plastics	7.8%
2	Metals	4.9%
3	Electronic components	11.1%
4	Printed circuit board	16.0%
5	Manufacturing energy	10.2%
6	Packaging	3.9%
7	Transport	40.9%
8	Usage	3.5%
9	Other (foams and EoL)	1.7%



Social performance

Diversity, equity, and inclusion	44
Supporting communities	46



Diversity, equity, and inclusion

Building an inclusive culture is the right thing to do – and improves company performance

Diversity, equity, and inclusion are a strategic priority

GN fundamentally believes that diverse leadership teams and a diverse organization are key to our success as an innovation leader and, thus, we welcome differences broadly. 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.

In 2022, we continued our journey to become an even more diverse and inclusive organization. A global inclusion survey was carried out to gather data about inclusion levels in GN. The survey results revealed that we experience the culture differently and though the vast majority of GN employees feel included and valued, some employees do not.

A DEI committee was established with executive leadership participation to identify the overall purpose and ambition for DEI as well as necessary strategic initiatives to make improvements. Further, a series of leadership workshops were held, both to educate and to initiate concrete actions to continue the journey.

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.

Our values

An inclusive environment welcoming a variety of backgrounds and perspectives are embedded in GN's core values:

- We **LISTEN** to ensure that our employees feel heard and valued
- We **CHALLENGE** each other and welcome perspectives different from our own to make smarter decisions
- We want to continuously **TRANSFORM** our company to meet the needs of our customers and ensure that all employees experience a sense of purpose and belonging

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.



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

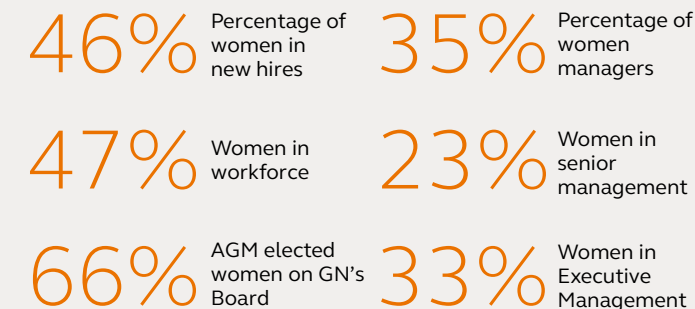


50+ nationalities in headquarter alone

1,774 new colleagues onboarded during 2022

40+ countries where GN has own staff located

Age distribution of employees



Strengthening leadership, employee, and talent development

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

In 2022, the TRS-process was completed with 39% more people reviewed compared to 2021.

GN's people 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 more complex business.

Consequently, more effort is put into strengthening development plans for senior leaders, and our biggest lever to support this is "Transform", an individual and data-driven Development Centre to drive senior leadership development.

GN's Graduate Program is an incubator, not only attracting candidates to current tracks but also screening for talented candidates for other entry level positions. When recruiting young talent, we strive for a diverse talent pool.

In 2022, we had 13 new graduate positions. The Graduate Program has expanded with new IT and Supply Chain tracks to complement existing Finance, Engineering, and Marketing tracks.

Diversity at Management and Board level

At the Management and Board level, GN's current diversity focus is to advance stronger representation internationally and for the underrepresented gender in our senior management, the Global Management Teams (GMT) in both GN Audio and GN Hearing.

By the end of 2022:

- GN Hearing's GMT comprised 27% female leaders (vs. 18% in 2021) and 45% non-Danes (vs. 36% in 2021).
- GN Audio's GMT comprised 16% female leaders (vs. 14% in 2021) and 68% non-Danes (vs. 64% in 2021).
- women filled 23% of senior management positions across the GN Group (vs. 21% in 2021). By 2025, we aim to have above 25% women in senior management positions, which we expect to reach with the activities described above.

The Board of Directors at GN has six members elected by the General Meeting, four of which are women. Thus, we have exceeded our target of 50% women in the Board.



Review GN's Diversity Policy: www.gn.com/diversitypolicy



GN Voice – checking in twice a year

Highly engaged people. GN's employee engagement survey tool, GN Voice, provides valuable feedback from employees twice a year. Leaders listen to their input and comments and take appropriate action to continuously maintain a highly engaged organization.



91%

Response rate

In 2022, this was 10%-points above the healthcare benchmark (81%)

8.2

October 2022

Overall engagement score

On a 10-scale engagement score, this score is 0.5 above the healthcare benchmark and in top 25% of the industry

Key action inspired by GN Voice feedback

Workload/well-being. Global program to support employees gain more time and energy to achieve their top priorities with a work pattern that reduces uncertainty and complexity. Improving self-leadership resulting in less stress and greater wellbeing.

Supporting communities

Utilizing our core technology to help people lead better lives

One key focus area at GN is helping people with hearing loss live life as unimpededly as possible. Another is assisting professionals and consumers with state-of-the-art audio and video collaboration tools in a world where hybrid working is becoming a new norm.

Helping 9.8 million people with hearing loss

In 2022, our hearing solutions helped around 9.8 million people with hearing loss around the world. People with hearing loss are at the heart of what we do, and it is GN Hearing's ambition to break down barriers to hearing health to resolve the high level of unmet needs.

First, through a diversified portfolio of life-changing hearing solutions that cater to different needs, types of hearing loss, and individual life-style.

Second, by breaking down the stigma surrounding hearing loss and create awareness of the benefits of early treatment.

Third, by finding new innovative ways to reach the user, such as online hearing care and developing new types of more accessible products to be sold without the need for prescription – in markets where possible – such as Jabra Enhance Plus.

We also support people with hearing loss for which the barriers to hearing health remain high through charitable foundations. In 2022, the Beltone Foundation donated 694 hearing aids on an individual basis. To support children with hearing loss in a country with very minimal audiology infrastructure, GN employees raised funds to support the Hear to Aid Foundation in Zimbabwe.

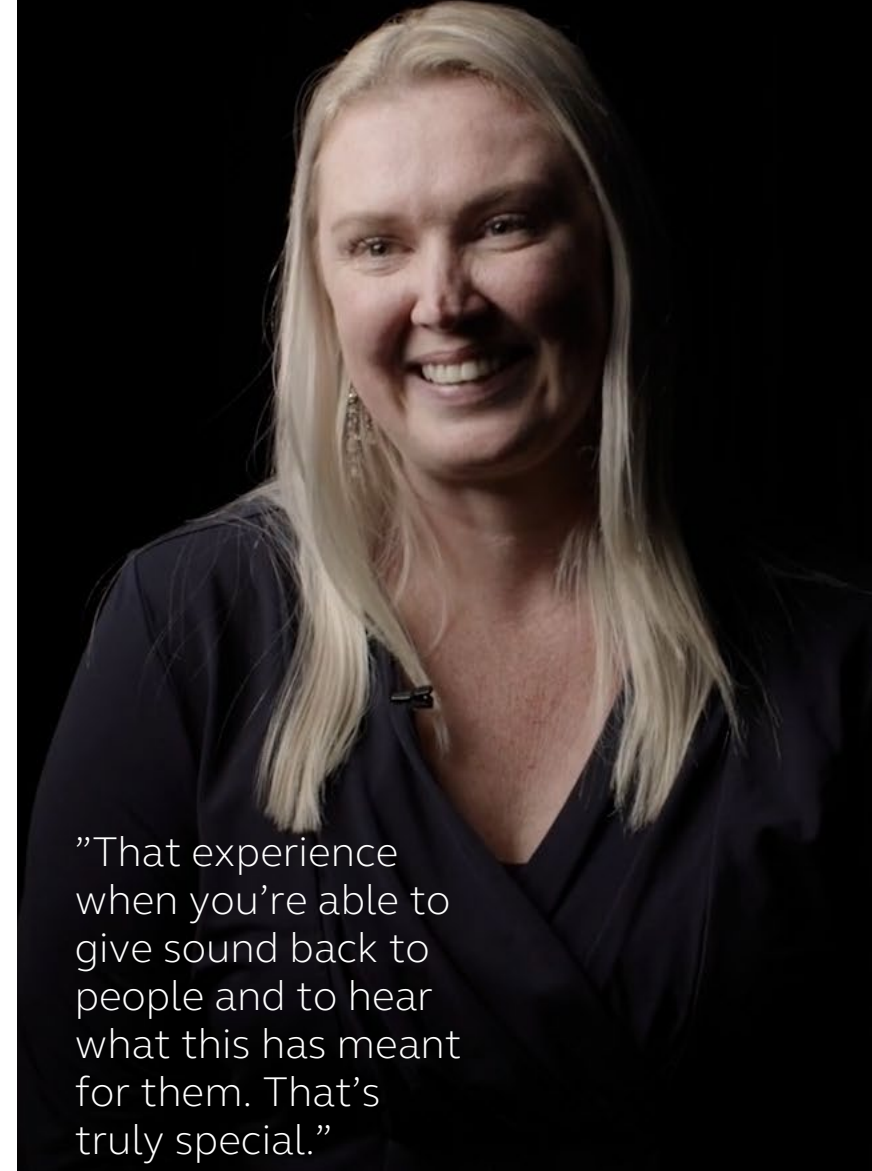
Supporting other communities

Given the gravity of the situation, and as an expression of solidarity with our colleagues locally and people affected by the war, in 2022, GN made a USD 1 million donation to UNICEF, specifically aimed at alleviating the situation for children in Ukraine.

Across the globe, GN colleagues engaged in a wide range of local initiatives to support charitable causes close to their hearts. These include financial support for the establishment of a new health care center in the rural village of Tamil Nadu in Southern India and a wide variety of local volunteering initiatives across the world.

Anthea Bott
Manager, R&D Insights and Machine Learning
GN Hearing

Content





Governance performance

Ethics and human rights	48
Risk management	51
Corporate governance	55
Shareholder information	57
Board of Directors	59
Executive Management	62





Ethics and human rights

GN's commitment to responsible business forms the foundation of the compliance and sustainability strategy. Principles and processes are set in GN's Code of Conduct

Safeguarding Human Rights

As signatories to the UN Global Compact and its principles of responsible business, GN is committed to safeguarding human rights across our full value chain. Within GN operations, employee rights are protected both contractually and through our internal Code of Conduct, the GN Ethics Guide. GN's whistleblower hotline offers an anonymous and independent process in case of perceived violations.

Safeguarding human rights in our supply chain requires that we continuously monitor supplier compliance with GN's Codes of Conduct and local laws, and immediately address any cases of non-compliance. Due to the nature of our products and industry, and the location of manufacturing sites, we assess potential human rights-related risks to lie mostly in the area of working conditions and occupational health and safety. All tier 1 suppliers are audited every year and tier 2 suppliers every second year. Audits are based on the UN Global Compact principles of responsible business and the SA8000 standard.

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 the local law. We require major audit findings to be addressed through corrective action.

To strengthen our human rights due diligence processes, in 2022, GN Audio became an affiliate member of the Responsible Business Alliance (RBA), thereby committing to implement its industry-leading standards set out in the RBA Code of Conduct across its supply chain. RBA strengthens GN Audio's audit process, by providing third-party audit information, as well as insights into rapidly evolving human rights legislation relevant to GN across the world.

In 2023, we will update our Codes of Conduct to be fully aligned with the RBA Code of Conduct and also implement additional supply chain sustainability screening tools, such as EcoVadis.

Conflict Minerals Due Diligence

If minerals originate from mines controlled by military groups in conflict regions, they are known as conflict minerals. As stipulated in our Conflict Minerals Policy, GN will not use conflict minerals. 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 five-step due diligence guidance laid out by OECD for establishing a due diligence process and has put in place an audit program where proof of compliance is required with the Responsible Minerals Assurance. Supported by a third-party smelter validation service, a non-conformity escalation process is in place.

In 2022, GN received the requested information from 100% of its relevant suppliers of which 58% exclusively sourced from sub suppliers who were certified in accordance with RMAP, TI-CMC Category A, RJC, LBMA, or DMCC. The remaining suppliers partially sourced from sub suppliers who were certified or from sub suppliers located in countries not covered by Covered Countries Alert or Conflict-Affected and High-Risk Areas (CAHRA) Alert. As such, by the end of 2022, all suppliers and sub-suppliers met our requirements.



Safeguarding human rights

Tier 1 and key tier 2 suppliers are actively audited

2022 audits and findings

31 audits conducted among GN Audio and GN Hearing's suppliers

Major findings were in the areas of working hours and proportion of dispatched workers

All non-compliance cases identified were resolved satisfactorily

Conflict minerals due diligence

GN products contain tantalum, tin, tungsten, gold, and cobalt
GN will not use conflict minerals

100% In 2022, GN received the requested information from **all relevant suppliers**



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

As cobalt is emerging as an additional potential conflict mineral, GN expanded the scope of its due diligence in 2022 to include cobalt, using cobalt reporting templates (CRTs). We received the requested information from all relevant suppliers. Of these, there has been a single major issue that is expected to be resolved in early 2023.

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 the high standards that GN adheres to.

To ensure and document that employees are always familiar with the GN Ethics Guide and other key policies, employees are annually required to electronically sign off on complying with GN policy within specific areas. Likewise, employees annually complete GN's general 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 units and employees, live trainings conducted based on risk assessment and on request. SteelSeries employees have been given live training as part of their onboarding in the GN Group compliance program.

Anti-corruption compliance reviews

As part of GN's anti-corruption compliance program, on site compliance reviews of selected GN subsidiaries and business units 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 subsidiaries or business units for compliance reviews is based on an annual country and market risk assessment based on a set of defined risk indicators.

In 2022, COVID-19 travel restrictions still limited the ability to physically visit some countries, leading to a number of desk reviews being added to the onsite reviews. Nine compliance reviews were conducted.

Third-party due diligence

In 2022, 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.

Whistleblower system

GN's whistleblower hotline, the GN Alertline, is independently managed by a third party. 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 in GN. All complaints are treated with the required confidentiality and GN is committed to dealing 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.



Access to 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



In 2022, a total of 850 GN employees received live training on top of the online training required by all



Updated Code of Conduct training was delivered in late Q4 2022 along with a stand-alone anti-sexual harassment/anti-harassment training module



GN whistleblower system

28

countries where GN's whistleblower system is available

24

different languages that GN's whistleblower system accommodates

33

concerns reported through GN's whistleblower system

11

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.

Information security, data privacy, and data ethics

Data privacy

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

In 2022, 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 implementing additional solutions to ensure continual employee training and awareness.

In 2023, GN will continue to strengthen our data protection posture to provide excellent, secure, and trustworthy solutions.

Information security

GN is committed to ensuring a high level of IT Security and adherence to legislation across the entire organization. IT security management systems are in place based on ISO 27000. In addition, we have an IT Security Policy in place with training materials and all training is conducted annually for all employees. The IT Security Policy was last updated in April 2022.

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.

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.



GN's data privacy policy is available at www.gn.com/privacy-policy

For a description of GN's Data Ethics Policy, please refer to www.gn.com/dataethicspolicy

Bolaji James Adesokan
Senior Audio Engineer
GN Audio



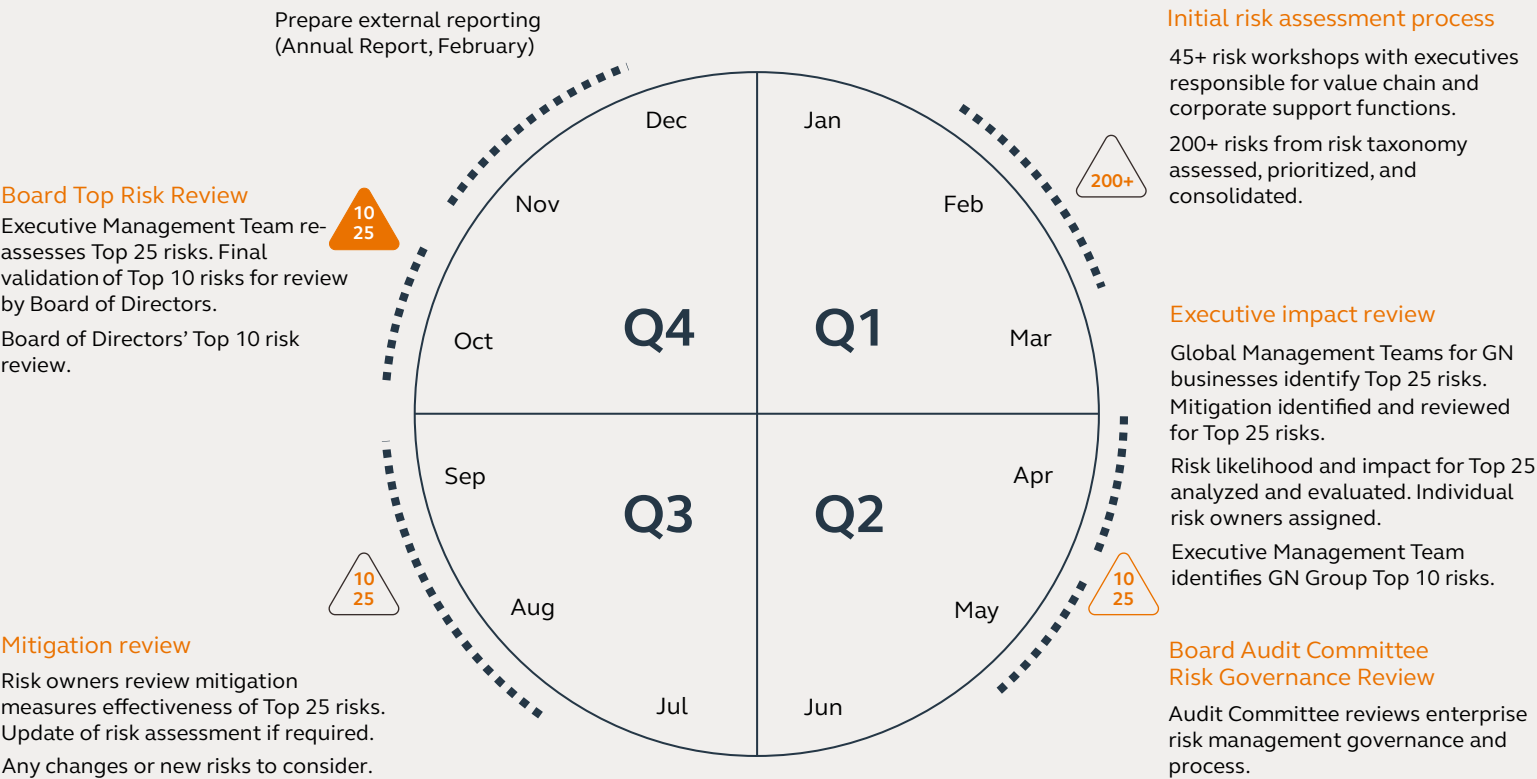
"I feel that everybody is welcome at GN and that they are being heard and treated with respect."

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



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. This may result in declining demand for GN's products, or temporarily lower than expected growth.

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

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.

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, GN Audio's and GN Hearing's supply chains begin with mining activities and requires 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 setting a science-based net-zero target. GN has a short-term goal to be carbon neutral in its own operations by 2025.

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 76.

Product innovation

Characteristics

GN operates on the cutting edge of technological advances to provide new relevant user experiences and functionalities to its customers. The importance of software in unlocking the potential of hardware and as standalone services is increasing. Significant amount of intellectual property is embedded in GN's products. 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.

Mitigating actions

GN engages in close collaboration with key ecosystem partners to understand future demands and determine how best to accommodate them. GN continuously updates product roadmaps to remain competitive in all current categories and assesses new categories where GN could have a meaningful impact on users' lives. To that end, GN's research and development teams scan the horizon for new technologies that could be harnessed in future product roadmaps.

The research and development teams are undergoing transformations to adapt to the future technology landscape. To gain the required competencies, GN sources engineering and software development talent globally, including through acquisitions.

GN spends significant effort in protecting its intellectual property and ensuring freedom to operate in its development efforts. A robust in-house team monitors all relevant patent activity within GN's businesses and underpinning technologies.

GN embeds quality management practices across its value chain, from research and development over sourcing of components to production and use of its products. During 2022, it has increased the governance structures and capabilities within the quality organizations, ensuring closer alignment with product development and product making 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. This could lead to declining market share and lower average selling price.

Additionally, the go-to-market models are changing with the growth of direct-to-consumer models. Over time, this has the potential to challenge the traditional business-to-business (B2B) channels in GN's main categories leading to reduced sales through these channels that may not fully be compensated by GN's increased sales in the direct-to-consumer channels.

If distributors and retailers were to decrease the volume of GN products either by not awarding tenders to GN or by favoring other brands or private label products, GN market share could decline.

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. If GN's product brands are unable to adequately build brand equity in major categories, GN may experience declining market shares and inability to grow its attractive categories.

Mitigating actions

GN continues to build relationships and robust interfaces with its B2B channels. Concurrently, GN remains relevant to dominant ecosystems and end-users through highly competitive products in all categories. It also invests in sales operations and building sales and marketing competencies within new categories to better serve customer needs.

