

Annual Report 2024

GN Store Nord A/S

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www.gn.com/remuneration2024
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Reporting framework
Our annual reporting suite comprises this integrated Annual Report on GN Store Nord's financial, environmental, social, and governance performance – including sustainability statement in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD), our Remuneration Report, and our Corporate Governance Report. Our reporting is prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. This annual reporting suite constitutes GN's reporting according to Section 99a, 99b, 99d, and 107d in the Danish Financial Statements Act, section §139c in Danish Companies Act, and the Communication on Progress to the UN Global Compact.

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2024 performance highlights

18.0 bn

Revenue (DKK)
1% organic revenue growth
(4% organic revenue growth excl. wind-down of Elite and Talk product lines)

2.2 bn

Reported EBITA (DKK)
12% EBITA margin

58%

reduction in scope 1 and 2 carbon emissions
vs 2021*

26%

reduction in scope 3 carbon emissions
vs 2021*

11.2 m

people with hearing loss helped
vs 10.5 million in 2023

1.1 bn

Free cash flow excl. M&A (DKK)

0.9 bn

reduction in net interest-bearing debt (DKK)
vs 2023

26%

women in GN's Senior Leadership

33%

AGM-elected women on GN's Board

ESG ratings

AA	10.6 (low risk)	B
MSCI	**Sustainalytics**	**CDP Climate Change**

Guidance 2025 See more details on financial performance and ESG performance

*) 2021 is the baseline year for our climate targets

Letter from the Chair and CEO

A stronger foundation for driving profitable growth in years ahead based on customer-centric innovation

Solid financial performance in diverse market conditions

GN's financial performance in 2024 demonstrates that we are on track to deliver the intended results from our transformation into a simpler and more efficient one-company setup, driving profitable growth in attractive markets.

During the year, we have executed well in our markets, increased margins, and generated healthy cash flows. Combined with our strong focus on cost, realization of synergies, and significant reduction of interest-bearing debt, we are now at a stage where we can direct more attention and targeted investments to create future profitable growth. While we will continue our strong focus on cost, cash flow, and profit margins, we now also take steps to further incrementally invest in our supply chain and systems to ensure a sustainable platform for growth.

Our three divisions performed well in somewhat different market conditions. Hearing continued to gain market share in a market that performed in line with historical growth rates. In Enterprise, we maintained our market-leading position and we remain optimistic about the further improvements we see in the market following the post-Covid adjustment. In Gaming, we continued to gain market share in a slightly growing market thanks to gamers' strong appreciation of our hardware and software offerings.

Overall, we are pleased with our execution and progress during the year, where we have created a stronger GN and prepared for future growth.

Important transformational milestones

The transformation of GN aims to drive simplicity, efficiency, and better utilization of shared capabilities to become a customer-centric innovator at scale.

During 2024, we continued to implement changes to ensure a flexible and resilient global supply chain that can secure deliveries at a competitive cost and over time withstand potential macro and political challenges. Going forward, we will continue this change by modernizing and diversifying our global manufacturing footprint and distribution to better utilize our combined assets and improve customer service.

Our research and development teams have come together in a unified organization to utilize scale, talent, processes, and facilities to accelerate our innovation in products and services to the benefit of our customers. This will be further emphasized by the innovative new products we will launch during 2025 across our three divisions.

We have made a range of other changes to streamline our finance operations and systems, including gradually bringing all business divisions onto the same systems and establishing a shared service center.

Profitable and sustainable growth

Our core business is to enhance communication between people and create value and growth by leveraging our unique capabilities and global scale across attractive markets. And doing so in a manner where we maximize the positive impact of our products for our customers and minimize negative impact on the environment in accordance with our sustainability targets.

Today, we operate in the attractive hearing, enterprise communications, and gaming equipment markets. During 2024, we exited the general consumer market where we had operated with our Elite and Talk product lines – and, consequently, this year renamed the Gaming & Consumer division to Gaming division. As we move forward, we will continue with a strong focus on shareholder value creation and make sure that we invest in areas where we believe we can deliver distinct customer innovation and generate healthy returns.