Lively, the leading U.S. online hearing care and digital marketing platform acquired in December 2021, has been integrated into GN as JabraEnhance.com. It is an online destination for better hearing enabling consumers to explore, purchase, and receive hearing care from home. Similarly, the Jabra Enhance Plus hearing enhancement earbuds have been launched to compete in the newly opened U.S. over-the-counter market.

Compliance

Characteristics

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. 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

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. Further, they implement and maintain compliance controls where required, and document current compliance efforts to maintain the required certifications for GN to operate.

IT and data

Characteristics

IT and data are foundational business enablers for GN across all value chain components from research and development through production to logistics, sales, service, and daily use of products. GN also provides software-based standalone services. 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.

Also, the increased global focus on data sovereignty and emergence of local data privacy regulations stipulate stringent data transfer procedures to avoid inadvertent violations.

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.

Personal data are increasingly covered by data sovereignty, strict national data transfer requirements, and data privacy regulations. GN applies similar organizational, governance, and technological measures in the affected jurisdictions globally as under the EU General Data Protection Regulation (EU GDPR), including the assignment of Data Privacy Officer responsibilities where relevant.

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 increased during 2022 to DKK 14,561 million. As a result, the adjusted leverage ratio ended at 5.5x, reported leverage ratio was 7.1x driven by the acquisition of SteelSeries.

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

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

Currency	GN Hearing	GN Audio	GN Store Nord
USD	45	-99	-54
GBP	3	32	35
JPY	1	17	18
AUD	6	6	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 29, GN has entered into a three-year EUR 520 million term loan with its commercial banking group to refinance its short-term funding requirements including EUR 300 million M&A bridge facility and EUR 220 million EMTN bond, both due in 2023.

Moreover, GN has entered into two bilateral loans (R&D loans) worth around EUR 110 million in December 2022 for the purpose of refinancing a maturing loan with EIB worth EUR 100 million.

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 404 million, with a utilization of EUR 251 million on December 31, 2022.

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 35 million on December 31, 2022.

In total, GN has outstanding senior unsecured bonds and Private Placements of around EUR 915 million in aggregate under the EMTN program in December 2022, 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 350 million, which was undrawn as of December 31, 2022.

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

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 General Meeting.

Board of Directors

Composition and responsibilities

GN's Board currently comprises nine members, of which six members have been elected by the shareholders at the Annual General Meeting for an annual term, and three by the employees in accordance with the Danish Companies Act for terms of four years.

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.

GN's board members possess global expertise within med-tech & healthcare, innovation, product development, digital transformation, online marketing, commercialization, technology & professional services, financial, change management, and human resources. Of the current members elected by the general meeting, four are women, two are men, and the Board comprises six different nationalities. See pages 59-61 for a description of the Directors' competencies and experience.

The Board of Directors' annual self-evaluation

Each year the Board conducts an annual self-evaluation of its work. This self-evaluation tracks the Board's work, efficiency, composition,

and organization together with its strengths and development areas. In 2022, the Board involved external assistance for its annual self-evaluation to add a fresh perspective and potentially identify issues, which the Board might not otherwise be able to see.

The overall conclusions of the 2022 evaluation did not result in any significant remarks and the appropriateness of the current Board composition was confirmed. 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 2022 evaluation may be found on the company's website: <http://www.gn.com/boardevaluation2022>

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' main duties in general and the specific tasks performed in 2022 are summarized below:

- 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, and risk management processes covering key risks. Further, the committee considered the need for an internal audit function which was not deemed necessary at this time. In 2022, the Audit Committee was also given a responsibility for monitoring of ESG targets and reporting thereon.

GN's framework for corporate governance

GN's management structure is built to support its two main divisions, GN Audio and GN Hearing. The board members of GN Store Nord are elected at GN's Annual General Meeting. GN's Executive Management comprises the CFO of the Group's parent company, GN Store Nord, the CEO of GN Hearing, and the CEO of GN Audio.



- 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 Remuneration Committee also considered grants under GN's long term incentive program, talent development and succession planning process and results. Finally, the Remuneration Committee reviewed the Management Incentive Plan for JabraEnhance.com (formerly Lively) to be used after closing.
- The Nomination Committee's work focused on the evaluation of the current and future Board competencies to ensure that the Board's composition will continue to cover and support GN's businesses sufficiently. The Committee has concluded that the Board currently possesses the necessary competencies and the Committee has been monitoring both Board performance and competencies on an ongoing basis. The Nomination Committee also has a structure in place for potential adjustments, as this may be needed in the future. The current structure, size, and diversity of the Board have been reviewed and found to meet all governance requirements. Finally, performance and succession planning for the Executive Management positions have also been a focus area and successors have been identified.

- The Strategy Committee oversaw a series of existing projects and acquisitions as well as new projects to explore technological innovations within the broader technology space.



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.

Meeting attendance 2022	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
Per Wold-Olsen	(C) 21/21		1/1	(C) 11/11	7/7	(C) 16/16	(C) 7/7	(C) 7/7
Jukka Pekka Pertola	(DC) 21/21		(C) 1/1	11/11	(C) 7/7	(DC) 16/16	(DC) 7/7	(DC) 7/7
Hélène Barnekow		4/5*	1/1			(B) 15/16	(B) 7/7	(B) 7/7
Montserrat Maresch Pascual				10/11	7/7	(B) 16/16	(B) 7/7	(B) 7/7
Ronica Wang		5/5				(B) 16/16	(B) 7/7	(B) 7/7
Anette Weber		(C) 5/5				(B) 16/16	(B) 7/7	(B) 7/7

(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.

* Hélène Barnekow was not a member of the Audit Committee for the full year.

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 2022 Corporate Governance Report: www.gn.com/corporategovernance2022

Risk management related to financial reporting is described in this report on page 54. 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 full Remuneration Policy is available on www.gn.com/remunerationpolicy

GN's full Remuneration Report for 2022 is available here: www.gn.com/remuneration2022

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 20 billion at the end of 2022. The price of the GN share was DKK 159.8 on December 31, 2022, which is equivalent to a decrease of 61% compared to the end of 2021.

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 50,000 registered shareholders where around 30% of shareholders are located in Denmark, around 55% in rest of Europe, around 15% in North America and less than 1% in Rest of World.

The 10 largest registered shareholders held in total around 39% of the GN share capital at the end of 2022 (including GN's holding of treasury shares). By the end of 2022, two shareholders, William Demant Invest A/S and Norges Bank, informed GN that they held 10% or more of the share capital and 5% or more of the share capital, respectively.

Share capital and voting rights

GN's share capital of DKK 548,773,512 consists of 137,193,378 shares, each carrying four votes. GN has one share class with no restrictions on ownership or voting rights.

Treasury shares

On December 31, 2022, GN held 9,220,261 treasury shares corresponding to 6.7% of the share capital, and the value of the treasury shares was DKK 1.5 billion. As part of the EUR 330 million convertible bond offering concluded in May 2019, around 5,200,000 shares are kept in Treasury to hedge future obligations of the convertible bond.

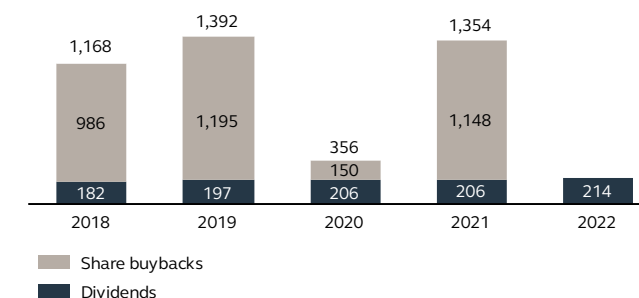
Until the Annual General Meeting on March 15, 2023, the Board of Directors is authorized to acquire shares in GN. The company's holding of treasury shares may at no time exceed 15% of the share capital of the company.

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 factors, cash requirements to support the ongoing operations, strategic opportunities, and the company's capital structure. Given the conclusions of the capital structure review, GN will not pay out a dividend in respect to the financial year 2022 and share buyback programs have been paused.

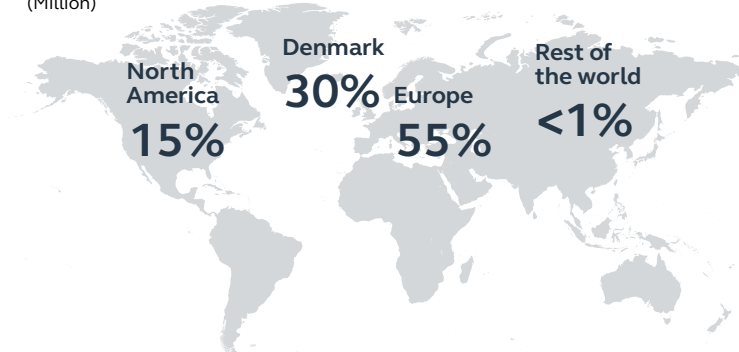
Shareholder return distribution

(DKK million)



Geographical split of shareholders

(Million)



As announced in the Q3 2022 report, GN has now conducted a comprehensive review into the appropriate capital structure for the medium term. The review has concluded that GN’s current capital structure policy with a long-term target of 1-2x NIBD/EBITDA is appropriate.

Incentive programs

By the end of 2022, the total number of outstanding warrants in GN Hearing was 822 (0.1%) of the share capital in GN Hearing. The total number of outstanding warrants in GN Audio was 813 (0.2%) of the share capital in GN Audio. The total number of outstanding options in GN Store Nord was 3,053,227 (2.2%) 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.



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: 31-12-2021 = 100

Financial calendar for 2023

Event	Date
Annual General Meeting	March 15, 2023
Interim Report Q1 2023	April 27, 2023
Interim Report Q2 2023	August 17, 2023
Interim Report Q3 2023	November 10, 2023

Read company announcements on www.gn.com.

Board of Directors



Per Wold-Olsen
(Chair)
MBA. Formerly president
Merck & Co., Inc., Interconti-
nental Division, USA.
Chair since 2008

Chair of the Boards of GN Audio A/S and GN Hearing A/S. Chair of the Boards of Oncopeptides AB and Amarin Corporation plc.

Extensive global leadership expertise and knowledge of the healthcare industry. Brings a unique set of capabilities and values to the Board of GN Store Nord within marketing and product development as well as commercialization of innovation. Also possesses in-depth knowledge of the U.S. market as well as emerging markets.

Board member since	2008
Term	2022/2023
Considered independent	No
Nationality	Norway
Year of birth	1947
No. of GN shares	55,126 (+20,500)
Total remuneration 2022 (DKKt)	2,183



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

Deputy Chair of the Boards of GN Audio A/S and GN Hearing A/S. Chair of the Board and the Remuneration Committee and member of Nomination Committee of Asetek A/S*. Chair of the Boards of Siemens Gamesa Renewable Energy A/S, Tryg A/S*, and Tryg Forsikring A/S. Chair of the Remuneration and Nomination Committees and member of IT-Data Committee of Tryg A/S. Chair of the Board and member of Nomination Committee of COWI Holding A/S. Chair of the Boards of GomSpace Group AB** and GomSpace A/S.

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	2022/2023
Considered independent	Yes
Nationality	Finland
Year of birth	1960
No. of GN shares	3,000 (unchanged)
Total remuneration 2022 (DKKt)	1,696



Hélène Barnekow
M.Sc. (International Business).
Partner, Ascension AS. Former
CEO, Microsoft Sweden

Member of the Boards of GN Audio A/S and GN Hearing A/S. Member of the Boards of Voyado AB and Handelsbanken AB*. Member of the Board and audit committee of Schibsted ASA*.

Unique capabilities within general commercial management and marketing, including go-to-market, branding, communications, product management, and channel management from the mobile communications and IT sector.

Board member since	2013
Term	2022/2023
Considered independent	Yes
Nationality	Sweden
Year of birth	1964
No. of GN shares	10,000 (unchanged)
Total remuneration 2022 (DKKt)	774

* Company listed on a regulated market
** Company listed on First North Stockholm

Board of Directors



Montserrat Maresch Pascual
MBA (Business Administration). Co-founder and Senior Advisor, Naar + Maresch AB

Member of the Boards of GN Audio A/S, GN Hearing A/S, and the GN Store Nord Foundation.

International executive background and experience. In-depth competences within retail, branding, business development and implementation of business and marketing strategies and models, digital transformation, operations performance, and optimization of customer experience.

Board member since	2020
Term	2022/2023
Considered independent	Yes
Nationality	Spain and Sweden
Year of birth	1964
No. of GN shares	1,400 (unchanged)
Total remuneration 2022 (DKKt)	915



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

Member of the Boards of GN Audio A/S and GN Hearing A/S. Member of the Supervisory Board and Chair of the audit committee of New Work S.E*.

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

Board member since	2020
Term	2022/2023
Considered independent	Yes
Nationality	Germany
Year of birth	1971
No. of GN shares	2,250 (+800)
Total remuneration 2022 (DKKt)	915



Ronica Wang
MBA and B.A.Sc. (Engineering), Co-founder and Global Managing Partner, The InnoGrowth Group. Former Chair and CEO of Avon Japan (listco) and leadership positions at Johnson & Johnson, Hutchison-Priceline, and Procter & Gamble

Member of the Boards of GN Audio A/S and GN Hearing A/S. Member of the Board and Advisory Committee of Hotelbeds Group Ltd.

International experience with proven success in innovative business model transformation, turnarounds, and growth acceleration in the U.S., Australia, and Asia-wide, especially China. Expertise in global branding, product strategy, and commercialization, sales and channel management, launching and operating digital businesses, and organization effectiveness in B2C, professional B2B2C, and B2B industries across consumer, healthcare, technology, affordable luxury, and retail sectors.

Board member since	2015
Term	2022/2023
Considered independent	Yes
Nationality	Hong Kong
Year of birth	1962
No. of GN shares	11,195 (+1,345)
Total remuneration 2022 (DKKt)	730

* Company listed on a regulated market

Employee elected members



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



Cathrin Inge Hansen
B.Sc. (International Marketing), Graduate Diploma (Business Administration & International Trade), Senior Regulatory Process Compliance Specialist, GN Hearing



Claus Holmbeck-Madsen
Academy Foundation Degree (Business). Global Head of Knowledge & Learning, Jabra Support and Services, GN Audio

Board & Committee positions	
Member of the Board of the GN Store Nord Foundation	
Special competencies	N/A
Board member since	2007
Term	2022/2026
Considered independent	N/A
Nationality	Denmark
Year of birth	1959
No. of GN shares	1,387 (+250)
Total remuneration 2022 (DKKt)	305

Board & Committee positions	
-	
Special competencies	N/A
Board member since	2022
Term	2022/2026
Considered independent	N/A
Nationality	Denmark
Year of birth	1969
No. of GN shares	0 (unchanged)
Total remuneration 2022 (DKKt)	259

Board & Committee positions	
Member of the Board of the GN Store Nord Foundation	
Special competencies	N/A
Board member since	2022
Term	2022/2026
Considered independent	N/A
Nationality	Denmark
Year of birth	1968
No. of GN shares	0 (unchanged)
Total remuneration 2022 (DKKt)	229



Executive Management



Peter Karlstromer
CEO, GN Audio
(CEO as of January 2, 2023)

Member of the Executive Management since	2023
Year of birth	1971
No. of GN shares	3,050 (NA)
No. of GN options	0
No. of GN warrants	0
Board positions	None



Gitte Pugholm Aabo
CEO, GN Hearing and GN Store Nord (registered CEO of GN Store Nord as of January 2, 2023)

Member of the Executive Management since	2019
Year of birth	1967
No. of GN shares	6,823 (unchanged)
No. of GN options	230,904 (+88,020)
No. of GN warrants	- (unchanged)
Board positions	Member of the Committee of Directors of Danmarks Nationalbank (the Danish National Bank), member of the Boards of HIMPP A/S, ALK-ABELLÓ A/S, UNION therapeutics A/S and member of the Board and executive committee of the Danish Chamber of Commerce.



Peter La Cour Gormsen
CFO, GN Store Nord and GN Audio

Member of the Executive Management since	2021
Year of birth	1974
No. of GN shares	7,918 (unchanged)
No. of GN options	77,563 (+35,855)
No. of GN warrants	98 (unchanged)
Board positions	None



René Svendsen-Tune
CEO, GN Store Nord and GN Audio
(CEO until January 2, 2023)

Member of the Executive Management since	2015
Year of birth	1955
No. of GN shares	116,998 (unchanged)
No. of GN options	290,589 (+116,125)
No. of GN warrants	558 (-494)
Board positions	Chair of the Boards of Stokke A/S and GN Store Nord Foundation, Deputy Chair of the Boards of NKT A/S and Nilfisk Holding A/S.

Consolidated ESG data

Progress towards our 2025 ESG goals	64
ESG data	65
ESG data – climate related	66
ESG data – other	68
Frameworks, certifications, and ratings	70
Materiality matrix	71
Stakeholder engagement	72
Policy overview and governance	73
EU Taxonomy Regulation disclosure	74
TCFD index	76



Progress towards our 2025 ESG goals

On track to meet our sustainability goals for 2025

GN's sustainability strategy is based on three focus areas: health, climate change, and products and packaging, built on a foundation of responsible business processes.

As communicated in our 2020 report – issued in February 2021 – we have set goals in these three areas for 2025. We chose 2025 as it is both near enough to warrant immediate action, and far enough away to be ambitious. Partly due to solid progress on all our goals in 2022, we are on track to meet them.

2025 targets	Status	2022 progress
Health		
Help 10 million people with hearing loss	On track	GN Hearing launched five new product lines addressing the specific, yet very diverse requirements in different customer segments, thus offering a completely new line-up across all form factors and for all types of users. Additionally, in collaboration with GN Audio, GN Hearing developed and launched Jabra Enhance Plus to offer more choice, convenience, and accessibility, aiming to make it easier to more people to begin their hearing health journey. This product was in 2022 launched in the new over the counter channel in the U.S.
Create awareness of hearing loss and add new health functionality to our products	On track	GN Hearing expanded communication activities to increase awareness of the negative impact of untreated hearing on people's ability to communicate and socialize, ultimately impacting their overall health and well-being. Further, GN Hearing completed the acquisition of Lively (now renamed JabraEnhance.com) – a leader in online hearing care that expands the accessibility and ease for more people to understand hearing loss and act on it.
Support unmet hearing health needs through donations and capacity-building	On track	See page 46.
Climate		
Carbon neutral in own operations (scope 1 and 2 emissions)	On track	Increased renewable energy share (location based) from 3% to 16%, signed PPA for Danish sites.
Halve the carbon footprint of company air travel	On track	Reduced business air travel by 35% compared to 2019 baseline, from 1.62 to 1.05 tons CO2e per FTE.
Improve carbon transparency and set additional climate goals	On track	Had science-based targets approved, improved CDP score to B (see pages 37 and 70).
Products and packaging		
50% sustainable (non-virgin) material* in all new products	On track	Prepared launch of first products containing recycled plastic in Q1 2023.
Minimal plastic, small size, FSC-certified packaging for all new products	On track	Goal achieved in Jabra, prepared for roll out across other product categories in 2023.
Give more products a second life through take-back schemes, re-pair, or refurb	On track	See page 38.

* Sustainable material means % of either recycled or bio-based content as a percentage of the total weight of materials for which sustainable alternatives exist (i.e., plastics, metals, fabrics)



ESG data

Overall ESG accounting policies

This report covers the environmental, social, and governance (ESG) issues that are deemed relevant for GN and its stakeholders. We use ESG data to support our business and to disclose relevant and transparent information to our stakeholders.

Several international ESG reporting frameworks guide the data selection process (e.g. GHG Protocol, GRI, SASB). Key issues are identified through ongoing stakeholder engagement and trendspotting, informed by data-driven analysis and addressed by programs or action plans with clear and measurable targets.

The issues presented in this report are deemed to have either a significant impact on GN's future business performance or are important 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, 2022.

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. For the purpose of this report, recent acquisitions SteelSeries and JabraEnhance.com (formerly Lively) are within scope.

Significant changes to reporting boundary

In January 2022, GN completed the acquisition of SteelSeries and in December 2021, GN acquired JabraEnhance.com. No other significant changes to the reporting boundary occurred in 2022. Belaudicao was acquired in April 2022, and will be included in next year's report.

Data quality and consolidation

We have processes at market, regional, and global levels governing the collection, review, and validation of non-financial 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 made estimates or exercised judgement, this is highlighted within these accounting policies.

Environmental data is collected and reported for all sites where we have operational control (where GN has direct contracts with energy providers), including office sites with more than 50 employees. For offices with less than 50 employees an estimate is made using the consumption of a similar office relative to the headcount or floorspace of the office.

Social data is collected and reported through our global HR system for all GN employees globally.

All data reported follows these principles unless otherwise stated in the indicator definition.

This report is in accordance with the GRI Standards. See [gn.com](https://www.gn.com) for a full GRI content index.

ESG data – climate related

Dimension	Units	Method	Emission Factors	2020	2021	2022
GHG emissions in Scope 1						
Stationary emission sources	tons CO ₂ e	Fuel-based	DEFRA	348	444	402*
Mobile emission sources	tons CO ₂ e	Fuel and distance-based	DEFRA	1,827	1,888	1,751*
Fugitive emission sources	tons CO ₂ e		GHG Protocol	80	79	71*
Total	tons CO₂e			2,255	2,411	2,224*
GHG emissions in Scope 2						
Location-based	tons CO ₂ e		IEA, EPA, DEFRA	6,599	6,741	6,974*
Market-based	tons CO ₂ e		EACs, residual mix, supplier specific	7,837	8,096	6,251*
Total GHG emissions in Scopes 1 and 2 (market-based)	tons CO₂e			10,092	10,507	8,475*
GHG emissions in Scope 3						
Scope 3.1: Purchased goods and services	tons CO ₂ e	Spend-based and LCAs	DEFRA, LCAs	170,427	259,439	292,007
Scope 3.2: Capital goods	tons CO ₂ e	Average spend-based	DEFRA	9,265	15,732	11,456
Scope 3.3: Fuel and energy-related activities	tons CO ₂ e	Average-data method	DEFRA	758	931	996
		Distance-based and average-data	DEFRA	134,324	180,170	158,792
Scope 3.4: Upstream transportation and distribution	tons CO ₂ e	Waste-type-specific	DEFRA	99	86	99
Scope 3.5: Waste generated in operations	tons CO ₂ e	Distance and spend-based	DEFRA	4,866	4,670	12,834
Scope 3.6: Business travel	tons CO ₂ e	Distance-based	DEFRA	5,216	7,122	9,572
Scope 3.7: Employee commuting	tons CO ₂ e	Asset-specific	Residual mix, supplier specific	982	1,395	1,237
Scope 3.8: Upstream leased assets	tons CO ₂ e	Distance-based and average-data	DEFRA	16,839	25,606	25,071
Scope 3.9: Downstream transportation and distribution	tons CO ₂ e	Direct use-phase emissions (electricity)	IEA, EPA, DEFRA	9,727	12,500	10,855
Scope 3.11: Use of sold products	tons CO ₂ e	Waste-type-specific	DEFRA	1,101	1,382	1,657
Scope 3.12: End-of-life treatment of sold products	tons CO ₂ e	Average-data method	DEFRA	no data	4,695	5,613
Scope 3.15: Investments	tons CO ₂ e					
Total for reported categories	tons CO₂e			353,605	513,727	530,190
Out of scope emissions (biogenic emissions)	tons CO ₂ e		DEFRA	56	66	78

* 2022 data in scope for limited assurance by PwC

Scope 1

- Stationary emissions, which represent gas consumption at GN-operated sites, have reduced through initiatives to reduce gas use following global energy insecurity, as well as energy efficiency initiatives such as upgrading gas boilers at our production site in the UK.

- Mobile emissions have reduced due to the adoption of lower-carbon vehicles across our car fleet.

Scope 2

- Market-based scope 2 emissions have decreased by increasing our share of renewable energy across our Chinese sites.
- Location-based scope 2 emissions have slightly increased, reflecting increased energy consumption across GN-operated sites, reflecting higher production-related energy use and FTE presence on-site due to relaxing of COVID-19 measures at several sites.

Combined, scope 1 and (market-based) scope 2 emissions have decreased by 19%, which marks a significant step towards our science-based reduction target of 80% by 2030.

Scope 3

Emissions across most scope 3 categories have increased through the acquisition of SteelSeries in 2022. As 2021 is the baseline year for our climate targets, 2021 SteelSeries emissions have also been included.

Achieving our science-based reduction target of 25% reduction in scope 3 by 2030 requires at a minimum the following actions:

- Increasing low-carbon materials in products, as well as circularity initiatives to reduce reliance on virgin material
- Increasing low-carbon transportation and warehousing, and scaling up local customization of products and packaging
- Engaging key suppliers on transitioning towards low-carbon manufacturing processes and use of renewable energy
- Eliminating unnecessary business travel and encouraging environmentally-friendly commuting

S 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 by GN is accounted for in scopes 1 and 2. Energy that is not paid for by GN, but that is consumed in buildings or vehicles leased by GN, is accounted for in scope 3 category 8 in line with guidance from the GHG Protocol. 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 consumption from vehicles is obtained either from third-party leasing companies or calculated based on invoiced quantities of fuel. Where electricity consumption data is unavailable, all emissions from electric or plug-in hybrid vehicles are accounted for using the distance-based method.

Where actual energy consumption data is not available for the reporting month, consumption is estimated based on an average of previous months' consumption. Where actual 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 heat and fuel, and IEA factors for electricity. GHG emission rate 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.

The 2021 GHG inventory has been recalculated across all scopes to include Lively, acquired in December 2021, and SteelSeries, acquired in January 2022.

Scope 3 emissions

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

Actual data are used where available. Otherwise, industry averaged data or data available from academic studies or similar businesses are used. Where activity data of sufficient quality is unavailable, 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 are calculated using categorized spend data. This includes both direct and indirect procurement. To improve the accuracy of this category, where available, in 2022 data derived from product LCAs 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

GN Hearing: All transportation and distribution (T&D) of goods, including air, road, rail, and ocean freight and warehousing carried out by a supplier and paid for by GN. Data on the distance, weight and transport mode are collected from GN Hearing's transportation providers. GN Audio: Emissions from transportation and warehousing of GN products from global distribution centers to retailers or webshop and B2B customers (excluding transportation of SteelSeries products to APAC customers, which are reported in scope 3 category 9). Calculation of transportation emissions required a mix of inhouse logistics and modelled using product weights, production volumes, distances, and assumed transport modes.

Category 5 – Waste generated in operations

Collection and treatment emissions associated with waste generated by all GN offices and production sites. Emissions are calculated using data from

waste management providers serving 4 of our 5 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-CO₂ 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' commute to and from work, based on an employee survey conducted in 2021, accounting for homeworking (2020-2022).

Category 8 – Upstream leased assets

Energy use at sites not included in scopes 1 and 2. Emissions are calculated on a market-based basis using actual data obtained from building management providers and estimated data, where this is not available. Since 2021, some scope 1 and 2 emissions have been recategorized into scope 3 category 8.

Category 9 – Downstream transportation and distribution

GN 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. Transportation and warehousing emissions are accounted for in scope 3 category 4. GN Audio: Estimated warehousing emissions not paid for by GN. SteelSeries: Emissions from transportation not directly paid for by GN.

Category 11 – Use of sold products

Emissions from the power consumption of all GN products, excluding accessory products in GN Hearing, 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 product and packaging weights by major market country 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	2025 target
Environmental							
Energy consumption	MWh			24,374	27,875	27,597	
Renewable energy share	%				3%	16%	
Waste generation	metric tons			1,309	1,250	1,429	
Water consumption	m3			71,594	73,975	73,073	
TCO Certified products	# certified products	0	0	4	17	29	
FSC certified packaging - share of total sold products	% sold products	0%	0%	4.9%	15%	20%	
FSC certified packaging - share of newly launched sold products	% sold products	0%	0%	40%	100%	51%	100%
Product LCAs completed and externally verified	# LCAs	0	0	0	0	9	
E-waste recycling financed	tons	2,788	3,671	4,210	4,777	4,302	
Social							
Number of people with hearing loss helped	# m people		9.0	9.1	9.4	9.8	>10
Supplier ESG audits	# audits of tier 1 and key tier 2 suppliers	39	49	39	40	31	
Lost time incidents (LTI) at GN operated manufacturing sites	# incidents			5	2	11	
Employee turnover	% of total workforce					22%	
Conflict Minerals Reporting Templates received	%CMRTs received	98%	98%	97%	100%	100%	100%
Governance							
Women in Board of Directors (AGM elected)	% women	50%	40%	57%	57%	66%	>40%
Women in Senior Management	% women	20%	20%	21%	21%	23%*	>25%
Whistleblower cases	Number of cases	10	15	14	29	37	

* 2022 data in scope for limited assurance by PwC

Notes – Environmental

Energy, waste, and water consumption

Energy consumption includes electricity, fuel, and heating used at all GN sites 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 sites in the U.S. and Spain were estimated based on the

other production sites in Denmark, China, Malaysia, and the U.K., while smaller offices' waste volumes were estimated based on similar sites in terms of size and geography. Water consumption was calculated in the same way as waste generation. Increase in waste is mostly due to higher office use post-pandemic and acquisitions.

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 2022 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 2022 only. The decrease in this number is mostly due to the acquisition of SteelSeries, for which we will also switch to FSC certified packaging in the near future.

LCAs completed

This includes all completed product LCAs that have been externally verified by Bureau Veritas. Up until this point, all LCAs have been completed for Jabra products. Further LCAs will be completed and verified in early 2023. For a full overview see www.jabra.com/sustainability.

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. Our ability to execute on-site audits was heavily impacted by COVID-19 in 2022. We expect to conduct a higher number of audits in 2023.

Lost time incidents (LTI)

An injury sustained by an employee that leads to loss of productive work in the form of absenteeism or delays. Although occupational health and safety procedures apply across all GN's sites, the metric is limited to GN Hearing's operated manufacturing sites in China, Malaysia, U.K., U.S., and Denmark where LTIs are most probable and pose the highest risk to employee wellbeing.

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, 2022.

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. The increase can both be interpreted as negative in the sense of more incidents occurring that warrant whistle blowing, or as positive in the sense of more employees feeling comfortable to use this service to report grievances. 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, 2022, where senior management is defined as being part of the Executive Management, Global Management Team, or Global Leadership Group employee groups.

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.



Frameworks, certifications, and ratings

		Rating agency	Rating/ Certification	Organization/product	Last updated
Responsible business practices		UN Global Compact	Member	GN Group	2010
		Responsible Business Alliance	Member	GN Audio	2022
		ISO	Certified	Sites and divisions within GN Group	2022
		EcoVadis	Bronze	GN Audio	2022
Products and packaging		Forest Stewardship Council	Certified	All Jabra products since 2021	2022
		TCO Certified	Certified	Click to see current TCO certified GN products	2022
Climate ambition and transparency		Science Based Targets	Approved	GN Group	2022
		CDP Climate Change	B	GN Group	2022
		Task Force on Climate - Related Financial Disclosures	Aligned	GN Group	2022
ESG reporting and performance		Global Reporting Initiative	Aligned	GN Group	2022
		MSCI ESG Ratings	AA	GN Group	2022
		Sustainalytics ESG Rating	13.2 (low risk)	GN Group	2022

“As a company our values help us constantly evolve and improve what we bring to the market.”

Materiality matrix

GN aims to act and report on the sustainability topics that matter the most to GN and our stakeholders

We determine the relevance to stakeholders for these topics by aggregating sustainability-related requirements and inquiries from investors, customers, and employees. We also take into account the salience of the topic in (emerging) legislation and industry materiality guidance from ESG reporting frameworks and rating agencies.

To determine “Impact on GN’s success”, we assessed to what extent adequately addressing the topic contributes towards GN mitigating risks or seizing opportunities, and thereby serve as an enabler of the success of GN.

In 2023, we will execute a full value chain ‘double materiality’ assessment in accordance with the Corporate Sustainability Reporting Directive (CSRD) standards.

Materiality matrix for GN

Three approaches to material topics





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 2022, sustainability became an even more prominent topic of engagement with customers, especially in GN Audio, including packaging, LCAs, certifications, decarbonization, and circularity.

Employees

All employees engage biannually in professional development discussions. All employees are encouraged to participate in the biannual

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 Alert-line.

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 2022, we continued to make ESG a prominent part of our proactive communication to investors.

Regulatory authorities

GN assesses relevant regulations on an ongoing basis and ensures we comply with all relevant legislation. We expect new legislation to emerge in the area of product sustainability (especially in GN Audio), as part of, among other, the European Green Deal and right to repair, as

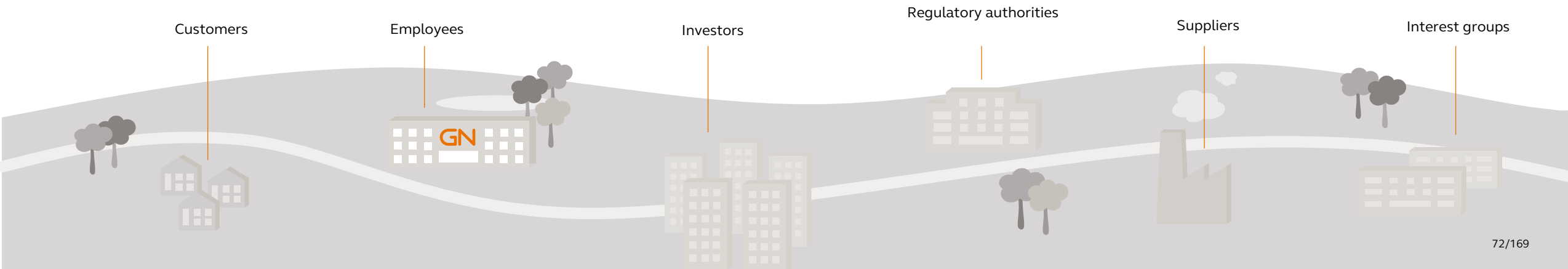
well as additional sustainability/ESG disclosure requirements, especially related to GN's impact on climate change and vice versa.

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 policies. We work in partnership with our suppliers to support their compliance, and we also expect that they act to rectify any breaches. To strengthen our supply chain responsibility, in 2022, GN Audio joined the Responsible Business Alliances (RBA).

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.

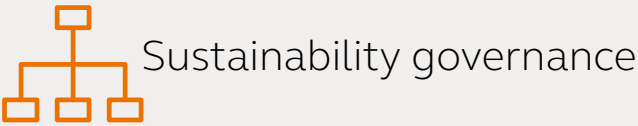


Policy overview and governance

Policy	What it covers
Policies guiding internal processes	
Sustainability Policy	GN's general approach to sustainability across all ESG areas.
Diversity Policy	GN's initiatives and tools to drive greater inclusion and diversity across GN.
Quality Policies GN Audio and GN Hearing	GN Audio and GN Hearing'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	
Codes of Conduct GN Audio and GN Hearing	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).
Responsible Sourcing Policy GN Audio	GN Audio's application of the ten principles of the UN Global Compact in sourcing.
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.



The Board of Directors

The Board approves the strategic direction and key decisions regarding sustainability.

Executive Management

Executive Management owns sustainability as part of the company's strategy and is responsible for driving progress.

Global Management Teams

Global Management Teams in the different business divisions discuss sustainability at least on a quarterly basis and are responsible for driving and tracking processes on an operational level.

Group Sustainability

Group Sustainability, reporting to GN Store Nord's CFO, holds overall responsibility for supporting the business in driving the sustainability agenda as well as developing 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 1 and 2 to the delegated act.

Methodology and materiality

For the purpose of this disclosure, we executed a full screening of all GN's core and secondary economic activities within our operational control against the eligible activities listed in the Taxonomy Compass, for the two environmental objectives against which we are obligated to report: climate mitigation and adaptation. An initial screening of all economic activities listed in the compass yielded that GN's core business activities are not eligible for these objectives, while in terms of secondary activities, we established two eligible activities: building renovation and the installation of charging stations.

For assessing eligible activities, we have assessed the feasibility of developing the required data to prove substantial contribution to the environmental objectives, only considering clearly identifiable parts of our activities.

Accounting policies for OPEX and CAPEX

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

OPEX 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-related objectives

Core activities

Our core activity in GN Hearing is not covered by current EU Taxonomy guidance.

Our core activity in GN Audio could be interpreted as eligible to the climate mitigation objective, as this activity falls in category 3.6 of the EU Taxonomy: Manufacture of other low carbon technologies.

The basis for alignment would be that GN Audio's products facilitate remote, virtual collaboration which potentially leads to substantially reduced GHG emissions compared to alternative solutions (for example, face-to-face meetings with associated travel). This is confirmed in a life-cycle analysis (LCA) study executed by independent third party (in accordance with ISO 14064) that demonstrates that using our video product PanaCast on average has 92% lower carbon emissions than traveling to meetings. However, we are unable to demonstrate eligibility, as we lack LCA data of similar products made by other companies to also satisfy the screening criterion that our products must have lower GHG emissions than 'best performing alternative products'.

We, therefore, require additional guidance on the criteria for taxonomy eligibility and/or alignment for this activity for the climate mitigation objective. As we await this guidance, for the purpose of the 2022 disclosure, we preliminarily assess this activity to not be eligible.

Secondary activities

In addition, our screening yielded that in 2022, GN was involved in the following secondary economic activities that match taxonomy-

eligibility criteria. As these are secondary activities, these logically do not represent any turnover.

- Renovation of existing buildings, representing an estimated 3.15% of CAPEX, 0.02% of OPEX and 0% turnover (see table on next page)
- Installation, maintenance and repair of charging stations for electric vehicles in buildings, representing an estimated 0.08% of CAPEX, 0% of OPEX and 0% turnover (see table on next page)

Neither of these activities meet the materiality threshold as described above to justify a detailed alignment assessment.

As such, we assess none of GN's activities to be aligned with the two climate-related objectives. Given the reported low eligibility of our activities for the climate-related objectives, alignment considerations have not been included in the investment plans for the future.

Eligibility and alignment with remaining four environmental objectives

Based on the report of the EU Platform on Sustainable Finance in April 2022 on the remaining four objectives, we expect that if the suggested screening criteria in that report are translated into formal reporting requirements, a significant part of GN's economic activities will be eligible for the Circular Economy objective. Given our focus on including circularity in product development and services, we expect that in due course we will be able to meet the technical screening criteria to be aligned with this objective.

Finally, for GN Hearing, which creates significant social benefits to society, we look forward to the development of a social taxonomy, which will allow us to demonstrate the societal value of this activity.

CAPEX

Economic activities	Codes	Absolute CAPEX (DKKm)	Proportion of CAPEX (%)	Substantial contribution criteria			DNSH criteria	Min. safe- guards	Aligned prop. of CAPEX (%)	Category (enab- ling)	Category (transi- tional)
				1 (%)	2 (%)	3-6 (%)					
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 Environmentally sustainable activities		DKK 0									
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0%	0%	0%	n/a	n/a	n/a	0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)											
Renovation of existing buildings	7.2	25	3.15%								T
Installation, maintenance, and repair of charging stations for electric vehicles	7.4	1	0.08%							E	
CAPEX eligible but not aligned		26	3.24%								
Total (A.1 + A.2)		26	3.24%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
CAPEX of taxonomy-non-eligible activities		783	96.76%								
(Total A + B)		809	100%								

OPEX

Economic activities	NACE code(s)	Absolute OPEX (DKKm)	Proportion of OPEX (%)	Substantial contribution criteria			DNSH criteria	Min. safe- guards	Aligned prop. of OPEX (%)	Category (enab- ling)	Category (transi- tional)
				1 (%)	2 (%)	3-6 (%)					
A. TAXONOMY-ELIGIBLE ACTIVITIES											
A.1 Environmentally sustainable activities		DKK 0									
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)			0%	0%	0%	n/a	n/a	n/a	0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned)											
Renovation of existing buildings	7.2	1	0.02%								T
OPEX eligible but not aligned		1	0.02%								
Total (A.1 + A.2)		1	0.02%								
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
OPEX of taxonomy-non-eligible activities		7,689	99.98%								
(Total A + B)		7,690	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 73
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 52. 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 raw materials with lower climate impact. GN anticipates the integration of broader financial needs with our climate performance from 2022 onwards.	Environmental performance - pages 37-42
Risk Management	Disclose how the company identifies, assesses, and manages climate-related risks.	In 2021, in view of our first TCFD disclosure, we carried out a thorough assessment of climate-related risks and opportunities. Going forward, climate-related risks and opportunities will be 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 52
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 - Share of total revenue from products or services that support the transition to a low-carbon economy Performance on these metrics and other material ESG KPIs are disclosed in this report. Targets GN's existing climate targets for 2025 are to: - Become carbon-neutral in scopes 1 and 2 by 2025 through 100% renewable energy in our owned sites, a low-carbon car fleet, and investment in high quality carbon removal projects - Reduce emissions from business travel globally by 50% Further, 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 Store Nord also commits to reduce absolute scope 3 GHG emissions 25% within the same timeframe. These targets were approved in December 2022. GN is committed to setting a science-based net-zero target with the SBTi. GN will draw up a transition plan within the next two years, supporting how we will reach our approved science-based targets, and work towards being net-zero before 2050.	ESG data - climate-related - pages 66-67

Additional financial information 2022

(unaudited)

Q4 financial highlights	78
Quarterly reporting by segment	81
Regional growth composition	83
Q4 segment disclosures	84

Q4 financial highlights

GN Hearing

Revenue

GN Hearing's revenue in Q4 2022 was DKK 1,807 million compared to DKK 1,429 million in Q4 2021, driven by an organic revenue growth of 14%. Revenue growth was 26% including around 6% impact from the development in foreign exchange rates and around 6% impact from M&A.