Our financial targets towards 2028 are ambitious – in 2024, we made healthy progress towards delivering on these as well as strengthening our foundation for further success.

Thanks to our customers, partners, and employees

Looking into 2025 and beyond, we will continue to nurture our innovative culture to make GN an even greater place to work for focused, talented, and passionate people, bringing value to our customers and other stakeholders.

We would like to sincerely thank our customers and partners for the trust they place in us – and all our employees for their focus and great efforts in creating a stronger GN for the future.

Jukka Pertola, Chair – Peter Karlstromer, CEO

2024 key events

March

GN launches The New Norm – a stigma-busting image bank that challenges misperceptions about hearing loss and hearing aids

April

New GN initiative LISTEN TO THIS™ unites global industry leaders, academic institutions, NGOs, and more to raise awareness of the link between hearing and cognitive health and to make hearing health an urgent priority

May

GN Capital Markets Day 2024: Unfolding GN's value potential

GN unveils 100+ game-specific audio profiles with new SteelSeries Arctis Nova 5 and companion app

GN launches its smallest over-the-counter hearing aid yet, the Jabra Enhance Select 500, with future-ready Auracast connectivity

June

GN announces decision to gradually wind down its Elite and Talk product lines to further increase focus and resources on more attractive parts of GN's business – and at the same time unveils the second and final generation of Elite 8 Active and Elite 10 earbuds, taking sound and streaming to the next level

July

GN launches Jabra+ for admins, the new remote management platform for meeting rooms and devices, providing instant room status, easy troubleshooting, remote reboot of devices, easy mass configuration and updates, and more

August

GN further extends the ReSound Nexia™ family, releases updated fitting software, ReSound Smart Fit™ 2.0, and introduces the world's first remote microphone with Auracast™, the Multi-Mic+

August

GN announces divestment of Danish hearing aid retailer, Dansk HøreCenter, having now divested essentially all brick-and-mortar retail in accordance with our customer-centric partnership strategy

September

GN released new versions of the Jabra Evolve 65, and several Jabra Engage headsets, making them compatible with the EU regulation around batteries and repairability

September

GN announces relocation of North American headquarters from Bloomington to Shakopee driving agility, scale, and flexibility into operations

SteelSeries takes the world's fastest keyboard to the next level with the new Apex Pro Gen 3 series

September

SteelSeries sets new benchmark for earbuds with the introduction of Arctis Gamebuds™

Following GN's transition into a one-company setup, the operating entities GN Audio A/S and GN Hearing A/S were merged as the first of a series of mergers to reduce and simplify GN's global legal footprint

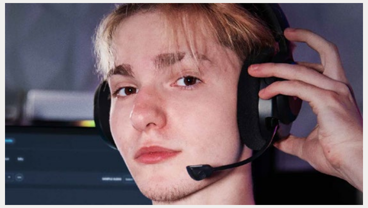
November

GN announces new LISTEN TO THIS masterclass initiative designed to empower hearing care professionals with essential insights into the critical interplay between hearing health, brain health, and overall quality of life

Jabra introduces a new option for the PanaCast 50 Video Bar System (VBS) – the PanaCast 50 VBS bar only

Taking customer-centric innovation to the next level

Arctis Nova 5



100+ game-specific audio profiles unveiled with new Arctis Nova 5 and companion app

Jabra Enhance Select 500

The smallest over-the-counter hearing aid yet, with future-ready connectivity – Bluetooth Low Energy and Auracast

Jabra+ for admins

A secure, cloud-based platform for remote monitoring and management of all Jabra meeting room solutions

Expanding ReSound Nexia

ReSound Nexia family extension, updated fitting software ReSound Smart Fit 2.0, and the world's first remote microphone with Auracast, Multi-Mic+

Apex Pro Gen 3 series

The world's fastest keyboard taken to the next level – smarter, stronger, and faster