In North America, GN Hearing delivered strong performance in Q4 2022 in a soft hearing aid market. The launch of ReSound OMNIA, as well as the generally strong product portfolio, drove an organic revenue growth of 11% in North America, with particularly strong growth in Veterans Affairs. In Europe, GN Hearing delivered strong organic revenue growth of 8% driven by, among other, Germany and the U.K. In Rest of World, organic revenue growth was 22% despite soft market conditions and COVID-19 restrictions in China.

Earnings and other financial highlights

GN Hearing's adj. gross profit increased by 33% to DKK 1,205 million in Q4 2022. The adj. gross margin reached 66.7%, compared to 63.5% in Q4 2021 due to higher volumes and better mix, but partly offset by elevated freight costs and increased material costs.

GN Hearing's adj. EBITA was DKK 472 million, with the Core business delivering adj. EBITA of DKK 503 million corresponding to an adj. EBITA margin of 28.9%. The Emerging business, primarily JabraEnhance.com, delivered an EBITA of DKK -31 million. Reported EBITA amounted to DKK 436 million reflecting non-recurring items of DKK -36 million in Q4 2022.

In Q4 2022, free cash flow excl. M&A reached DKK 64 million, compared to DKK -61 million in Q4 2021 driven by the strong growth in earnings, but partly offset by working capital.

GN Audio

Revenue

GN Audio delivered -3% organic revenue growth in Q4 2022. The growth was driven by 9% organic revenue growth in Enterprise as a result of the world-leading and updated product portfolio, as well as an easing supply chain, but offset by -38% organic growth in Consumer.

SteelSeries delivered organic revenue growth of -4% while gaining market share in a significantly declining market, impacted by lower consumer sentiment. The growth was driven by the strong and updated product line-up. Revenue growth in Q4 2022 was 30%

including a 29% impact from M&A, reflecting SteelSeries. The impact from the development in foreign exchange rates was around 4%.

In North America, GN Audio delivered organic revenue growth of -18%, while Europe saw organic revenue growth of 9%. Organic revenue growth in the Rest of World region was -9% in Q4 2022.

Earnings and other financial highlights

GN Audio delivered a gross margin of 39.7% in Q4 2022 compared to 49.3% in Q4 2021, impacted by elevated level of freight costs, increased material costs, the consolidation of SteelSeries, higher-than-normal promotional activities in the consumer orientated business due

Financial overview Q4 2022

DKK million – Q4 2022	GN Hearing			GN Audio		
	GN Hearing	Core business	Emerging business	GN Audio	GN Audio organic	Steel-Series
Revenue	1,807	1,742	65	3,463	2,679	784
Organic growth	14%	14%	77%	-3%	-3%	-4%
Adj. EBITA**	472	503	-31	334		
Adj. EBITA margin**	26.1%	28.9%		9.6%		

DKK million	Group total*			GN Hearing			GN Audio		
	Q4 2022	Q4 2021	Growth	Q4 2022	Q4 2021	Growth	Q4 2022	Q4 2021	Growth
Revenue	5,270	4,100	29%	1,807	1,429	26%	3,463	2,671	30%
Organic growth	3%	-2%		14%	2%		-3%	-4%	
Adj. Gross profit**	2,581	2,224	16%	1,205	908	33%	1,376	1,316	5%
Adj. Gross profit margin**	49.0%	54.2%	-5.2%p	66.7%	63.5%	3.2%p	39.7%	49.3%	-9.6%p
Adj. EBITA**	744	651	14%	472	219	116%	334	475	-30%
Adj. EBITA margin**	14.1%	15.9%	-1.8%p	26.1%	15.3%	10.8%p	9.6%	17.8%	-8.2%p
Adj. Earnings per share (EPS)***	3.92	4.14	-5%						
Free cash flow excl. M&A	-105	-279	NA	64	-61	NA	-21	198	NA

* Including "Other"

** 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 -31 million in OPEX in GN Audio) in 2021

*** Excluding non-recurring items (DKK -188 million in 2022 and DKK -31 million in 2021) and amortization of acquired intangible assets

to the increasing inventory, and a significant negative impact from the development in foreign exchange rates.

GN Audio's adj. EBITA ended at DKK 334 million in Q4 2022, translating into an adj. EBITA margin of 9.6%, compared to 17.8% in Q4 2021 reflecting the gross margin impact and timing effects of OPEX. Reported EBITA was DKK 182 million, reflecting DKK -152 million in non-recurring items related to the integration of SteelSeries and cost reduction measures.

In Q4 2022, free cash flow excl. M&A reached DKK -21 million, compared to DKK 198 million in Q4 2021 driven by the decline in reported earnings and a negative impact from working capital.

GN Store Nord

In Q4 2022, EBITA in Other amounted to DKK -62 million in Q4 2022, compared to DKK -43 million in Q4 2021 due to timing effects. GN Store Nord's adj. EBITA was DKK 744 million compared to DKK 651 million in Q4 2021, driven by strong execution across GN Hearing and GN Audio in soft market environments impacted by reduced consumer sentiment. This corresponds to an adj. EBITA margin of 14.1% in Q4 2022 compared to 15.9% in Q4 2021. Reported EBITA was DKK 556 million, reflecting non-recurring items of DKK -188 million due to supply chain initiatives in GN Hearing, the non-recurring items related to SteelSeries and cost reduction measures.

In Q4 2022, amortization of acquired intangible assets amounted to DKK -116 million compared to DKK -103 million in Q4 2021 reflecting the acquisition of SteelSeries. Financial items were DKK -82 million in Q4 2022 compared to DKK 34 million in Q4 2021, driven by run-rate effects from the higher net interest-bearing debt.





Quarterly financial highlights

DKK million	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Full year 2022 (aud.)	Full year 2021 (aud.)
GN Store Nord				
Revenue	5,270	4,100	18,687	15,775
Revenue growth	29%	0%	18%	17%
Organic growth	3%	-2%	-3%	20%
Gross profit margin	48.8%	54.2%	48.9%	55.0%
EBITA*	556	620	1,560	2,619
EBITA margin*	10.6%	15.1%	8.3%	16.6%
Profit (loss) before tax	354	540	725	2,271
Effective tax rate	21.5%	20.7%	21.4%	21.2%
ROIC (EBITA*/Average invested capital)	9%	25%	9%	25%
Earnings per share, basic (EPS)	2.06	3.30	4.00	13.63
Earnings per share, fully diluted (EPS diluted)	2.05	3.29	3.99	13.49
Free cash flow excl. M&A	-105	-279	-1,291	702
Cash conversion (Free cash flow excl. M&A/EBITA*)	-19%	-45%	-83%	27%
Equity ratio	22.2%	26.4%	22.2%	26.4%
Net interest-bearing debt	14,561	4,829	14,561	4,829
Net interest-bearing debt (period-end)/EBITDA	7.1	1.6	7.1	1.6
Payout ratio	-	-	0%	12%
Share buybacks**	-	54	-	1,166
Outstanding shares, end of period (thousand)	127,973	127,718	127,973	127,718
Average number of outstanding shares (thousand)	127,964	127,719	127,823	128,816
Average number of outstanding shares, fully diluted (thousand)	128,120	128,314	128,126	130,194
Treasury shares, end of period (thousand)	9,220	10,458	9,220	10,458
Share price at the end of the period	159.8	411.3	159.8	411.3
Market capitalization	20,444	52,530	20,444	52,530

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.

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

DKK million	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Full year 2022 (aud.)	Full year 2021 (aud.)
GN Hearing				
Revenue	1,807	1,429	6,227	5,332
Revenue growth	26%	4%	17%	13%
Organic growth	14%	2%	5%	16%
Gross profit margin	66.1%	63.5%	62.7%	63.8%
EBITA*	436	219	453	643
EBITA margin*	24.1%	15.3%	7.3%	12.1%
ROIC (EBITA*/Average invested capital)	5%	9%	5%	9%
Free cash flow excl. M&A	64	-61	-377	198
Cash conversion (Free cash flow excl. M&A/EBITA*)	15%	-28%	-83%	31%
GN Audio				
Revenue	3,463	2,671	12,460	10,443
Revenue growth	30%	-1%	19%	20%
Organic growth	-3%	-4%	-7%	22%
Gross profit margin	39.7%	49.3%	41.9%	50.6%
EBITA*	182	444	1,299	2,164
EBITA margin*	5.3%	16.6%	10.4%	20.7%
ROIC (EBITA*/Average invested capital)	17%	79%	17%	79%
Free cash flow excl. M&A	-21	198	-91	1,288
Cash conversion (Free cash flow excl. M&A/EBITA*)	-12%	45%	-7%	60%

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.

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



Quarterly reporting by segment

DKK million	Q1 2021 (unaud.)	Q2 2021 (unaud.)	Q3 2021 (unaud.)	Q4 2021 (unaud.)	Q1 2022 (unaud.)	Q2 2022 (unaud.)	Q3 2022 (unaud.)	Q4 2022 (unaud.)	Full Year 2021 (aud.)	Full Year 2022 (aud.)
Income statement										
Revenue										
GN Hearing	1,234	1,322	1,347	1,429	1,337	1,529	1,554	1,807	5,332	6,227
GN Audio	2,876	2,456	2,440	2,671	2,522	3,328	3,147	3,463	10,443	12,460
Total	4,110	3,778	3,787	4,100	3,859	4,857	4,701	5,270	15,775	18,687
Organic growth										
GN Hearing	1%	95%	4%	2%	2%	4%	0%	14%	16%	5%
GN Audio	82%	32%	1%	-4%	-30%	10%	-2%	-3%	22%	-7%
Total	46%	49%	2%	-2%	-21%	8%	-1%	3%	20%	-3%
Gross profit										
GN Hearing	769	832	891	908	801	924	988	1,194	3,400	3,907
GN Audio	1,480	1,264	1,222	1,316	1,006	1,502	1,341	1,376	5,282	5,225
Total	2,249	2,096	2,113	2,224	1,807	2,426	2,329	2,570	8,682	9,132
Gross profit margin										
GN Hearing	62.3%	62.9%	66.1%	63.5%	59.9%	60.4%	63.6%	66.1%	63.8%	62.7%
GN Audio	51.5%	51.5%	50.1%	49.3%	39.9%	45.1%	42.6%	39.7%	50.6%	41.9%
Total	54.7%	55.5%	55.8%	54.2%	46.8%	49.9%	49.5%	48.8%	55.0%	48.9%
Development costs										
GN Hearing	-139	-154	-155	-131	-138	-142	-146	-124	-579	-550
GN Audio	-199	-168	-173	-185	-189	-166	-188	-238	-725	-781
Other*	-34	-27	-9	-15	-21	-16	-10	-27	-85	-74
Total	-372	-349	-337	-331	-348	-324	-344	-389	-1,389	-1,405
Selling and distribution costs and administrative expenses etc.										
GN Hearing	-532	-525	-563	-558	-733	-776	-761	-634	-2,178	-2,904
GN Audio	-567	-564	-575	-687	-672	-804	-713	-956	-2,393	-3,145
Other*	-25	-23	-27	-28	-38	-23	-22	-35	-103	-118
Total	-1,124	-1,112	-1,165	-1,273	-1,443	-1,603	-1,496	-1,625	-4,674	-6,167
EBITA										
GN Hearing	98	153	173	219	-70	6	81	436	643	453
GN Audio	714	532	474	444	145	532	440	182	2,164	1,299
Other*	-59	-50	-36	-43	-59	-39	-32	-62	-188	-192
Total	753	635	611	620	16	499	489	556	2,619	1,560
EBITA margin										
GN Hearing	7.9%	11.6%	12.8%	15.3%	-5.2%	0.4%	5.2%	24.1%	12.1%	7.3%
GN Audio	24.8%	21.7%	19.4%	16.6%	5.7%	16.0%	14.0%	5.3%	20.7%	10.4%
Total	18.3%	16.8%	16.1%	15.1%	0.4%	10.3%	10.4%	10.6%	16.6%	8.3%
Depreciation and software amortization										
GN Hearing	-42	-41	-40	-40	-38	-41	-42	-41	-163	-162
GN Audio	-33	-31	-34	-37	-45	-48	-54	-47	-135	-194
Other*	-30	-33	-32	-36	-35	-37	-36	-21	-131	-129
Total	-105	-105	-106	-113	-118	-126	-132	-109	-429	-485



Quarterly reporting by segment (continued)

DKK million	Q1 2021 (unaud.)	Q2 2021 (unaud.)	Q3 2021 (unaud.)	Q4 2021 (unaud.)	Q1 2022 (unaud.)	Q2 2022 (unaud.)	Q3 2022 (unaud.)	Q4 2022 (unaud.)	Full Year 2021 (aud.)	Full Year 2022 (aud.)
EBITDA										
GN Hearing	140	194	213	259	-32	47	123	477	806	615
GN Audio	747	563	508	481	190	580	494	229	2,299	1,493
Other*	-29	-17	-4	-7	-24	-2	4	-41	-57	-63
Total	858	740	717	733	134	625	621	665	3,048	2,045
EBITA	753	635	611	620	16	499	489	556	2,619	1,560
Amortization and impairment of acquired intangible assets	-41	-42	-40	-103	-103	-96	-125	-116	-226	-440
Gain (loss) on divestment of operations etc.	-	-9	-	13	-1	-6	-	-2	4	-9
Operating profit (loss)	712	584	571	530	-88	397	364	438	2,397	1,111
Share of profit (loss) in associates	-1	-20	9	-24	17	5	-1	-2	-36	19
Financial items, net	-99	-12	-13	34	-156	-77	-90	-82	-90	-405
Profit (loss) before tax	612	552	567	540	-227	325	273	354	2,271	725
Tax on profit (loss)	-130	-118	-121	-112	49	-70	-58	-76	-481	-155
Profit (loss)	482	434	446	428	-178	255	215	278	1,790	570
Balance sheet										
Inventories										
GN Hearing	677	675	683	743	770	816	892	850	743	850
GN Audio	939	1,049	1,019	1,205	2,012	2,282	2,968	2,666	1,205	2,666
Total	1,616	1,724	1,702	1,948	2,782	3,098	3,860	3,516	1,948	3,516
Trade receivables										
GN Hearing	987	1,020	1,111	1,124	1,144	1,262	1,266	1,442	1,124	1,442
GN Audio	1,670	1,721	2,057	2,169	1,975	2,890	2,729	2,589	2,169	2,589
Other*	-	2	2	-	2	2	-	-	-	-
Total	2,657	2,743	3,170	3,293	3,121	4,154	3,995	4,031	3,293	4,031
Net working capital										
GN Hearing	785	862	883	1,010	1,036	1,078	1,052	1,323	1,010	1,323
GN Audio	652	662	793	837	1,646	2,021	2,145	1,937	837	1,937
Other*	-189	-136	-149	-122	-165	-319	-259	-151	-122	-151
Total	1,248	1,388	1,527	1,725	2,517	2,780	2,938	3,109	1,725	3,109
Free cash flow excl. M&A										
GN Hearing	-204	123	340	-61	-175	-326	60	64	198	-377
GN Audio	438	371	281	198	-140	49	21	-21	1,288	-91
Other*	-256	16	-128	-416	-242	-135	-298	-148	-784	-823
Total	-22	510	493	-279	-557	-412	-217	-105	702	-1,291
Acquisitions and divestments of companies	-38	-1	-1	-314	-7,037	-216	-15	11	-354	-7,257
Free cash flow	-60	509	492	-593	-7,594	-628	-232	-94	348	-8,548

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

Note: Quarterly splits have not been adjusted for the impacts, if any, of purchase price allocation finalisations.



Regional growth composition

Regional growth, Q4 2022 (DKK million)	GN Hearing		GN Audio		Consolidated total	
	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)
Europe - revenue	525	432	1,704	1,320	2,229	1,752
Organic growth	8%	1%	9%	-18%	9%	-14%
FX growth	0%	2%	0%	1%	0%	1%
M&A growth	14%	0%	20%	0%	18%	0%
Revenue growth	22%	3%	29%	-17%	27%	-13%
North America - revenue	839	639	1,109	813	1,948	1,452
Organic growth	11%	-1%	-18%	7%	-5%	3%
FX growth	15%	3%	9%	4%	12%	4%
M&A growth	5%	-2%	45%	0%	27%	-1%
Revenue growth	31%	0%	36%	11%	34%	6%
Rest of World - revenue	443	358	650	538	1,093	896
Organic growth	22%	11%	-9%	38%	3%	26%
FX growth	2%	2%	4%	2%	3%	2%
M&A growth	0%	0%	26%	0%	16%	0%
Revenue growth	24%	13%	21%	40%	22%	28%
Total revenue	1,807	1,429	3,463	2,671	5,270	4,100
Organic growth	14%	2%	-3%	-4%	3%	-2%
FX growth	6%	3%	4%	2%	5%	2%
M&A growth	6%	-1%	29%	0%	21%	0%
Revenue growth	26%	4%	30%	-1%	29%	0%

Regional growth, YTD 2022 (DKK million)	GN Hearing		GN Audio		Consolidated total	
	YTD 2022 (unaud.)	YTD 2021 (unaud.)	YTD 2022 (unaud.)	YTD 2021 (unaud.)	YTD 2022 (unaud.)	YTD 2021 (unaud.)
Europe - revenue	1,794	1,474	5,936	5,283	7,730	6,757
Organic growth	10%	7%	-1%	16%	1%	14%
FX growth	1%	0%	0%	1%	0%	0%
M&A growth	11%	0%	13%	0%	13%	0%
Revenue growth	22%	7%	12%	17%	14%	14%
North America - revenue	2,939	2,524	3,990	3,161	6,929	5,685
Organic growth	0%	17%	-19%	27%	-11%	22%
FX growth	13%	-5%	10%	-6%	12%	-6%
M&A growth	3%	-1%	35%	0%	21%	0%
Revenue growth	16%	11%	26%	21%	22%	16%
Rest of World - revenue	1,494	1,334	2,534	1,999	4,028	3,333
Organic growth	8%	26%	-6%	30%	0%	28%
FX growth	4%	-2%	7%	-3%	6%	-2%
M&A growth	0%	0%	26%	0%	15%	0%
Revenue growth	12%	24%	27%	27%	21%	26%
Total revenue	6,227	5,332	12,460	10,443	18,687	15,775
Organic growth	5%	16%	-7%	22%	-3%	20%
FX growth	7%	-3%	4%	-2%	5%	-3%
M&A growth	5%	-1%	22%	0%	16%	0%
Revenue growth	17%	13%	19%	20%	18%	17%



Q4 segment disclosures

Income statement	GN Hearing		GN Audio		Other*		Consolidated total	
	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)
(DKK million)								
Revenue	1,807	1,429	3,463	2,671	-	-	5,270	4,100
Production costs	-613	-521	-2,087	-1,355	-	-	-2,700	-1,876
Gross profit	1,194	908	1,376	1,316	-	-	2,570	2,224
Development costs	-124	-131	-238	-185	-27	-15	-389	-331
Selling and distribution costs	-538	-397	-601	-541	-	-	-1,139	-938
Management and administrative expenses	-125	-145	-323	-166	-35	-28	-483	-339
Other operating income and costs, net	29	-16	-32	20	-	-	-3	4
EBITA	436	219	182	444	-62	-43	556	620
Amortization and impairment of acquired intangible assets	-19	-85	-97	-18	-	-	-116	-103
Gain (loss) on divestment of operations etc.	-2	13	-	-	-	-	-2	13
Operating profit (loss)	415	147	85	426	-62	-43	438	530
Share of profit (loss) in associates	-2	-23	-	-	-	-1	-2	-24
Financial items	-65	61	111	-1	-128	-26	-82	34
Profit (loss) before tax	348	185	196	425	-190	-70	354	540
Tax on profit (loss)	-43	-89	30	-35	-63	12	-76	-112
Profit (loss) for the period	305	96	226	390	-253	-58	278	428

Additional information	GN Hearing		GN Audio		Other*		Consolidated total	
	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)
(DKK million)								
Revenue distributed geographically								
Denmark	29	29	132	69	-	-	161	98
Europe	496	403	1,572	1,251	-	-	2,068	1,654
North America	839	639	1,109	813	-	-	1,948	1,452
Rest of World	443	358	650	538	-	-	1,093	896
Revenue	1,807	1,429	3,463	2,671	-	-	5,270	4,100
Incurred development costs	-170	-154	-374	-234	-29	-17	-573	-405
Capitalized development costs	128	103	234	114	-	-	362	217
Amortization, impairment and depreciation of development projects**	-82	-80	-98	-65	2	2	-178	-143
Expensed development costs	-124	-131	-238	-185	-27	-15	-389	-331
EBITDA	477	259	229	481	-41	-7	665	733
Depreciation and software amortization	-41	-40	-47	-37	-21	-36	-109	-113
EBITA	436	219	182	444	-62	-43	556	620
EBITA margin	24.1%	15.3%	5.3%	16.6%	N/A	N/A	10.6%	15.1%
Number of employees, end of period	4,852	4,553	2,666	2,358	373	317	7,891	7,228