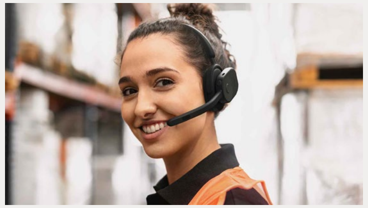
Arctis Gamebuds

Wireless gaming earbuds, crafted for a versatile gaming lifestyle – setting a new benchmark with true gaming audio experience in earbuds

PanaCast 50 VBS bar only

Standalone PanaCast 50 Video Bar System with great possibilities to integrate the bar with existing meeting room set-ups

Jabra Perform 75



The new Jabra Perform 75 is a purpose-built headset for retail shiftwork to boost collaboration and productivity for frontline workers

ReSound Vivia

ReSound Vivia is the world's best for hearing in noise and the world's smallest AI hearing aid. Sound is more vivid than ever with Intelligence Augmented – a human approach to AI

PanaCast 40 VBS

The new Jabra PanaCast 40 VBS is the only Android-powered video bar designed specifically for small meeting rooms that captures the entire room

Business review

GN's strategic direction

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Customer-centric innovation for hearing aid users

Built on decades of shared AI research and development across the GN Group, our R&D team has pioneered a unique approach to AI that mimics the brain's natural sound processing via a new Intelligent Focus feature to create a superior hearing experience in noise.

This breakthrough technology is available in GN's most intelligent hearing aid yet, ReSound Vivia, the industry's smallest Receiver-in-Ear (RIE) hearing aid with uncompromised battery power - and the world's smallest AI powered hearing aid.

ReSound Vivia is powered by a dedicated Deep Neural Network (DNN) chip trained on 13.5 million spoken sentences that spotlights speech and eliminates distracting noise, offering the best solution for hearing in noise without cutting people off from the world around them.

ReSound Vivia is made for Bluetooth® LE Audio and the world's first Auracast™ Assistant for hearing aids, enabling Auracast for All.

Our purpose is Bringing People Closer

Developing audio and video technology at the edge guided by strong values, ethics, and clear leadership

GN was founded with an innovative, pioneering, and global mindset. Originating in Denmark, GN has for more than 155 years developed technology solutions with the purpose of bringing people closer to one another.

Today, we develop, manufacture, and market innovative hearing aids for people with hearing loss; headsets, speakerphones, and video equipment for collaboration at work; and a broad range of gear for gaming aficionados.

Our products support how we communicate with other people and increasingly also how we communicate by use of voice and hearing with technology solutions that assist us in our everyday life and work.

We combine innovative software and hardware solutions to help people seamlessly interact and experience the world around them – enhancing hearing, speech, and sight.

We are committed to consistently create value to customers, employees, shareholders, and the communities in which we operate.

In doing so, our Nordic roots permeates the company fabric – how we innovate and collaborate, how we look at customers and technology, how we care for each other and the world in which we live. We are committed to doing things the right way, demonstrating the highest level of ethics and integrity in our business dealings.

Strong values and clear leadership

Our common values are critical enablers for us to achieve our purpose of bringing people closer: We listen to what everyone has to say, we challenge the status quo, and we strive to transform the world.

Our leadership commitments guide how we drive our business forward: We obsess about our customers, we view strong execution and empowerment as a differentiator to really make things happen, and we embrace our diversity of thought, personality, and background to win in the market.

> The development of the world is dependent on communication

GN founder C.F. Tietgen, 1869

Unfolding GN's value potential

New one-GN organization with world-class sound and visual processing competencies powered by shared resources at scale drive innovation, synergies, and value to customers

GN is an innovation-focused company with deep digital sound and visual processing competencies. As an integrated hardware, software, and AI enabled innovation powerhouse, GN delivers personalized and customer-centric experiences by providing the seamless interface between the user and technology ecosystems.

Simplicity, focus, and scale

Our transformation during 2023 and 2024 into a one-company setup has created a simpler organizational structure and a stronger company to the benefit of our people, our customers, and our partners.

GN's business activities are organized in three focused divisions with accountability for customer and business success: Hearing, Enterprise, and Gaming (renamed from Gaming & Consumer as of January 1, 2025).

These divisions are supported by strong functions to drive scale across the company: R&D; Operations; Finance; People & Culture; Digital, Data & IT; and Strategy & Transformation.

Customer-centric innovation

By truly listening to our customers and understanding their pain points, we can develop innovative solutions that not only meet their needs but exceed their expectations.

We unite the strength of GN to deliver a customer-first approach to innovation, ensuring that all innovation brings value to our customers and users leveraging the latest technologies including AI opportunities.

In 2023, we merged our diverse R&D teams into one organization. During 2024, we have finalized the new organizational setup and streamlined processes to better utilize common technologies and expertise across hearing, enterprise, and gaming product groups.

Three focused divisions supported by shared functions of scale

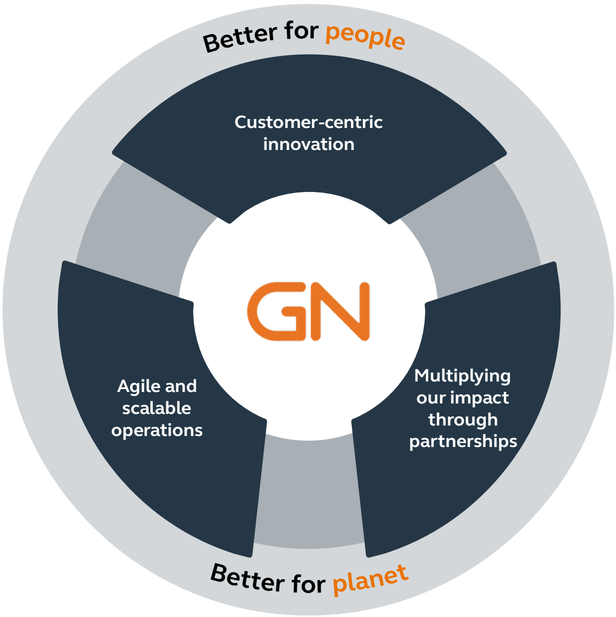
Shared capabilities across R&D, Operations, and other key functions of scale

This new organizational setup has increased scale and critical mass within talents, ideas, technologies, and investments allowing us to innovate more, faster, and better to the benefit of customers.

Multiplying our impact through partnerships

We drive channel and technology reach through a strategic approach to partnerships across the value chain. This accelerates how we build our technology leadership. Our strategy is to focus on being a strong partner for e.g., tech companies and unfold how we can build leading propositions into the future. Our technology leadership in leveraging AI is sustained and drive value through partnerships with large tech players in the eco-system such as Microsoft, Zoom, Google, Apple, and more.

GN's shared capabilities



Agile and scalable operations

We bring true scale in our manufacturing, sourcing, and supply chain around the world. Being one integrated company, we are not only a stronger partner for our ecosystems and customers, and better for our people. We are also a larger, scalable, and cost-efficient force focused on driving real benefits and significant synergies through scalable networks, processes, and systems.

In 2023, we merged our previous two Operations organizations. During 2024, we have continued the reorganization of our global setup for manufacturing, sourcing, and supply chain with the dual aim to harvest synergies and increase operational resilience, which includes diversification of the manufacturing footprint to ensure required flexibility in a world with more geopolitical uncertainty.

People and culture

We believe that engaged employees who thrive, grow, and perform is a core differentiator that will make GN win. We are dedicated to foster a great workplace for our people across the globe, where aspirations meet opportunities, a place where talent come to fuel their professional passion, where they realize their potential, and where they feel that they truly belong regardless of who they are.

Through a genuine commitment to leadership and culture we will nurture an environment where strong leadership, inclusivity, and collaboration are the seeds from which our company's diversity, innovation, and performance bloom.

Key intangible resources

As described on these pages, GN's business model relies on certain intangible resources, of which the most important are the availability of skilled staff across the company's value chain and certain intellectual property rights, such as patent, trademark, and design patent rights, to protect key inventions and maintain our innovation leadership. Key inventions cover various aspects, such as digital signal processing, wireless communication, as well as security solutions and user interfaces, for example, with headset, video, hearing aid, and gaming applications.