Cash flow statement	GN Hearing		GN Audio		Other*		Consolidated total	
	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)	Q4 2022 (unaud.)	Q4 2021 (unaud.)
(DKK million)								
Operating activities before changes in working capital	519	344	460	523	-40	-9	939	858
Cash flow from changes in working capital	-259	-173	-179	-9	17	-33	-421	-215
Cash flow from operating activities excluding financial items and tax	260	171	281	514	-23	-42	518	643
Cash flow from investing activities:								
Development projects, investment	-128	-103	-234	-114	-	-	-362	-217
Other	-50	-379	-27	-43	-146	-136	-223	-558
Cash flow from operating and investing activities before financial items and tax	82	-311	20	357	-169	-178	-67	-132
Tax and financial items	-18	-64	-30	-159	21	-238	-27	-461
Cash flow from operating and investing activities (free cash flow)	64	-375	-10	198	-148	-416	-94	-593
Cash flow from M&A activities	-	-314	11	-	-	-	11	-314
Free cash flow excl. M&A	64	-61	-21	198	-148	-416	-105	-279

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

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

Consolidated financial statements

Consolidated financial statements	
Consolidated income statement	86
Consolidated Statement of comprehensive income	86
Consolidated balance sheet at December 31	87
Consolidated statement of cash flow	88
Consolidated statement of equity	89

Consolidated income statement

DKK million	Note	2022	2021
Revenue	2.2	18,687	15,775
Production costs	2.3, 2.4, 3.4, 3.6	-9,555	-7,093
Gross profit		9,132	8,682
Development costs	2.3, 2.4, 3.4	-1,405	-1,389
Selling and distribution costs	2.3, 2.4, 3.4	-4,563	-3,484
Management and administrative expenses	2.3, 2.4, 3.4, 5.8	-1,587	-1,205
Other operating income and costs, net		-17	15
EBITA*		1,560	2,619
Amortization and impairment of acquired intangible assets	2.6, 3.4	-440	-226
Gain (loss) on divestment of operations etc.	5.1	-9	4
Operating profit (loss)		1,111	2,397
Share of profit (loss) in associates	5.6	19	-36
Financial income	2.4, 4.5	256	237
Financial expenses	4.5	-661	-327
Profit (loss) before tax		725	2,271
Tax on profit (loss)	2.5	-155	-481
Profit (loss) for the year		570	1,790
Attributable to:			
Non-controlling interests		59	34
Shareholders in GN Store Nord A/S		511	1,756
Earnings per share (EPS)			
Earnings per share (EPS)	4.1	4.00	13.63
Earnings per share fully diluted (EPS diluted)	4.1	3.99	13.49

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

Consolidated statement of comprehensive income

DKK million	Note	2022	2021
Profit (loss) for the year		570	1,790
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains (losses)	5.4	7	46
Tax relating to actuarial gains (losses)	2.5	-2	-10
Items that may be reclassified subsequently to the income statement			
Adjustment of cash flow hedges	4.3	-73	35
Foreign exchange adjustments, etc.		258	396
Tax relating to other comprehensive income	2.5	16	-8
Other comprehensive income for the year, net of tax		206	459
Total comprehensive income for the year		776	2,249
Attributable to:			
Non-controlling interests		59	34
Shareholders in GN Store Nord A/S		717	2,215

Consolidated balance sheet at December 31

DKK million	Note	2022	2021
Assets			
Intangible assets	3.1, 3.4	17,546	8,336
Property, plant and equipment	3.2, 3.3, 3.4	1,255	1,300
Investments in associates	5.6	319	153
Deferred tax assets	2.5	491	389
Other non-current assets	3.5, 4.3, 5.4	1,612	1,399
Total non-current assets		21,223	11,577
Inventories	3.6	3,516	1,929
Trade receivables	3.7, 4.3	4,031	3,293
Tax receivables		107	77
Other receivables		722	468
Cash and cash equivalents		990	6,208
Total current assets		9,366	11,975
Total assets		30,589	23,552
Equity and Liabilities			
Share capital		549	553
Other reserves		-4,263	-4,829
Proposed dividends for the year		-	214
Retained earnings		10,514	10,291
Total equity		6,800	6,229
Bank loans and issued bonds, non-current	4.2, 4.3, 4.4	9,866	9,513
Lease liabilities, non-current	3.3, 4.3, 4.4	262	311
Pension obligations	5.4	7	7
Provisions, non-current	3.8	138	221
Deferred tax liabilities	2.5	915	402
Other non-current liabilities	4.3, 4.4	867	727
Total non-current liabilities		12,055	11,181
Bank loans and issued bonds, current	4.2, 4.3, 4.4	6,016	1,615
Lease liabilities, current	3.3, 4.3, 4.4	109	127
Trade payables		1,554	1,280
Tax payables		226	72
Provisions	3.8	223	344
Other current liabilities	4.3, 4.4	3,606	2,704
Total current liabilities		11,734	6,142
Total equity and liabilities		30,589	23,552

Consolidated statement of cash flows

DKK million	Note	2022	2021
Operating activities			
Operating profit (loss)		1,111	2,397
Depreciation, amortization and impairment	3.4	1,534	1,192
Other non-cash adjustments	5.7	58	23
Cash flow from operating activities before changes in working capital		2,703	3,612
Change in inventories		-1,032	-137
Change in receivables		-393	-610
Change in trade payables and other payables		132	37
Total changes in working capital		-1,293	-710
Cash flow from operating activities before financial items and tax		1,410	2,902
Interest received		146	101
Interest etc. paid		-744	-320
Tax paid, net	2.5	-185	-571
Cash flow from operating activities		627	2,112
Investing activities			
Development projects	3.1	-1,005	-755
Investments in intangible assets, excluding development projects	3.1	-454	-312
Investments in property, plant and equipment	3.2	-209	-457
Investments in other non-current assets		-539	-271
Disposal of intangible assets and property, plant and equipment		5	4
Disposal (repayment) of other non-current assets		284	381
Acquisition of companies/operations	5.1	-7,257	-354
Cash flow from investing activities		-9,175	-1,764
Cash flow from operating and investing activities (free cash flow)		-8,548	348

DKK million	Note	2022	2021
Financing activities			
Increase of long-term loans	4.4	1,835	-
Increase of short-term loans	4.4	1,725	417
Decrease of long-term loans	4.4	-	-139
Net proceeds from issue of EMTN bonds	4.4	-	5,134
Paid dividends		-208	-188
Share-based payment (exercised)		22	159
Purchase of treasury shares	4.1	-	-1,166
Other adjustments		-30	-30
Cash flow from financing activities		3,344	4,187
Net cash flow		-5,204	4,535
Cash and cash equivalents, beginning of period		6,208	1,657
Adjustment foreign currency, cash and cash equivalents		-14	16
Cash and cash equivalents, end of period		990	6,208



Consolidated statement of changes in equity

DKK million	2022								
	Other reserves				Proposed dividends for the year	Retained earnings	Equity, share-holders in GN Store Nord A/S	Non-controlling interests	Total equity
	Share capital	Foreign exchange adjustments	Hedging reserve	Treasury shares					
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 comprehensive 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 incentive plans	-	-	-	-	-	7	7	-	7
Purchase of treasury shares	-	-	-	-	-	-	-	-	-
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	-88	-88	-49	-137
Proposed dividends for the year*	-	-	-	-	0	-	-	-	-
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 (2021: DKK 1.55 per share)

DKK million	2021								
	Other reserves				Proposed dividends for the year	Retained earnings	Equity, share-holders in GN Store Nord A/S	Non-controlling interests	Total equity
	Share capital	Foreign exchange adjustments	Hedging reserve	Treasury shares					
Balance at January 1, 2021	569	-1,500	-21	-3,640	206	9,564	5,178	-	5,178
Profit (loss) for the period	-	-	-	-	-	1,756	1,756	34	1,790
Actuarial gains (losses)	-	-	-	-	-	46	46	-	46
Tax relating to actuarial gains (losses)	-	-	-	-	-	-10	-10	-	-10
Adjustment of cash flow hedges	-	-	35	-	-	-	35	-	35
Foreign exchange adjustments, etc.	-	396	-	-	-	-	396	-	396
Tax relating to other comprehensive income	-	-	-8	-	-	-	-8	-	-8
Other comprehensive income for the year	-	396	27	-	-	36	459	-	459
Total comprehensive income for the year	-	396	27	-	-	1,792	2,215	34	2,249
Cancellation of own shares	-16	-	-	873	-	-857	-	-	-
Share-based payment (granted)	-	-	-	-	-	50	50	-	50
Share-based payment (exercised)	-	-	-	202	-	-43	159	-	159
Tax related to share-based incentive plans	-	-	-	-	-	47	47	-	47
Purchase of treasury shares	-	-	-	-1,166	-	-	-1,166	-	-1,166
Reclassification of non-controlling interests by recognizing a put option liability	-	-	-	-	-	-66	-66	-34	-100
Proposed dividends for the year*	-	-	-	-	214	-214	-	-	-
Paid dividends	-	-	-	-	-188	-	-188	-	-188
Dividends, treasury shares	-	-	-	-	-18	18	-	-	-
Balance at December 31, 2021	553	-1,104	6	-3,731	214	10,291	6,229	-	6,229



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.

1.1 General accounting policies	91
1.2 Significant accounting estimates and judgments	92
1.3 Non-IFRS measures	92

Section 2 - Results of the year

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

2.1 Segment disclosures	94
2.2 Revenue and geographical information	98
2.3 Staff Costs	100
2.4 Government grants	100
2.5 Tax	101
2.6 Income statement classified by function	103

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.

3.1 Intangible assets	105
3.2 Property, plant and equipment	108
3.3 Leases	110
3.4 Depreciation, amortization and impairment	111
3.5 Other non-current assets	112
3.6 Inventories	114
3.7 Trade receivables	115
3.8 Provisions	116

Section 4 - Capital structure and financing items

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

4.1 Outstanding shares and treasury shares	118
4.2 Financial risks	119
4.3 Financial instruments	124
4.4 Liabilities from financing activities	129
4.5 Financial income and expenses	130

Section 5 - Other disclosures

Statutory notes and other disclosures.

5.1 Acquisition and divestment of companies and operations	132
5.2 Remuneration of the Board of Directors and Executive Management	135
5.3 Share-based incentive plans	137
5.4 Pension obligations	140
5.5 Contingent liabilities	141
5.6 Investments in associates	142
5.7 Other non-cash adjustments	142
5.8 Fees to statutory auditors	142
5.9 Related parties	142
5.10 Events after the reporting period	142

Section 1 - Basis of preparation

1.1 General accounting policies

The annual report of GN Store Nord has been prepared in accordance with International Financial Reporting 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, 2022, GN Store Nord adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2022 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, 2022 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, 2022. 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 page 143. Enterprises that are not subsidiaries, but where GN Store Nord holds between 20% and 50% of the voting rights and over which it 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
2.1 Segment disclosures	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. 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 145 for a definition of these measures.

Section 2 - Results of the year

2.1	Segment disclosures	94
2.2	Revenue and geographical information	98
2.3	Staff Costs	100
2.4	Government grants	100
2.5	Tax	101
2.6	Income statement classified by function	103

2.1 Segment disclosures

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

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

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

Income statement 2021

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
External revenue	5,332	10,443	-	-	15,775
Internal revenue	-	-	563	-563	-
Revenue	5,332	10,443	563	-563	15,775
Production costs	-1,932	-5,161	-	-	-7,093
Gross profit	3,400	5,282	563	-563	8,682
Development costs	-579	-725	-91	6	-1,389
Selling and distribution costs	-1,549	-1,935	-	-	-3,484
Management and administrative expenses	-602	-498	-668	563	-1,205
Other operating income and costs, net	-27	40	2	-	15
EBITA*	643	2,164	-194	6	2,619
Amortization and impairment of acquired intangible assets	-156	-70	-	-	-226
Gain (loss) on divestment of operations etc.	4	-	-	-	4
Operating profit (loss)	491	2,094	-194	6	2,397
Share of profit (loss) in associates	-35	-	-1	-	-36
Financial items	-51	-36	-3	-	-90
Profit (loss) before tax	405	2,058	-198	6	2,271
Tax on profit (loss)	-136	-383	39	-1	-481
Profit (loss) for the year	269	1,675	-159	5	1,790
Impairment losses and reversals regarding intangible assets and property, plant and equipment recognized in the income statement	-69	-	-	-	-69

2.1 Segment disclosures (Continued)

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

* 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 145

Cash flow statement 2022

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Cash flow from operating activities before changes in working capital	957	1,799	-53	-	2,703
Cash flow from changes in working capital	-320	-990	17	-	-1,293
Cash flow from operating activities before financial items and tax	637	809	-36	-	1,410
Cash flow from investing activities:	-	-	-	-	-
Development projects	-399	-606	-	-	-1,005
Other investing activities	-569	-7,162	-439	-	-8,170
Cash flow from operating and investing activities before financial items and tax	-331	-6,959	-475	-	-7,765
Tax and financial items	-286	-149	-348	-	-783
Cash flow from operating and investing activities (free cash flow)	-617	-7,108	-823	-	-8,548
Cash flow from M&A activities	-240	-7,017	-	-	-7,257
Free cash flow excl. M&A	-377	-91	-823	-	-1,291

Other segment disclosures 2021

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Incurred development costs	-538	-957	-91	-	-1,586
Capitalized development costs	316	439	-	-	755
Amortization, impairment and depreciation of development projects***	-357	-207	-	6	-558
Expensed development costs	-579	-725	-91	6	-1,389
EBITDA**	806	2,299	-63	6	3,048
Depreciation and software amortization	-163	-135	-131	-	-429
EBITA*	643	2,164	-194	6	2,619

Cash flow statement 2021

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Cash flow from operating activities before changes in working capital	1,119	2,548	-55	-	3,612
Cash flow from changes in working capital	-410	-336	36	-	-710
Cash flow from operating activities before financial items and tax	709	2,212	-19	-	2,902
Cash flow from investing activities:	-	-	-	-	-
Development projects	-316	-439	-	-	-755
Other investing activities	-278	-178	-553	-	-1,009
Cash flow from operating and investing activities before financial items and tax	115	1,595	-572	-	1,138
Tax and financial items	-267	-311	-212	-	-790
Cash flow from operating and investing activities (free cash flow)	-152	1,284	-784	-	348
Cash flow from M&A activities	-350	-4	-	-	-354
Free cash flow excl. M&A	198	1,288	-784	-	702

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

2.1 Segment disclosures (Continued)

Balance sheet 2021

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Assets					
Goodwill	4,235	1,187	-	-	5,422
Development projects	1,014	708	-	-9	1,713
Other intangible assets	280	332	590	-1	1,201
Property, plant and equipment	478	365	457	-	1,300
Investments in associates	119	-	34	-	153
Deferred tax assets	321	145	-	-77	389
Loans to dispensers and ownership interests	969	-	-	-	969
Other financial assets	430	-	-	-	430
Total non-current assets	7,846	2,737	1,081	-87	11,577
Inventories	724	1,205	-	-	1,929
Trade receivables	1,124	2,169	-	-	3,293
Receivables from group companies*	-	2,198	-	-2,198	-
Tax receivables	66	126	9	-124	77
Other receivables	251	162	161	-106	468
Cash and cash equivalents	250	197	5,761	-	6,208
Total current assets	2,415	6,057	5,931	-2,428	11,975
Total assets	10,261	8,794	7,012	-2,515	23,552

DKK million	GN Hearing	GN Audio	Other GN	Eliminations	Consolidated total
Equity and Liabilities					
Equity	5,918	5,110	-4,791	-8	6,229
Bank loans and issued bonds	-	-	9,513	-	9,513
Lease liabilities, non-current	193	67	51	-	311
Pension obligations	-	7	-	-	7
Provisions, non-current	79	138	4	-	221
Deferred tax liabilities	268	184	29	-79	402
Other non-current liabilities	475	250	2	-	727
Total non-current liabilities	1,015	646	9,599	-79	11,181
Bank loans	1	8	1,606	-	1,615
Lease liabilities, current	78	37	12	-	127
Trade payables	235	940	105	-	1,280
Amounts owed to group companies*	1,895	-	303	-2,198	-
Tax payables	66	130	-	-124	72
Provisions, current	180	164	-	-	344
Other current liabilities	873	1,759	178	-106	2,704
Total current liabilities	3,328	3,038	2,204	-2,428	6,142
Total equity and liabilities	10,261	8,794	7,012	-2,515	23,552

* 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 speaker-phones 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						Intangible assets and property, plant and equipment	
	GN Hearing		GN Audio		Consolidated total		Consolidated total	
	2022	2021	2022	2021	2022	2021	2022	2021
Denmark	92	89	240	259	332	348	12,205	3,676
Europe	1,702	1,385	5,696	5,024	7,398	6,409	862	415
North America	2,939	2,524	3,990	3,161	6,929	5,685	5,344	5,085
Rest of World	1,494	1,334	2,534	1,999	4,028	3,333	390	460
Total	6,227	5,332	12,460	10,443	18,687	15,775	18,801	9,636

DKK million	GN Hearing						GN Audio					
	2022			2021			2022			2021		
	GN Hear- ing	Core busi- ness	Emerging business	GN Hear- ing	Core busi- ness	Emerging business	GN Audio organic	SteelSeries	GN Audio	GN Audio organic	SteelSeries	
Revenue	6,227	6,022	205	5,332	5,218	114	12,460	10,143	2,317	10,443	10,443	-

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 6,227 million (2021: DKK 5,332 million) and audio and collaboration solutions, DKK 12,460 million (2021: DKK 10,443 million). Revenue is attributed to countries on the basis of the customer's location. Only the US represents 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 2,811 million (2021: DKK 2,891 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	2022	2021
Deferred revenue related to pre-paid extended warranties (Other current liabilities and Other non-current liabilities)	195	167
Accrued rights of return (Other current liabilities)*	162	135
Contract liabilities at December 31	357	302
Revenue recognized, included in contract liabilities at the beginning of the year	194	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 indirect 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	2022	2021
Wages, salaries and remuneration	4,306	3,529
Pensions, defined benefit plans	5	5
Pensions, defined contribution plans	209	171
Other social security costs	449	339
Share-based incentives	111	50
Total	5,080	4,094
Included in:		
Production costs and change in payroll costs included in inventories	781	600
Development costs	981	852
Selling and distribution costs	2,461	2,042
Management and administrative expenses	857	599
Financial expenses	-	1
Total	5,080	4,094
Average number of employees	7,871	6,919
Number of employees, year-end	7,891	7,228

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	2022	2021
Production costs	-	-
Development costs	1	-
Selling and distribution costs	2	10
Management and administrative expenses	7	4
Financial income	-	-
Total	10	14

§ 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	2022	2021
Tax on profit (loss)		
Current tax for the year	-199	-431
Deferred tax for the year	37	-46
Effect of change in income tax rates	7	-6
Withholding tax	-4	-
Adjustment to current tax with respect to prior years	-8	-3
Adjustment to deferred tax with respect to prior years	12	5
Total	-155	-481
Reconciliation of effective tax rate		
Danish tax rate	22.0%	22.0%
Effect of tax rates in foreign jurisdictions	0.9%	1.0%
Non-taxable income	-4.1%	-0.9%
Non-deductible expenses	6.8%	1.7%
Utilization of previously not recognized tax assets	0.0%	-0.6%
Other, including provisions for uncertain tax positions*	-4.2%	-2.0%
Effective tax rate	21.4%	21.2%
Tax relating to other comprehensive income		
Actuarial gains (losses)	-2	-10
Adjustment of cash flow hedges	16	-8
Foreign exchange adjustments, etc.	-	-
Total	14	-18

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

Deferred Tax

DKK million	2022	2021
Deferred tax, net		
Deferred tax at January 1, net	-13	30
Adjustment with respect to prior years	12	5
Effect of change in income tax rates	7	-6
Addition of deferred tax on acquisition of enterprises	-495	6
Deferred tax for the year recognized in profit (loss) for the year	37	-46
Deferred tax for the year recognized in other comprehensive income for the year	14	-20
Tax related to share-based incentive plans	-	-3
Foreign exchange adjustments	14	21
Deferred tax at December 31, net	-424	-13
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax assets	491	389
Deferred tax liabilities	-915	-402
Deferred tax at December 31, net	-424	-13
Deferred tax, net relates to:		
Intangible assets	-1,091	-612
Property, plant and equipment	30	20
Other securities	-	-2
Current assets	122	113
Current liabilities	5	6
Intercompany liabilities	1	-
Tax loss carryforwards	177	80
Retaxation	-	-
Provisions	289	330
Other	43	52
Total	-424	-13
Tax value of unrecognized tax assets		
Tax loss carryforwards	46	-
Other tax assets	104	13
Unrecognized tax assets at December 31	150	13

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 42 million expected to be utilized within 12 months (2021: DKK 35 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 (2021: DKK 64 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 2022, our estimated corporate tax payment amounts to DKK 185 million (2021: DKK 571 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.