Key markets and global trends

Global megatrends contribute to making GN's chosen market segments particularly attractive

Based on our innovative and market-leading portfolio of hardware and software solutions, we have deliberately positioned GN in market segments where we have unique capabilities and where we benefit from important global trends and multiple long-term growth drivers.

Hearing, enterprise, and gaming are three attractive markets characterized by structurally positive megatrends:

Healthy aging supports further growth for hearing aids

Across the world people grow older, become more affluent, and want to stay active and healthy into a higher age. These demographic trends support the hearing aid market which is resilient and non-cyclical. Success is driven by complex technology innovation and insight into what truly matters for users and hearing care professionals. This creates high entry barriers and attractive margins.

The adoption of hearing aids is still relatively low with many opportunities for further growth. In 2024, GN spearheaded LISTEN TO THIS™, a global initiative inviting healthcare partners, policy makers, patient organizations, and more to drive a new hearing health movement. This partnership's mission is to raise greater awareness of hearing loss, promote better hearing care, and support continued research around hearing and cognition. Through evidence, collaboration, and innovation, the goal is to ensure hearing health is recognized as a critical factor in good cognitive health and overall well-being.

Hybrid work and work-life blending is the new norm

Enterprises and organizations today establish themselves with less physical space but more technology to support productivity in-office and also when we travel, commute, or work from home. The enterprise market is relatively difficult to enter as technology, certification, and data security requirements are high. To succeed you need to operate on a global scale and forge strong partnerships with other leading technology companies and go-to-market partners, including distributors and resellers. The market supports attractive pricing for premium solutions.

Gaming is the new entertainment format

Gaming has become ubiquitous and increasingly replace mainstream entertainment. It has become the preeminent form of social engagement and a lifestyle for all ages and genders. Gamers are no longer the male teenagers in the basement but constitute a global and growing market with attractive profitability levels for high-end quality products with strong software solutions.

Technology should cater to my personal needs

As users of technology we demand more and more. We like it to be personalized. We like it to be ours. We like it to be adaptable to what we want. This raises the bar on what great technology is and how hardware and software should be able to play seamlessly together with other eco-systems we like to use. GN can utilize the full range of competencies across our verticals to develop unique and competitive individualized offerings.

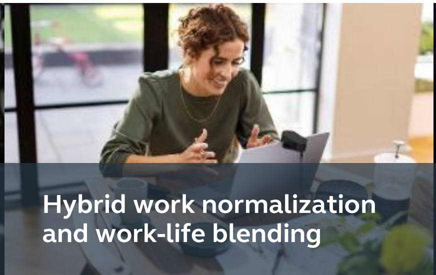
Artificial Intelligence in product innovation and business management

The rapid development of machine learning and artificial intelligence presents great opportunities for technology companies to further personalize their offerings and already today plays an increasing role in all GN's business areas. And, wisely used, it also offers great productivity gains in running a technology company where GN is already at the forefront in developing and utilizing internal AI tools for efficiency gains. GN has years of combined AI and machine learning expertise across its different product areas, which is now utilized in close collaboration between its R&D and IT departments and throughout the organization.

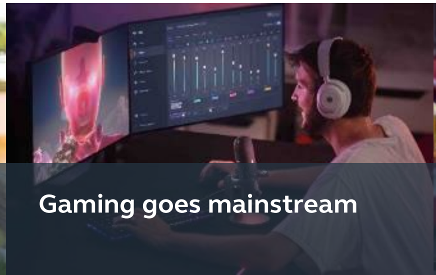
Sustainability as an investment rather than a cost

The growing focus on sustainability and responsible governance from customers, employees, and other stakeholders may present challenges but also offers opportunities for business development. The ambition to reach net-zero carbon emissions and support the transition to a circular economy drives a range of design, manufacturing, and supply chain decisions, which are not only better for the planet, but ultimately also for the success of a company.