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	1,784	284	10.9%	-43	44
Europe	R&D, Production, distribution and sales	1,224	215	23.5%	40	68
North America	R&D, Production, distribution and sales	1,855	320	27.4%	73	67
Rest of World	R&D, Production, distribution and sales	3,028	308	23.6%	115	81
Total	Total GN Group	7,891	1,127	21.4%	185	260
Eliminations and other adjustments			-402			
IFRS annual report 2022	Total GN Group	7,891	725	21.4%	185	260

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	2022	2021
Revenue	18,687	15,775
Production costs	-9,555	-7,093
Gross profit	9,132	8,682
Development costs	-1,633	-1,454
Selling and distribution costs	-4,775	-3,645
Management and administrative expenses	-1,587	-1,205
Other operating income and costs, net	-17	15
Gain (loss) on divestment of operations etc.	-9	4
Operating profit (loss)	1,111	2,397
In the above income statement amortization and impairment of acquired intangible assets has been allocated to functions as follows:		
Development costs	-228	-65
Selling and distribution costs	-212	-161
Amortization and impairment of acquired intangible assets	-440	-226

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	105
3.2	Property, plant and equipment	108
3.3	Leases	110
3.4	Depreciation, amortization and impairment	111
3.5	Other non-current assets	112
3.6	Inventories	114
3.7	Trade receivables	115
3.8	Provisions	116

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	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
Transfers	-	-	-	-	-	-	-	-
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
Transfers	-	-	-	-	-	-	-	-
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
Cost at January 1	4,365	4,787	-	593	1,022	782	738	12,287
Additions on company acquisitions	768	-	-	9	3	48	2	830
Additions	-	755	-	-	311	-	1	1,067
Disposals	-12	-127	-	-120	-60	-13	-78	-410
Transfers	-	-	-	-	21	-	-	21
Foreign exchange adjustments	301	-	-	44	8	11	30	394
Cost at December 31	5,422	5,415	-	526	1,305	828	693	14,189
Amortization and impairment at January 1	-	-3,292	-	-385	-635	-489	-479	-5,280
Amortization	-	-533	-	-50	-98	-63	-48	-792
Disposals	-	127	-	93	58	13	69	360
Impairment	-	-4	-	-	-	-2	-63	-69
Transfers	-	-	-	-	-4	-	-	-4
Foreign exchange adjustments	-	-	-	-30	-9	-11	-18	-68
Amortization and impairment at December 31	-	-3,702	-	-372	-688	-552	-539	-5,853
Carrying amount at December 31, 2021	5,422	1,713	-	154	617	276	154	8,336

The carrying amount of In-house development projects and software include development in progress of DKK 565 million and DKK 735 million respectively (2021: DKK 684 million and DKK 412 million).

Goodwill

Additions during the year of DKK 5,886 million relate to the cash-generating units GN Hearing with DKK 306 million (2021: DKK 755 million) and GN Audio DKK 5,580 million (2021: DKK 0 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 %	
	2022	2021	2022	2021	2022	2021
CGUs						
GN Hearing	4,710	4,235	8.5	8.5	8.1	7.0
GN Audio	6,860	1,187	9.2	10.2	8.8	8.3
Total	11,570	5,422				

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 2023, market forecasts for 2023 – 2026, 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 (2021: 2.0% p.a.)

The GN Hearing segment expects to deliver strong market share gains next year. The GN Audio segment is expecting to maintain their strong position in the growing market for audio, gaming, and collaboration solutions.

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, 2022. 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 47 million related to projects were recognized. In Management's assessments, the recoverable amount exceeds the carrying amount at December 31, 2022.

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. In 2022, Management assessed that the expected useful lives were reflected in the carrying amounts at December 31, 2022.

Customer relationships

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

Other

The Group's other intangible assets comprise DKK 768 million (2021: DKK 60 million) related to trademarks, DKK 47 million (2021: DKK 94 million) related to supply agreements and DKK 3 million (2021: DKK 0 million) related to know-how. During the year, impairments of DKK 0 million related to trademarks, know-how and other acquired intangibles were incurred in connection with a review of expectations and budgets for a number of assets. In Management's assessments, the recoverable amount exceeds the carrying amount at December 31, 2022.

3.1 Intangible assets (Continued)

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	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
Cost at January 1	419	180	780	691	30	2,100
Additions on company acquisitions	-	-	-	4	-	4
Additions	211	21	20	70	135	457
Disposals	-	-11	-37	-49	-	-97
Transfers	-	-	147	-21	-147	-21
Foreign exchange adjustments	6	12	13	17	-	48
Cost at December 31	636	202	923	712	18	2,491
Depreciation and impairment at January 1	-213	-137	-567	-559	-	-1,476
Depreciation	-22	-14	-109	-54	-	-199
Disposals	-	10	37	46	-	93
Transfers	-	-	-	4	-	4
Foreign exchange adjustments	-5	-10	-10	-13	-	-38
Depreciation and impairment at December 31	-240	-151	-649	-576	-	-1,616
Carrying amount at December 31, 2021	396	51	274	136	18	875
Leased assets, c.f. note 3.3	385	-	-	40	-	425
Total carrying amount at December 31, 2021	781	51	274	176	18	1,300

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

DKK million	2022			2021		
	Factory and office buildings	Operating assets and equipment	Total	Factory and office buildings	Operating assets and equipment	Total
Carrying amount at January 1	385	40	425	391	42	433
Additions on company acquisitions	56	-	56			-
Additions	18	21	39	128	19	147
Remeasurements	-16	-	-16	-31	-3	-34
Depreciation	-122	-29	-151	-114	-18	-132
Impairment	-3	-	-3	-	-	-
Foreign exchange adjustments	6	-	6	11	-	11
Carrying amount at December 31	324	32	356	385	40	425

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.

! Significant accounting estimates and judgments

Leases

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Lease liabilities

DKK million	2022	2021
Contractual maturity analysis of lease liabilities:		
Less than one year	130	134
Between one and three years	164	180
More than three years	94	144
Total	388	458

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

Amounts expensed in the income statement and total cash outflow

DKK million	2022	2021
Interest expense on lease liabilities	6	10
Expenses for low-value assets and short-term leases	10	13
Cash outflow re. lease liabilities	153	132
Total cash outflow for leases	169	155

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	2022	2021
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	-156	-132
Development costs	-632	-558
Selling and distribution costs	-103	-88
Management and administrative expenses	-203	-188
Amortization and impairment of acquired intangible assets	-440	-226
Total	-1,534	-1,192
Amortization of intangible assets is recognized in the income statement as follows:		
Production costs	-	-
Development costs	-585	-535
Selling and distribution costs	-2	-2
Management and administrative expenses	-81	-94
Amortization and impairment of acquired intangible assets	-420	-161
Total	-1,088	-792
Impairment of intangible assets is recognized in the income statement as follows:		
Development costs	-27	-4
Management and administrative expenses	-	-
Amortization and impairment of acquired intangible assets	-20	-65
Total	-47	-69

3.5 Other non-current assets

DKK million	2022	2021
Loans to dispensers of GN Hearing products	702	529
Pre-paid discounts	262	210
Ownership interests	137	230
RAP, SIP and DCP	325	356
Pension assets	29	15
Other	157	59
Total	1,612	1,399

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 255 million (2021: DKK 277 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:

		2022			2021		
		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
GN Store Nord internal credit rating							
Performing	12-month expected credit loss	1%	712	702	3%	545	529
Underperforming	Lifetime expected credit losses	100%	216	-	100%	143	-
Write-off	Assets derecognized through the income statement	100%	24	-	100%	17	-
Total dispenser loans at December 31			952	702		705	529

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, 2022	-16	-143	-159
Transferred to underperforming (lifetime ECL)	3	-92	-89
New dispenser loans, net	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
Opening loss allowance as at January 1, 2021	-15	-128	-143
Transferred to underperforming (lifetime ECL)	1	-27	-26
New dispenser loans	-2	-	-2
Write-off	-	17	17
Changes in model/risk parameters	-	-	-
Foreign exchange adjustments and other changes	-	-5	-5
Closing loss allowance as at December 31, 2021	-16	-143	-159

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 through 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	2022	2021
Raw materials and consumables	735	660
Work in progress	27	35
Finished goods and merchandise	2,754	1,253
Total	3,516	1,948
The above includes write-downs amounting to	-230	-172
Costs of goods sold included in Production Costs	-8,934	-6,512

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	3,340	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%
Gross carrying amount - Trade receivables	2,864	329	47	38	38	158	3,474
Loss allowance at December 31	-24	-12	-3	-12	-19	-111	-181
Trade receivables at December 31, 2021	2,840	317	44	26	19	47	3,293
Expected loss rate	1%	4%	6%	32%	50%	70%	5%

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

DKK million	2022	2021
Loss allowance at January 1	-181	-216
Increase in loss allowance during the year	-20	-27
Trade receivables written off as uncollectible	6	24
Reversal of unused loss allowance	26	44
Foreign exchange adjustments	-5	-6
Loss allowance at December 31	-174	-181

The total loss allowance of DKK 174 million is included in trade receivables at December 31, 2022 (2021: DKK 181 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	223	207	430
Additions	214	47	261
Consumed	-174	-2	-176
Reversed	-25	-135	-160
Foreign exchange adjustments	6	-	6
Provisions at December 31, 2022	244	117	361
Which is presented in the consolidated balance sheet as:			
Non-current liabilities	94	44	138
Current liabilities	150	73	223
Provisions at December 31, 2022	244	117	361

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	118
4.2	Financial risks	119
4.3	Financial instruments	124
4.4	Liabilities from financing activities	129
4.5	Financial income and expenses	130

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, 2022	127,718	10,458	138,176	510,872	41,832	552,704	7.6%
Purchase of ownership interest in subsidiaries	255	-255	-	1,020	-1,020	-	
Shares acquired by GN Store Nord A/S	-	-	-	-	-	-	
Shares cancelled	-	-983	-983	-	-3,930	-3,930	
Number/value of shares at December 31, 2022	127,973	9,220	137,193	511,892	36,882	548,774	6.7%

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 1,473 million at December 31, 2022 (2021: DKK 4,301 million). The total cost of acquired treasury shares in 2022 was DKK 0 million (2021: DKK 1,166 million). No treasury shares were sold during the year.

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	2022	2021
Weighted average number of outstanding shares	127,823	128,816
Dilutive effect of share-based payment with positive intrinsic value – average for the period	303	1,378
Diluted weighted average number of shares	128,126	130,194

Result used for calculating EPS

DKK million	2022	2021
Profit (loss) for the year attributable to shareholders in GN Store Nord A/S used for the calculation of earnings per share	511	1,756

Cash distributions

DKK million	2022	2021
Dividend paid related to prior years	214	206
Share repurchase during the year	-	1,166
Total	214	1,372
Proposed dividend for the year	-	214
DKK per share		
Dividend paid related to prior years	1.55	1.45
Proposed dividend for the year	-	1.55

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
<i>Foreign currency risk</i>	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.
<i>Interest rate risk</i>	All non-current financing carried fixed interest rates as of December 31, 2022.	At least 50% of all Interest-Bearing Debt should be fixed in interest, either through fixed rate agreements or through derivative instruments.	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.
<i>Liquidity risk, funding, and capital structure</i>	GN's net interest-bearing debt increased during 2022 to DKK 14,561 million (2021: DKK 4,829 million). As a result, the net interest bearing debt to EBITDA ratio ended at 7.1x (2021: 1.6x) driven by the acquisition of SteelSeries. 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 extended its Revolving Credit Facility for the amount of EUR 350 million. The tenor is 5 years plus 1 year extension option at GN's discretion. On December 31, 2022 the Revolving Credit Facilities were unutilized. To mitigate potential refinancing risk in 2023, GN has entered into a new term loan facility for the amount of EUR 520 million, with a tenor of 3 years plus an 1-year extension option. Further in 2022, GN has entered into three bilateral loan agreements (R&D loans) totaling EUR 185 million due 2029.
<i>Financial credit risk</i>	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% (2021: 5%) in the USD exchange rate and 5% (2021: 5%) in the GBP exchange rate would affect the Income statement and Equity as outlined in the table below:

DKK million	USD		GBP	
	2022	2021	2022	2021
Profit or loss before tax	-18	55	12	-9
Other Comprehensive Income before tax	146	11	-31	-9

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

All of GN Store Nord's non-current debt has a fixed interest rate: listed instruments 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, 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 loans with fixed interest rates. GN Store Nord's short-term debt consists of EUR 220 million EMTN note with fixed coupon of 0.75% per annum and EUR 300 million M&A bridge loans with short term, variable interest rates plus margin.

An increase of variable interest rates of 1 percentage point would result in a net increase in the annual interest expenses of DKK 0 million (2021: DKK 7 million).

Specification of net interest-bearing debt

DKK million	2022	2021
Loans to dispensers	702	529
Cash and cash equivalents	990	6,208
Bank loans and issued bonds, non-current liabilities	-9,866	-9,513
Bank loans and issued bonds, current liabilities	-6,016	-1,615
Lease liabilities	-371	-438
Total	-14,561	-4,829

Funding, liquidity and capital structure

The Group's capital structure includes interest bearing long-term debt with maturities between 2024 and 2036, including bank loans, convertible bonds, notes under the Euro Medium Term Note (EMTN) program, and two drawing rights attached to a EUR 350 million committed revolving credit facility and a EUR 520 million committed term loan facility. Both credit facilities were unutilized on December 31, 2022 (2021: EUR 350 million committed revolving credit facility, unutilized).

Further, subject to the acquisition of SteelSeries, GN Store Nord entered into short-term M&A bridge loans in 2022 of EUR 300 million to finance the acquisition. The M&A bridge loan mature in January 2023.

In addition, the Group has EUR 404 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 251 million on December 31, 2022.

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 35 million on December 31, 2022 (2021: utilized at EUR 116 million).

4.2 Financial risks (Continued)

Composition of the Group's interest-bearing debt

In May 2019, GN Store Nord issued EUR 330 million convertible bonds consisting of Bond-with-Warrant Units. The Bond-with-Warrant Units consists of senior unsecured zero coupon bonds due 2024 with detachable unsecured warrants expiring 2024. The bonds have a denomination of EUR 100,000 per Bond.

Initially 5.2 million treasury shares are underlying the warrant units and those treasury shares will be kept to hedge the future obligations of GN Store Nord under the warrant units. The bonds carry no interest and will be redeemed at par at maturity, unless redeemed or purchased and cancelled earlier under their terms.

Any Unit holder may, at any time until 2024, exercise a warrant unit and require GN to redeem the corresponding bond at its principal amount. GN does not expect to issue any new shares upon exercise of warrant units, but will deliver up to 5.2 million shares currently held in treasury, based on the initial strike price (DKK 473.8512), which is subject to adjustment from time to time upon certain customary events (anti-dilution clauses). The proceeds from the sale of these treasury shares at the initial strike price will amount to DKK 2,465 million corresponding to the nominal amount of the issued bonds of EUR 330 million at the exchange rate at the time of pricing of DKK/EUR 7.4684.

In December 2019, GN Store Nord issued EUR 220 million Eurobonds consisting of senior unsecured notes due 2023 under its EMTN program. The notes were issued at a price of 99.683% of the nominal amount with a fixed coupon of 0.750% per annum and have been listed on Euronext Dublin. The bonds have a denomination of EUR 100,000 per bond. The bonds will be redeemed at par at maturity, unless

redeemed earlier under their terms. GN Store Nord has an issuer call option and may redeem the bonds at a redemption margin of +0.250%.

In August 2020, GN Store Nord entered into a EUR 50 million bilateral loan agreement (R&D loan) due 2025.

In February 2021 GN Store Nord issued EUR 50 million private placement consisting of senior unsecured notes due 2036 under its EMTN program. The notes were issued with a fixed coupon of 1.97% per annum. The private placement will be redeemed at par at maturity, unless redeemed earlier under their terms. GN Store Nord has an issuer call option and may redeem the bonds at a redemption margin of +0.35%

In November 2021, GN Store Nord issued EUR 600 million Eurobonds consisting of senior unsecured notes due 2024 under its established EMTN program for the purpose of de-risking the M&A bridge facility. The notes were issued at a price of 99.671% of the nominal amount with a fixed coupon of EUR 0.875% per annum and have been listed on Euronext Dublin. Similar to its EUR 220 million EMTN bond, this bond has a denomination of EUR 100,000 per bond. The bonds will be redeemed at par at maturity, unless redeemed earlier under their terms. GN Store Nord has an issuer call option and may redeem the bonds at redemption margin of +0.30%.

In November 2021, GN Store Nord also issued GBP 40 million private placement consisting of senior unsecured notes due 2036 under its EMTN program for the purpose of de-risking the M&A bridge facility. The notes were issued with a fixed coupon of 3.2% per annum. The private placement will be redeemed at par at maturity, unless redeemed earlier under their terms. GN Store Nord has an issuer call option and may redeem the bonds at a redemption margin of +0.35%.

In December 2021, GN Store Nord entered into a EUR 75 million bilateral loan agreement (R&D loan) and was disbursed in 2022. The loan is due 2029.

In Q1 2022, GN Store Nord entered into a EUR 75 million bilateral loan agreement (R&D loan) due 2029.

In May 2022, to mitigate potential liquidity or refinancing risks, GN has extended its Revolving Credit Facility for EUR 350 million. The tenor is 5 years plus 1 year extension option at GN's discretion.

In September 2022, GN Store Nord entered into a EUR 520 million term loan facility with its commercial banking group for the purpose of refinancing the group's short-term debt including EUR 300 million M&A bridge loan and EUR 220 million EMTN note. The term loan facility is due 2025 plus one-year extension option.

In December 2022, GN Store Nord also entered into two bilateral loan agreements (R&D loans) with amount of EUR 110 million due 2029, to refinance maturing loan (R&D loan) worth EUR 100 million.

On December 31, 2022, GN Store Nord had an equity ratio of 22.2% (2021: 26.4%) and net interest-bearing debt of DKK 14,561 million (2021: DKK 4,829 million).

GN has a long-term capital structure target of a net interest-bearing debt to EBITDA ratio between one and two. On December 31, 2022, GN Store Nord had a net interest-bearing debt to EBITDA ratio of 7.1x (2021: 1.6x).

4.2 Financial risks (Continued)

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.

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	2022	2021
Financial assets		
Trade receivables	4,031	3,293
Other receivables	672	440
Other non-current assets	1,141	804
Financial assets at amortized cost	5,844	4,537
Derivative financial instruments included in Other receivables	34	20
RAP, SIP, DCP and Ownership interests, etc. included in Other non-current assets	471	595
Financial assets at fair value through profit or loss	505	615
Derivative financial instruments included in Other receivables	16	8
Financial assets at fair value through Other comprehensive income	16	8
Financial liabilities		
Issued bonds (bond-with-warrant units), non-current	2,401	2,363
Issued EMTN bonds, non-current	5,147	6,778
Bank loans, non-current	2,318	372
Bank loans and issued bonds, current	6,016	1,615
Lease liabilities	371	438
Other non-current liabilities	4	5
Trade payables	1,554	1,280
Financial liabilities at amortized cost	17,811	12,851
Derivative financial instruments included in Other liabilities	17	13
RAP, SIP and DCP included in Other non-current liabilities	256	277
Contingent consideration included in Other liabilities	131	88
Financial liabilities at fair value through profit or loss	404	378
Derivative financial instruments included in Other liabilities	105	1
Financial liabilities at fair value through Other comprehensive income	105	1

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
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
2021				
Issued bonds	70	6,226	3,404	9,700
Bank loans	1,616	1	372	1,989
Lease liabilities	134	180	144	458
Other liabilities	-	58	224	282
Trade payables	1,280	-	-	1,280
Contingent consideration	-	60	28	88
Total non-derivative financial liabilities	3,100	6,525	4,172	13,797
Derivative financial liabilities	5	-	9	14
Total	3,105	6,525	4,181	13,811

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

4.3 Financial instruments (Continued)

Derivative financial instruments

Exchange rate instruments and interest rate swaps

DKK million	2022				2021			
	Average rate (DKK)	Contract amount, net*	Fair value, assets	Fair value, liabilities	Average rate (DKK)	Contract amount, net*	Fair value, assets	Fair value, liabilities
USD / DKK	729	-1,531	-	86	-	-	-	-
USD / EUR	695	2,581	8	-	656	1,250	1	1
EUR / DKK	743	-9,700	2	1	744	-6,395	10	1
GBP**	848	114	8	14	876	90	4	2
CAD / DKK	542	76	5	-	-	-	-	-
INR / DKK	8.64	349	18	-	-	-	-	-
BRL / DKK	133	84	6	-	-	-	-	-
HKD / DKK	93	-109	-	6	-	-	-	-
JPY / DKK	5.18	168	-	7	-	-	-	-
JPY / EUR	-	-	-	-	5.77	335	5	-
Other currency pairs		113	3	8		700	8	1
Interest swaps		-	-	-		744	-	9
Total			50	122			28	14

* 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	2022	2021
Fair value adjustment for the year recognized in Other comprehensive income	-52	9
Reclassified from equity to revenue during the year	-1	26
Reclassified from equity to production costs during the year	-20	-
Adjustment of cash flow hedges in Other comprehensive income	-73	35
Fair value adjustment of non-designated hedges recognized in Other operating income and costs, net	-14	16
Fair value adjustment of non-designated hedges recognized in financial items	-356	-129

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, 2022 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.