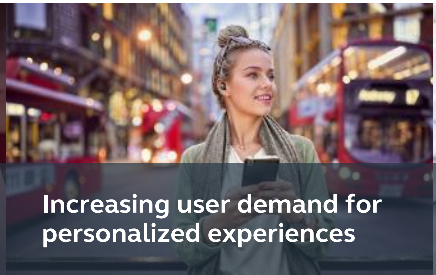
Health awareness becoming the norm



Hybrid work normalization and work-life blending



Gaming goes mainstream



Increasing user demand for personalized experiences

Cutting-edge technology advancements incl. AI

Sustainability drives design and manufacturing decisions

Daring to set hearing free

Delivering world-first hearing innovation based on genuine customer insights

The vision for our Hearing division is to enable everyone to find a hearing solution that fits their lifestyle – whether in-person, remote, or in any combination. We will further strengthen our partnerships with hearing care professionals and build new ways of connecting with consumers and partners.

Lead customer-centric innovation

The foundation for success in the hearing market is innovating great products and delivering them to customers in high quality and with good service. Our two latest platforms, ReSound OMNIA and Nexia, have been highly successful and fueled growth based on such feats.

Our new platform, ReSound Vivia, will continue this journey, representing the most profound update of our hearing solutions ever and the essence of our product development strategy.

GN's hearing aids are built on our Organic Hearing™ philosophy which with the support of AI emulates both the natural hearing process and the natural way we listen.

GN has worked with AI in our hearing aids for years. With ReSound Vivia, we introduce Intelligence Augmented as an evolution to Organic Hearing. In plain words this approach empowers the human brain with the help from AI, rather than empowering AI to help the human. With this, we are taking a human approach to AI.

This allows GN to address the actual needs of hearing aid users and avoid the many compromises they have had to live with:

- *The world's best for hearing in noise* – spotlight speech, eliminate distractions without cutting the user off from the world
- *The world's smallest AI hearing aid* – delivering all-day wearing comfort and all-weatherproof design
- *All-day battery with no trade-offs* – delivering full day use even with streaming
- *Made for Bluetooth® LE Audio and Auracast™* - delivering the clearest Bluetooth experience ever and the world's first Auracast Assistant for hearing aids, enabling Auracast for all

Be the trusted partner

We have a long legacy of delivering world-first hearing innovation based on genuine customer insights and partnering – and this continues to be the primary focus of our product innovation. Further, we will ensure to deliver consistently and reliably through our structured R&D development process and fixed release cadence.

Another critical prerequisite for success in the hearing market is our unique hearing value proposition and how we think as a company: We do not compete with our customers. We lean into partnerships and our hearing strategy centers around building partnerships and helping our partners grow in their local marketplace. With the sale of a Danish hearing aid retail chain in September 2024, GN has now divested essentially all brick-and-mortar retail in accordance with this strategy.

So, it is not just about the product, it is just as much about the service we render, the quality of our partnership support, and how we integrate closely with our partners. Part of this is truly understanding the players in the diverse channels in the market and what they request from us as their partner. We will continue to grow our hearing business in a diversified way across channels and partners.

Modernize for effectiveness and efficiency

To best support our product innovation, our partner support, and drive profitability, we are modernizing our hearing business to become more effective and efficient. We do this through three pillars:

- Delivering predictive metrics and quality in everything we do for everyone we serve, manifesting GN as a reliable partner
- Improving our IT infrastructure to create a modern digital backbone to better support partners and become easier to do business with - localizing, simplifying, and automating operations while leveraging the scale of GN to deliver the best experience at the right cost
- Establishing a strong partner-driven commercial model with the capabilities required to serve our individual partners

The hearing market

- Resilient, non-cyclical market
- Aging population and health awareness drive growth
- Profitable industry with high entry barriers

Making work-life better for businesses and professionals

Market leader in specialist audio and video technology for work and life

GN's Enterprise business operates in the market under the Jabra brand, which is seen as the leader in professional headsets, personal speakerphones, and in video meeting quality and engagement. From January 1, 2025, the BlueParrott product line was moved to the Enterprise division to drive growth in the front-line worker opportunity.