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.

4.3 Financial instruments (Continued)

	2022				2021			
	Quoted prices (level 1)	Observable input (level 2)	Unobservable input (level 3)	Total	Quoted prices (level 1)	Observable input (level 2)	Unobservable input (level 3)	Total
DKK million								
Financial assets								
Derivative financial instruments included in Other receivables	-	34	-	34	-	20	-	20
RAP, SIP, DCP included in Other non-current assets	-	325	-	325	-	356	-	356
Ownership interests, etc. included in Other non-current assets	-	-	146	146	-	-	239	239
Financial assets at fair value through profit or loss	-	359	146	505	-	376	239	615
Derivative financial instruments included in Other receivables	-	16	-	16	-	8	-	8
Financial assets at fair value through Other comprehensive income	-	16	-	16	-	8	-	8
Financial liabilities								
Derivative financial instruments included in Other liabilities	-	17	-	17	-	13	-	13
RAP, SIP and DCP included in Other non-current liabilities	-	256	-	256	-	277	-	277
Contingent consideration included in Other liabilities	-	-	131	131	-	-	88	88
Financial liabilities at fair value through profit or loss	-	273	131	404	-	290	88	378
Derivative financial instruments included in Other liabilities	-	105	-	105	-	1	-	1
Financial liabilities at fair value through Other comprehensive income	-	105	-	105	-	1	-	1

4.3 Financial instruments (Continued)

In addition to the above, Other non-current liabilities include a liability of DKK 387 million (2021: DKK 250 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	2022	2021
Fair value net gains (losses) recognized in the income statement:		
Net fair value gains (losses) on RAP, SIP and DCP	-21	11
Net fair value gains (losses) on ownership interests and derivatives re. ownership interests	141	5
Net fair value gains (losses) on contingent consideration	-15	-2

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 2,222 million at December 31, 2022 (2021: DKK 2,422 million), and the fair value of EMTN bonds amounted to DKK 5,918 million (2021: DKK 6,832 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	Payment re. frozen vaca- tion pay in- cluded in Other liabili- ties *	Total
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
Liabilities at January 1	1,116	3,953	482	445	341	109	6,446
Cash flows	-	5,134	-7	-132	526	-109	5,412
Foreign exchange adjustments	-	2	28	8	4	-	42
New leases	-	-	-	117	-	-	117
Non-cash interest expenses	-	52	-	-	-	-	52
Loans reclassified to current	-744	-	-	-	744	-	-
Other non-cash adjustments	-	-	224	-	-	-	224
Liabilities at December 31, 2021	372	9,141	727	438	1,615	-	12,293

* Payment made to LD Fonde relating to the change in vacation year in Denmark and presented in Cash flow from financing activities.

4.5 Financial income and expenses

DKK million	2022	2021
Financial income		
Gains and fair value adjustments on ownership interests	141	13
Interest income*	7	2
Financial income, other	15	130
Foreign exchange gain	89	92
Reversal of impairment on loan dispensers	4	
Total	256	237
Financial expenses		
Losses and fair value adjustments on ownership interests	-	-8
Interest expenses*	-186	-91
Interest rate swap	-194	-
Financial expenses, other	-119	-75
Fair value adjustments of derivative financial instruments	-162	-129
Impairments on loans to dispensers	-	-24
Total	-661	-327

* 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	132
5.2	Remuneration of the Board of Directors and Executive Management	135
5.3	Share-based incentive plans	137
5.4	Pension obligations	140
5.5	Contingent liabilities	141
5.6	Investments in associates	142
5.7	Other non-cash adjustments	142
5.8	Fees to statutory auditors	142
5.9	Related parties	142
5.10	Events after the reporting period	142

5.1 Acquisition and divestment of companies and operations

Acquisitions

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 Belaudicao 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 Belaudicao. 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 Belaudicao is allocated to the cash-generating unit GN Hearing. The goodwill is not tax deductible.

There were other minor acquisitions and divestments during the year.

The fair value of the identifiable assets and liabilities of the Lively (acquired in 2021) was finalized during the year. The comparative financial information (specifically the statement of financial position and related notes) has been restated to reflect the updated fair values. DKK 20 million consideration payable outstanding as at December 31, 2021 was paid in 2022.

DKK million	Fair value at acquisition date			2022	2021
	SteelSeries	Belaudicao	Other		
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	-	-	-	-	62
Property plant and equipment	77	53	-	130	5
Investments in associates	13	-	-	13	-
Deferred tax asset	-	-	-	-	6
Other receivables	193	4	-	197	12
Inventory	577	23	-	600	22
Trade receivables	329	11	-	340	-
Tax receivables	29	-	-	29	-
Cash	238	31	-	269	47
Bank debts and non-current liabilities	-1,059	-33	-	-1,092	-22
Deferred tax liability	-447	-46	-2	-495	-
Trade payables	-297	-8	-	-305	-
Taxes payables	-123	-	-	-123	-
Other current liabilities	-397	-34	-4	-435	-151
Current liabilities	-	-	-2	-2	-
Fair value of identified net assets	1,660	204	14	1,878	-19
Goodwill	5,580	237	69	5,886	768
Consideration transferred	7,240	441	83	7,764	749
Fair value of existing ownership interest	-	-194	-	-194	-303
Payable consideration	-	-	-2	-2	-20
Contingent consideration	-	-	-62	-62	-60
Acquired cash and cash equivalents	-238	-31	-	-269	-47
Cash consideration paid	7,002	216	19	7,237	319



5.1 Acquisition and divestment of companies and operations (Continued)

DKK million	SteelSeries	Belaudicao	Other	2022	2021
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	5
Profit (loss) for the year	-203	1	1	-201	-4
Estimated impact of acquired operations if they had been owned throughout the year:					
Revenue	2,352	230	11	2,593	114
Profit (loss) for the year	-208	1	1	-206	-139

Divestments etc.

In 2022 GN Hearing divested 59 hearing instrument distributors in the US, additionally other minor divestments were made. In 2021 GN Hearing divested a number of minor hearing instrument distributors primarily in the US.

DKK million	2022	2021
Non-current assets	-39	-41
Current assets	-13	-7
Non-current liabilities	-	-
Current liabilities	-	-
Disposed net assets	-52	-48
Directly attributable cost		
Fair value of assets received	66	62
Fair value of liabilities assumed	-14	-3
Cash consideration received		-
Gain (loss) on divestment of operations	-	11
Other adjustments	-9	-7
Gain (loss) on divestment of operations etc.	-9	4

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 disposed 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 recognised 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:

DKK million	2022				2021			
	Fixed pay*	Short-term incentives	Share-based incentives	Total	Fixed pay*	Short-term incentives	Share-based incentives	Total
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	9.1	3.6	4.3	17.0	8.3	7.5	4.7	20.5
Gitte Pugholm Aabo, CEO, GN Hearing	7.8	6.2	3.9	17.9	7.7	2.1	4.8	14.6
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio from January 1, 2021	4.0	1.1	2.2	7.3	3.8	3.2	1.6	8.6
Total Executive Management remuneration	20.9	10.9	10.4	42.2	19.8	12.8	11.1	43.7
Separation agreements expensed in 2022 re. Executive Management	-	-	-	37.2	-	-	-	-
Board of Directors remuneration	10.0	-	-	10.0	9.4	-	-	9.4
Total remuneration to Executive Management and Board of Directors	30.9	10.9	10.4	89.4	29.2	12.8	11.1	53.1

* 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 Executive Management’s bonus is based on three parameters in light of the Group’s focus areas:

- René Svendsen-Tune’s bonus is subject to the performance of GN Audio’s EBITA, GN Audio’s revenue and individual performance targets
- Gitte Pugholm Aabo’s bonus is subject to the performance of GN Hearing’s EBITA, GN Hearing’s revenue and individual performance targets
- Peter la Cour Gormsen’s bonus is subject to the performance of GN Store Nord’s EBITA, GN Store Nord’s revenue 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 9, 2022. The base fee for the Board of Directors increased 5% from 2021 to 2022. 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		GN Hearing A/S	
Chairman	915	Chairman	300
Deputy Chairman	610	Deputy Chairman	210
Other Board members	305	Other Board members	120
Remuneration Committee Chairman	370		
Remuneration Committee, other members	185		
Audit Committee Chairman	370		
Audit Committee, other members	185		
Strategy Committee Chairman	370	GN Audio A/S	
Strategy Committee other members	185	Chairman	300
Nomination Committee Chairman	180	Deputy Chairman	210
Nomination Committee other members	90	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	2022	2021
Board of Directors		
Per Wold-Olsen (Chairman)	2,183	2,140
Jukka Pertola (Deputy chairman)	1,696	1,418
Helene Barnekow	774	605
Montserrat Pascual	915	870
Wolfgang Reim	275	1,045
Ronica Wang	730	695
Anette Weber	915	870
Leo Larsen*	305	290
Cathrin Inge Hansen*	259	-
Claus Holmbeck-Madsen*	229	-
Morten Andersen*	76	290
Marcus Stuhr Perathoner*	76	290
Total Board of Directors remuneration	8,433	8,513

* Employee elected members

DKK thousand	2022	2021
Fixed travel allowance & social security		
Per Wold-Olsen	158	113
Helene Barnekow	434	206
Montserrat Pascual	476	285
Wolfgang Reim	45	90
Ronica Wang	315	135
Anette Weber	113	45
Total Board of Directors travel allowance and social security	1,541	874

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 2019-2022 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 2019-2022 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	
	2022	2021	2022	2021
Number of options granted in the year	145,500	96,500	815,593	378,437
Share price of GN Store Nord A/S at ordinary grant date	351	548	351	548
Vesting period	3 years	3 years	3 years	3 years
Life of option	6 years	6 years	6 years	6 years
Volatility*	34%	32%	35%	32%
Expected dividend	0,3%	0,3%	0,4%	0,3%
Risk-free interest rate**	0,12%	0,00%	0,35%	0,00%
Fair value per option at ordinary grant (DKK)***	81	127	100	143
Total fair value at grant (DKK million)	12	12	77	54
Amortization period of the program	2022 - 2025	2021 - 2024	2022 - 2025	2021 - 2024

* 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 Management	Other employees	Total	Average exercise price	Executive Management	Other employees	Total	Average exercise price	Executive Management	Other employees	Total
Outstanding at January 1, 2021	344	328,768	1,111,126	1,439,894	31,923	233	4,005	4,238	31,865	1,578	2,260	3,838
Transferred during the year	343	23,458	-23,458	-					33,913	98	-98	-
Granted during the year	550	96,500	378,437	474,937								
Exercised during the year	-	-	-	-	31,620	-233	-2,487	-2,720	31,920	-526	-1,826	-2,352
Forfeited during the year	415	-	-44,647	-44,647	26,936	-	-44	-44	-	-	-	-
Outstanding at December 31, 2021	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	na	-	-	-	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
Weighted average term to maturity (Years)		3.3	3.7	3.6		na	0.9	0.9		0.9	0.9	0.9
Exercisable at December 31, 2021		-	-	-		-	1,474	1,474		1,150	336	1,486
Exercisable at December 31, 2022		313,725	737,222	1,050,947		-	822	822		656	157	813

* Recognition of expenses on warrants 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 recognised expenses in 2022 include acceleration of 72,287 warrants granted to Other employees (GN Hearing A/S), 171,718 and 13,922 warrants granted to Executive Management and Other employees, respectively (GN Audio A/S), 44,750 and 18,094 warrants granted to Executive Management and Other employees, respectively (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: GN Store Nord: DKK 30, 810 GN Hearing: DKK 359, GN Audio: DKK 29,139.

5.3 Share-based incentive plans (Continued)

Outstanding warrants and options at December 31, 2022 by grant date are shown below:

Grant date	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		
		Executive Management	Other employees	Total		Executive Management	Other employees	Total		Executive Management	Other employees	Total
February 2018	-	-	-	-	31,792	-	781	781	33,913	656	157	813
September 2018	-	-	-	-	44,817	-	12	12	-	-	-	-
December 2018	-	-	-	-	34,047	-	29	29	-	-	-	-
April 2019**	313	237,812	728,223	966,035	-	-	-	-	-	-	-	-
June 2019**	325	-	8,999	8,999	-	-	-	-	-	-	-	-
September 2019**	282	75,913	-	75,913	-	-	-	-	-	-	-	-
February 2020	381	168,762	449,272	618,034	-	-	-	-	-	-	-	-
May 2020	311	-	7,605	7,605	-	-	-	-	-	-	-	-
November 2020	476	-	-	-	-	-	-	-	-	-	-	-
February 2021	550	96,500	339,692	436,192	-	-	-	-	-	-	-	-
May 2021	495	-	3,595	3,595	-	-	-	-	-	-	-	-
July 2021	553	-	6,128	6,128	-	-	-	-	-	-	-	-
January 2022	409	-	6,851	6,851	-	-	-	-	-	-	-	-
February 2022	368	145,500	517,249	662,749	-	-	-	-	-	-	-	-
March 2022	307	-	37,981	37,981	-	-	-	-	-	-	-	-
May 2022	224	-	214,290	214,290	-	-	-	-	-	-	-	-
September 2022	209	-	8,855	8,855	-	-	-	-	-	-	-	-
Outstanding at December 31		724,487	2,328,740	3,053,227		-	822	822		656	157	813

* 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	2022	2021
Present value of defined benefit obligations	301	359
Fair value of plan assets	-321	-367
Net obligations	-20	-8
Of which is included in other non-current assets, refer to note 3.5	-29	-15
Of which is included in pension obligations	7	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).		
Development in present value of defined benefit obligations		
Obligations at January 1	359	359
Foreign exchange adjustments	19	23
Costs for the year	4	4
Interest expense	8	7
Actuarial (gains) losses regarding demographic assumptions	-	1
Actuarial (gains) losses regarding financial assumptions	-69	-18
Pension payments	-20	-17
Obligations at December 31	301	359
Maturity of pension obligations		
Less than one year	22	19
Between one and five years	89	81
More than five years	190	259
Total	301	359
Development in fair value of plan assets		
Plan assets at January 1	367	323
Foreign exchange adjustments	20	24
Interest income	9	6
Return on plan assets in excess of interest income	-62	29
Payment by GN Store Nord	2	2
Pension payments	-15	-17
Plan assets at December 31	321	367

DKK million	2022	2021
Pension costs recognized in the income statement		
Costs for the year	-4	-4
Interest expense	-10	-7
Interest income from plan assets	9	6
Defined benefit plans total	-5	-5
Defined contribution plans total	-209	-171
Total pension costs recognized in the income statement	-214	-176
The costs are recognized in the following income statement items:		
Production costs	-28	-26
Development costs	-58	-50
Selling and distribution costs	-64	-54
Management and administrative expenses	-57	-45
Financial expenses	-7	-1
Total	-214	-176
The following accumulated actuarial gains (losses) since January 1, 2005 are recognized in the Statement of other Comprehensive Income		
Accumulated actuarial gains (losses)	-22	-14
Breakdown of plan assets		
Shares	59%	61%
Bonds	38%	37%
Cash and cash equivalents	3%	2%
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 2.75% (2021: 2.25%).

A 25 basis point decrease in the discount rate will result in a DKK 10 million increase in the defined benefit obligation and a 25 basis point increase will result in a DKK 9 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	2022	2021
Guarantees	4	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.

 Significant accounting estimates and judgments

Provisions, Contingencies and Litigations
GN Store Nord's Management assesses provisions, contingent assets and contingent liabilities and the likely outcome of pending or threatening litigations and claims on an ongoing basis. The outcome depends on future events that are by nature uncertain. In assessing the likely outcome of litigations, claims and tax disputes, etc., Management bases its assessment on external legal assistance and decided cases.

5.6 Investments in associates

DKK million	2022	2021
Aggregated financial information for associates:		
Total share of profit (loss) in associates	19	-36
Total share of net assets in associates	319	153
Carrying amount of associates	319	153

Transactions with associates comprise sale of goods of DKK 229 million (2021: DKK 146 million) and purchase of services, licenses and other assets of DKK 13 million (2021: DKK 19 million). At year end GN has DKK 119 million (2021: DKK 48 million) in receivables from associates. Share of profit (loss) in associates includes a profit of DKK 0 million (2021: DKK 31 million), of dividend received in excess of carrying value of the 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	2022	2021
Share-based payment (granted)	111	50
(Gain) loss on divestment of operations	-9	-11
Loss allowance on trade receivables, inventory write-downs, etc.	40	-29
Adjustment of provisions	-84	13
Total	58	23

5.8 Fees to statutory auditors

DKK million	2022	2021
Statutory audit	-11	-11
Tax advice services	-1	-1
Other services	-5	-13
Total	-17	-25

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 4 million (2021: DKK 11 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, technical accounting advisory services and other advisory services.

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

On February 8, 2023 the Board of Directors approved a plan to explore options to raise additional capital.

No other material subsequent events have occurred.

Companies in GN Group

	Domicile	Currency	Ownership %	Share capital
GN Store Nord A/S	Denmark	DKK		548,773,512
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	35,171,600
Falcom A/S	Denmark	DKK	100	88,501,000
GN Audio Australia Pty Ltd.	Australia	AUD	100	2,500,000
GN Áudio Brasil Importação & Comércio Ltda.	Brazil	BRL	100	407,821
GN Audio Canada Inc.	Canada	CAD	100	409,800
GN Audio (China) Ltd.	China	CNY	100	65,116,155
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 Japan K.K.	Japan	JPY	100	1,000,000
SteelSeries Canada Corporation	Canada	CAD	100	50,000
SteelSeries France S.A.S	France	EUR	100	2,363,600
SteelSeries North America Corporation	USA	USD	100	35,000
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 Pte. Ltd.	Singapore	SGD	100	1,740,000
Belaudicao LDA	Portugal	EUR	100	8,148,000
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
GN ReSound Holdings, LLC.	USA	USD	100	31,634
ReSound Holdings, Inc.	USA	USD	100	10,000
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
audEERING GmbH	Germany	EUR	31	36,222
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	31	51,485,046
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	= $\frac{\text{Absolute organic revenue growth}}{\text{Revenue in comparative period}}$ 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	= $\frac{\text{Total dividend}}{\text{Profit (loss) for the year}}$
Gross margin	= $\frac{\text{Gross profit}}{\text{Revenue}}$
EBITA margin	= $\frac{\text{EBITA}}{\text{Revenue}}$
ROIC (Return on invested capital including goodwill)	= $\frac{\text{EBITA}}{\text{Average invested capital including goodwill}}$

Invested capital	= $\frac{\text{NWC + property, plant and equipment and intangible assets + loans to dispensers of GN Hearing products + pre-paid discounts + ownership interests - provisions}}{\text{EBITA}}$
Cash conversion	= $\frac{\text{Free cash flow excl. company acquisitions and divestments}}{\text{EBITA}}$
Return on equity (ROE)	= $\frac{\text{Profit (loss) for the year}}{\text{Average equity of the Group}}$
Equity ratio	= $\frac{\text{Equity of the Group}}{\text{Total assets}}$
Earnings per share, basic (EPS)	= $\frac{\text{Profit (loss) for the year attributable to shareholders in GN Store Nord A/S}}{\text{Average number of shares outstanding}}$
Earnings per share, fully diluted (EPS diluted)	= $\frac{\text{Profit (loss) for the year attributable to shareholders in GN Store Nord A/S}}{\text{Average number of shares outstanding, fully diluted}}$
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 statements	147
Statement of comprehensive income	147
Balance sheet at December 31	148
Statement of cash flow	149
Statement of equity	150



Income statement

DKK million	Note	2022	2021
Revenue		682	563
Gross profit		682	563
Development costs		-80	-91
Management and administrative expenses	1, 2, 3, 4	-793	-663
Other operating income and costs, net		-7	25
Operating profit (loss)		-198	-166
Share of profit after tax in subsidiaries	10	1,015	1,943
Share of profit (loss) in associates	11	-	-1
Financial income	5	190	100
Financial expenses	5	-537	-170
Profit (loss) before tax		470	1,706
Tax on profit (loss)	6	41	50
Profit (loss) for the year		511	1,756
Proposed profit appropriation/distribution of loss			
Transferred to reserve for net revaluation according to the equity method		1,015	-57
Transferred to reserve for development projects		247	172
Retained earnings		-751	1,427
Proposed dividends for the year		-	214
		511	1,756

Statement of comprehensive income

DKK million	2022	2021
Profit (loss) for the year	511	1,756
Other comprehensive income		
Items that will not be reclassified subsequently to the income statement		
Other changes in equity in subsidiaries	5	36
Items that may be reclassified subsequently to the income statement		
Foreign exchange adjustments, etc.	258	396
Other changes in equity in subsidiaries	-57	27
Other comprehensive income for the year	206	459
Total comprehensive income for the year	717	2,215



Balance sheet at December 31

DKK million	Note	2022	2021
Assets			
Intangible assets	7	904	589
Property, plant and equipment	8, 9	77	59
Investments in subsidiaries	10	10,455	11,201
Investments in associates	11	33	34
Amounts owed by subsidiaries	14	12,281	4,019
Total non-current assets		23,750	15,902
Tax receivables		159	40
Other receivables	14	293	158
Cash and cash equivalents		406	5,761
Total current assets		858	5,959
Total assets		24,608	21,861
Equity and liabilities			
Share capital		549	553
Other reserves		1,024	-818
Proposed dividends for the year		-	214
Retained earnings		5,227	6,280
Total equity		6,800	6,229
Bank loans and issued bonds, non-current	14, 17	9,860	9,513
Lease liabilities, non-current	9, 14	38	14
Deferred tax liabilities	12	34	26
Total non-current liabilities		9,932	9,553
Bank loans and issued bonds, current	14, 17	6,005	1,606
Lease liabilities, current	9, 14	14	8
Trade payables	14	121	94
Amounts owed to subsidiaries	14, 17	1,411	4,186
Other payables	14	325	185
Total current liabilities		7,876	6,079
Total equity and liabilities		24,608	21,861



Statement of cash flows

DKK million	Note	2022	2021
Operating activities			
Operating profit (loss)		-198	-166
Depreciation, amortization and impairment	3	104	104
Other non-cash adjustments		19	-22
Cash flow from operating activities before changes in working capital		-75	-84
Change in receivables		-100	-20
Change in trade payables and other payables		114	25
Total changes in working capital		14	5
Cash flow from operating activities before financial items and tax		-61	-79
Interest and dividends, etc. received		2,220	32
Interest paid		-485	-
Tax paid, net		-70	-143
Cash flow from operating activities		1,604	-190
Investing activities			
Investments in intangible assets	7	-393	-290
Investments in tangible assets	8	-1	-31
Disposal of intangible assets		-	26
Investments in associates		-	-11
Amounts owed by subsidiaries		-8,262	-315
Cash flow from investing activities		-8,656	-621
Cash flow from operating and investing activities (free cash flow)		-7,052	-811
Financing activities			
Increase of long-term loans	17	1,925	-
Decrease of long-term loans	17	-	-6
Increase in short-term loans and amounts owed to subsidiaries	17	-	1,568
Decrease of short-term loans and amounts owed to subsidiaries	17	-33	-
Net proceeds from issue of EMTN bonds	17	-	5,134
Paid dividends		-198	-188
Share-based payment (exercised)		3	-
Purchase/sale of treasury shares		-	-1,166
Cash flow from financing activities		1,697	5,342
Net cash flow		-5,355	4,531
Cash and cash equivalents, beginning of period		5,761	1,230
Cash and cash equivalents, end of period		406	5,761



Statement of changes in equity

DKK million	2022							
	Share capital*	Hedging reserve	Treasury shares	Other reserves		Proposed dividends for the year	Retained earnings	Total equity
				Reserve according to the equity method	Reserve for development projects			
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
Proposed dividends for the year*	-	-	-	-	-	-	-	-
Paid dividends	-	-	-	-	-	-198	-	-198
Dividends, treasury shares	-	-	-	-	-	-16	16	-
Balance at December 31, 2022	549	-	-3,366	3,684	706	-	5,227	6,800

* Equivalent to DKK 0.00 per share (2021: DKK 1.55 per share)

The reserve according to the equity method includes foreign exchange adjustments of DKK -846 million (2021: DKK -1,104 million). Retained earnings, which are available for distribution from the Parent Company amounts to DKK 1,861 million (2021: DKK 3,228 million).

DKK million	2021							
	Share capital*	Hedging reserve	Treasury shares	Other reserves		Proposed dividends for the year	Retained earnings	Total equity
				Reserve according to the equity method	Reserve for development projects			
Balance at January 1, 2021	569	6	-3,640	2,024	287	206	5,726	5,178
Profit (loss) for the period	-	-	-	-57	172	-	1,641	1,756
Other changes in equity in subsidiaries	-	-	-	63	-	-	-	63
Foreign currency translation adjustments of investments in subsidiaries etc.	-	-	-	396	-	-	-	396
Other comprehensive income for the year	-	-	-	459	-	-	-	459
Total comprehensive income for the year	-	-	-	402	172	-	1,641	2,215
Reduction of the share capital	-16	-	873	-	-	-	-857	-
Other changes in equity in subsidiaries	-	-	-	22	-	-	-	22
Purchase of ownership interests in subsidiaries by payment in treasury shares	-	-	202	-	-	-	-43	159
Share-based payment (granted)	-	-	-	-	-	-	4	4
Tax related to share-based incentive plans	-	-	-	-	-	-	5	5
Purchase of treasury shares	-	-	-1,166	-	-	-	-	-1,166
Proposed dividends for the year*	-	-	-	-	-	214	-214	-
Paid dividends	-	-	-	-	-	-188	-	-188
Dividends, treasury shares	-	-	-	-	-	-18	18	-
Balance at December 31, 2021	553	6	-3,731	2,448	459	214	6,280	6,229



Parent Company notes

Notes – Income statement and balance sheet

1	Staff costs	152
2	Share-based incentive plans	152
3	Depreciation, amortization and impairment	153
4	Fees to statutory auditors	153
5	Financial income and expenses	154
6	Tax	154
7	Intangible assets	154
8	Property, plant and equipment	155
9	Leases	156
10	Investments in subsidiaries	157
11	Investments in associates	157
12	Deferred tax	157
13	Contingent assets and liabilities	157

Notes – Other disclosures

14	Financial instruments	158
15	Outstanding shares and treasury shares	159
16	Related party transactions	159
17	Liabilities from financing activities	160
18	Accounting policies	160

1 Staff costs

DKK million	2022	2021
Wages, salaries and remuneration	261	208
Pensions	27	21
Share-based incentives	10	4
Other social security costs	2	1
Total	300	234
Executive Management remuneration can be specified as follows:		
Peter la Cour Gormsen, CFO, GN Store Nord		
Fixed pay*	4.0	3.8
Short term incentives	1.1	3.2
Share-based incentives	2.2	1.6
Total	7.3	8.6
Board of Directors remuneration	6.4	6.4
Total remuneration	13.7	15.0
Staff costs are included in Management and administrative expenses.		
Average number of employees	351	291
Number of employees at year-end	373	317

* 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 2019-2022 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	
	2022	2021	2022	2021
Number of option awarded in the year	26,500	18,250	61,483	50,288
Share price GN Store Nord at ordinary grant date	351	548	351	548
Vesting period	3 years	3 years	3 years	3 years
Life of option	6 years	6 years	6 years	6 years
Volatility*	34%	32%	34%	32%
Expected dividend	0.3%	0.3%	0.4%	0.3%
Risk-free interest rate**	0.00%	0.00%	0.00%	0.00%
Fair Value per option at ordinary grant (DKK)***	81	127	100	143
Total fair value at grant (DKK million)	2	2	6	7
Amortization period of the program	2022 - 2025	2021 - 2024	2022 - 2025	2021 - 2024

* 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 warrants 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 recognised expenses in 2022 include acceleration 44,750 and 18,094 warrants granted to Executive Management and Other employees, respectively (GN Store Nord A/S).

2 Share-based incentive programs (Continued)

	DKK	Number*		Total
	Average exercise price	Executive Management	Other employees	
Outstanding options at January 1, 2021	344	89,670	108,085	197,755
Options transferred during the year**	332	23,458	-5,046	18,412
Options granted during the year	547	18,250	50,288	68,538
Options forfeited during the year	398	-	-5,441	-5,441
Outstanding options at December 31, 2021	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
Weighted average term to maturity (Years)		3.0	3.6	3.3
Number of exercisable options at December 31, 2021		-	-	-
Number of exercisable options at December 31, 2022		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

** Transfers relate to options transferred between GN Group companies due to changes in executive management in Group companies

Grant date	DKK	Number*		Total
	Exercise price	Executive Management	Other employees	
April 2019**	313	108,659	84,319	192,978
February 2020	381	49,585	37,990	87,575
February 2021	550	18,250	42,346	60,596
May 2021	495	-	3,595	3,595
July, 2021	553	-	6,128	6,128
February, 2022	368	26,500	54,210	80,710
March, 2022	307	-	3,158	3,158
Outstanding options at December 31, 2022		202,994	231,746	434,740

* 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 104 (2021: DKK 104 million), is recognized in the income statement as management and administrative expenses.

4 Fees to statutory auditors

DKK million	2022	2021
Statutory audit	-3	-4
Tax advice services	-1	-1
Other services	-3	-10
Total	-7	-15

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	2022	2021
Financial income		
Interest income from subsidiaries*	181	49
Interest income from bank balances*	-	1
Financial income, other	9	1
Fair value adjustment of derivative financial instruments, net	-	49
Total	190	100
Financial expenses		
Interest expense to subsidiaries*	-18	-2
Interest expenses on bank loans and issued bonds*	-181	-74
Financial expenses, other	-38	-52
Fair value adjustment of derivative financial instruments, net	-278	-
Foreign exchange loss	-22	-42
Total	-537	-170

* 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	37	38
Deferred tax for the year	1	13
Adjustment to current tax in respect of prior years	11	10
Adjustment to deferred tax in respect of prior years	-8	-11
Total	41	50
Reconciliation of effective tax rate		
Danish tax rate	22.0%	22.0%
Non-taxable income	0.0%	0.0%
Non-deductible expenses	0.1%	0.1%
Adjustment of tax with respect of prior years	0.0%	0.0%
Share of profit (loss) in subsidiaries	-47.6%	-25.0%
Share of profits (loss) in associates	0.0%	0.0%
Other, including provisions for uncertain tax positions	16.6%	0.0%
Effective tax rate	-8.8%	-2.9%

In 2022, the company paid preliminary taxes of DKK 101 million in Danish corporate income tax for the year on behalf of the joint Group taxation (For the year 2021 DKK 353 million was paid in final tax for the year in Danish corporate income tax).

7 Intangible assets

	Software	
DKK million	2022	2021
Cost at January 1	980	670
Additions	394	290
Transfers	-	21
Other adjustments	-	-1
Cost at December 31	1,374	980
Amortization and impairment at January 1	-391	-301
Amortization	-78	-86
Transfers	-	-4
Amortization and impairment at December 31	-469	-391
Carrying amount at December 31	905	589
Amortized over	3 - 10 years	1 - 7 years

The carrying amount includes software in progress of DKK 736 million (2021: DKK 412 million).



8 Property, plant and equipment

DKK million	2022			2021		
	Factory and office buildings	Operating assets and equipment	Total	Factory and office buildings	Operating assets and equipment	Total
Cost at January 1	-	62	62	-	52	52
Additions	-	1	1	-	31	31
Transfers	-	-	-	-	-21	-21
Cost at December 31	-	63	63	-	62	62
Depreciation and impairment at January 1	-	-24	-24	-	-17	-17
Depreciation	-	-12	-12	-	-11	-11
Transfers	-	-	-	-	4	4
Depreciation and impairment at December 31	-	-36	-36	-	-24	-24
Carrying amount at December 31	-	27	27	-	38	38
Leased assets, c.f. note 9	49	1	50	20	1	21
Total carrying amount at December 31	49	28	77	20	39	59

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	2022			2021		
	Factory and office buildings	Operating assets and equipment	Total	Factory and office buildings	Operating assets and equipment	Total
Carrying amount at January 1	20	1	21	35	1	36
Transfer from a group company	42	-	42	-	-	-
Additions	-	1	1	-	1	1
Remeasurements	-	-	-	-9	-	-9
Depreciation	-13	-1	-14	-6	-1	-7
Foreign exchange adjustments	-	-	-	-	-	-
Carrying amount at December 31	49	1	50	20	1	21

Lease liabilities

DKK million	2022	2021
Contractual maturity analysis of lease liabilities:		
Less than one year	14	8
Between one and three years	28	14
More than three years	11	-
Total	53	22

Amounts expensed in the income statement and total cash outflow

DKK million	2022	2021
Interest expense on lease liabilities	1	-
Expense relating to low-value assets and short-term leases	-	1
Cash outflow re. lease liabilities	10	6
Total cash outflow for leases	11	7

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.

10 Investments in subsidiaries

DKK million	2022	2021
Cost at January 1	6,753	6,594
Additions, capital contribution	18	159
Cost at December 31	6,771	6,753
Value adjustment at January 1	4,448	2,024
Share of profit after tax in subsidiaries	1,015	1,943
Foreign currency translation adjustments	258	396
Direct equity postings in subsidiaries	-37	85
Dividends received	-2,000	-
Value adjustments at December 31	3,684	4,448
Carrying amount at December 31	10,455	11,201

Group companies are listed on page 143.

11 Investments in associates

DKK million	2022	2021
Aggregated financial information for associates is provided below:		
Total share of loss in associates for the year	-	-1
Total unrecognized profit/loss in associates for the year	-	-
Total share of net assets in associates	33	34
Cumulative unrecognized loss in associates	-	-
Carrying amount of associates	33	34

12 Deferred tax

DKK million	2022	2021
Deferred tax, net		
Deferred tax at January 1, net	-26	-28
Adjustment in respect of prior years	-8	-11
Deferred tax for the year recognized in profit (loss) for the year	-	13
Deferred tax at December 31, net	-34	-26
Deferred tax, net relates to		
Intangible assets	-40	-43
Other	6	17
Total	-34	-26

13 Contingent assets and liabilities

The parent company has not issued any guarantees on behalf of subsidiaries in 2022 (2021: DKK 24 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	2022	2021
Financial assets		
Other receivables	103	75
Amounts owed by subsidiaries	12,281	4,019
Financial assets at amortized cost	12,384	4,094
Derivative financial instruments included in Other receivables	190	83
Financial assets at fair value through profit or loss	190	83
Financial liabilities		
Issued bonds (bond-with-warrant units), non-current	2,401	2,363
Issued EMTN bonds, non-current	5,147	6,778
Bank loans, non-current	2,312	372
Bank loans and issued bonds, current	6,005	1,606
Lease liabilities	52	22
Trade payables	121	94
Amounts owed to subsidiaries	1,411	4,186
Financial liabilities at amortized cost	17,449	15,421
Derivative financial instruments included in Other payables	207	77
Financial liabilities at fair value through profit or loss	207	77

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
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
2021				
Issued Bonds	70	6,226	3,404	9,700
Bank loans	1,607	1	372	1,980
Lease liabilities	8	14	-	22
Trade payables	94	-	-	94
Amounts owed to subsidiaries	4,186	-	-	4,186
Total non-derivative financial liabilities	5,965	6,241	3,776	15,982
Derivative financial liabilities	68	-	9	77
Total financial liabilities	6,033	6,241	3,785	16,059

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 2,222 million at December 31, 2022 (2021: DKK 2,422 million), and the fair value of EMTN bonds amounted to DKK 5,918 million (2021: DKK 6,832 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 2022 the FX derivatives had a fair value of DKK -17 million (2021: DKK 16 million), of which DKK -3 million (2021: DKK -9 million) are related to derivatives of USD vs EUR or DKK, DKK 1 million (2021: DKK 12 million) are related to derivatives of EUR vs DKK and DKK -14 million (2021: DKK 4 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.

DKK million	2022	2021
Fair value adjustment for the year recognized in Other comprehensive income	-	-



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	2022	2021
Sale of services to group enterprises	768	563
Lease income from group enterprises	31	28
Sale of intangible assets to group enterprises	-	26
Purchase of services from group enterprises	-158	-108
Lease costs paid to group enterprises	-40	-32

The parent company's balances with group enterprises at December 31, 2022 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	Payment re. frozen vacation pay included in Other payables *	Total
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
Bonds 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
Liabilities at January 1	1,116	3,953	37	334	3,087	19	8,546
Cash flows	-	5,134	-6	528	1,060	-19	6,697
Foreign exchange adjustments	-	2	-	-	39	-	41
New leases and remeasurements	-	-	-9	-	-	-	-9
Loans reclassified to current	-744	-	-	744	-	-	-
Non-cash interest expenses	-	52	-	-	-	-	52
Liabilities at December 31, 2021	372	9,141	22	1,606	4,186	-	15,327

* Payment made to LD Fonde relating to the change in vacation year in Denmark and presented in Cash flow from financing activities.

18 Accounting policies

The financial statements of the parent company, GN Store Nord A/S have been prepared in accordance with International Financial Reporting 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 2022 grew DKK 119 million (2021: DKK 107 million), primarily due to changes in the Group Functions. Costs increased during the year due to changes in the Group Functions. 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 2022, cash flow from operating activities was positively impacted by dividends received in the total amount of DKK 2,000 million (2021: DKK 0 million).

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 2022.

The annual report has been prepared in accordance with International Financial Reporting 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, 2022 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, 2022.

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. 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, 2022 with the file name GNStore-Nord-2022-12-31.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 9, 2023

Executive Management

Gitte Pugholm Aabo
CEO, GN Store Nord & GN Hearing

Peter Karlstromer
CEO, GN Audio

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

Board of Directors

Per Wold-Olsen
Chairman

Jukka Pekka Pertola
Deputy chairman

Hélène Barnekow

Montserrat Maresch Pascual

Anette Weber

Ronica Wang

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 2022 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 2022 in accordance with International Financial Reporting 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 2022, pp 85-160 comprise income statement and statement of comprehensive income, balance sheet, cash flow statement, statement of changes in equity and notes, including summary of significant accounting policies 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 four years including the financial year 2022.

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 2022. 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
SteelSeries - Purchase price allocation The Group completed the acquisition of SteelSeries on 12 January 2022. When acquiring SteelSeries, the Company prepared a purchase price allocation ('PPA') for the acquisition, resulting in assets and liabilities being separately recognised and valued in the opening balance. Preparation of PPA is non-standard and complex transactions, subject to significant judgment and estimates, including valuation of assets and liabilities. In order to determine the fair value of the separately identified assets and liabilities such as Customer relationships and Trademarks in a business combination, the valuation methodologies require input based on assumptions about the future and applied discounted cash flow forecasts, including regarding customer churn rates and WACC. The significant judgments and estimates, including methods and data applied and assumptions made by Management, involved in the PPA and opening balance mainly relate to assessing the fair value of the acquired assets. We focused on the purchase price allocation because of the significant impact on the Consolidation Financial Statement and because the PPA requires significant judgments and estimates by Management. Refer to note 5.1 in the Consolidated Financial Statements.	Our audit procedures included assessing whether the acquisition met the criteria of a business combination according to IFRS 3. We updated our understanding of relevant controls, including Group controlling procedures, IT systems and business processes regarding business combinations. We assessed and challenged the purchase price in relation to the assumptions applied for the valuation, including the share purchase liability. We verified the assets and liabilities recognised in the opening balance sheet by performing audit procedures in relation to the opening balance. We tested the Purchase Price Allocation of the acquisition prepared by Management. We discussed the Purchase Price Allocation including the identification of assets and liabilities with Management and challenged key assumptions used to determine the fair value of acquired assets and liabilities in the business combination. We involved our valuation specialists in assessing the valuation methodologies and WACC used by Management and the fair value of the acquired assets and liabilities. Finally, we assessed the adequacy of disclosures relating to the business combination.
Capitalisation and valuation of development costs The Group capitalises development costs within both the hearing and audio segment when certain criteria according to IFRS are met. The criteria for recognition and measurement of development costs are subject to Management's estimates and judgments, which is uncertain by nature. Completed development projects are assessed quarterly for impairment indications. For in-progress development projects impairment tests are performed quarterly. 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 criteria for recognition and measurement of development projects are subject to Management estimates and judgments. Refer to note 3.1 in the Consolidated Financial Statements.	We assessed whether the Group's accounting policies are in accordance with IFRS. 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 criteria described in IFRS 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, we challenged the key 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.



Statement on Management's Report

Management is responsible for Management's Report, pp 1-84.

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.

Based on the work we have performed, in our view, Management's Review 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. 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 International Financial Reporting 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 judgment 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 2022 with the filename GNStoreNord-2022-12-31.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 2022 with the file name GNStoreNord-2022-12-31.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 9 February 2023

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 66 and percentage of Women in Senior Management presented on page 68 in the 2022 annual report of GN Store Nord A/S for the period 1 January – 31 December 2022 (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 in the 2022 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 67 and 69 ("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 2022 for the period 1 January – 31 December 2022:

- GHG emissions in Scope 1 and 2, location and market based, as stated on page 66;
- Women in Senior Management as stated on page 68.

We have not provided any assurance on any other ESG data in the 2022 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 and 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:



- 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;
- conducted an analytical review of the data and trend explanations submitted by all business units for consolidation at Group level;
- 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 2022 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, 9 February 2023

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

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State Authorised Public Accountant
mne34354

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226



GN Store Nord A/S
Lautrupbjerg 7
2750 Ballerup
Denmark

+45 45 75 00 00
info@gn.com
gn.com
Co.reg. no 24257843

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