While GN's enterprise grade products in themselves offer premium design and hardware, the true value is greatly enhanced by embedded software and application layers to provide outstanding user experiences when connecting with solutions delivered by partners such as Microsoft, Zoom, and Google.

Thus, the real value for businesses and professionals of our enterprise solutions is improved productivity, performance, and efficiency, allowing enterprises to unlock the full value of their software investments.

Innovative thought-leader for modern work

GN's enterprise products and solutions address key customer needs and daily pains in enterprises of all sizes. Some of the key characteristics of *'enterprise grade'* products and solutions which contribute to making this category unique and difficult to enter are:

- Headset, speaker, or video solution have to be optimized and certified for the enterprise's choice of software solution and the whole package needs a very high degree of data security, including cyber security
- Products and solutions need to be easy to deploy globally, and a scalable device management system needs to ensure easy and efficient daily management, enabling upgrades, management of settings, tracking of devices, and many other services and features
- And, today, great quality hardware not only needs to work well but also have to look great to satisfy employees' lifestyle choices

GN has a long history in enterprise and will continue to invest significant resources in understanding true customer needs and innovate to meet current and future needs among businesses and professionals.

One example of an expected future customer need is enabling professionals to easily interact with generative AI through voice. With our sound processing capabilities, GN is uniquely positioned to capitalize on this opportunity.

Preferred partner for Unified Communication & software platforms

Another key stronghold for GN's Enterprise division is strong ecosystem-led partnerships developed over many years that drive co-development opportunities to further enhance customer value.

Jabra enterprise solutions are certified for all major Unified Communications software vendors, notably Microsoft, Zoom, and Google. The Jabra enterprise solutions are the preferred choice by large enterprises – e.g., more than 80% of Fortune 100 companies.

Most trusted and reliable vendor in our categories

To be the most trusted and reliable vendor in our categories, high performance in the 'essentials' of our products is needed - e.g., ease of use and high ingoing and outgoing audio quality. We also need high quality launches, continued upgrades, and support throughout the product life cycle. Finally, we need to make it easy for the end-customer to transact and obtain necessary information and services through the channel.

Best in category go-to-market execution

GN's Enterprise division has an extended channel network of 20,000 resellers to reach a long tail of small and medium-sized enterprises. Significant resources continue to be invested in nourishing this network.

Furthermore, our Enterprise division has a strong high-touch sales force working directly with our largest end-customers. Finally, go-to-market partnerships with UC and hardware partners, incl. Lenovo and Creston, ensure an even broader market reach and impact.

The enterprise market

- Hybrid "technology rich" work is here to stay
- Experience and tech shifts like generative AI drive innovation
- Structurally profitable industry with high entry barriers
- Channel network required for reach in the market

Helping every gamer feel like a star

Pushing the boundaries and taking customer centricity to the extreme

Today, gaming has become mainstream entertainment. 45% of gamers are women[1]. The average age of gamers is 32 years[1]. Many who have retired from work now pick up gaming again. The myth that gaming is for teenagers in the basement no longer applies.

Historically, a key driver for the gaming business is e-sports, which has grown into a major entertainment industry with 215 million monthly viewers[2]. The structural fundamentals in the gaming industry provide a solid platform for further growth for gaming peripherals.

SteelSeries was the original e-sports brand, and e-sports professionals have won more money using SteelSeries gear than any other brand. Over its 20+ years, it has become the brand of choice for those who want to play like the pros.

The focus for SteelSeries is to provide best-in-class experiences through performance-enhancing software combined with cutting-edge hardware.

Unique go-to-market model

With e-sports being deeply rooted in SteelSeries' DNA, the go-to-market model, among other, builds on working closely with e-sports teams, professionals, and hundreds of major streamers. SteelSeries also runs their own streaming channels and e-sports tournaments.

This approach has created a significant grassroots audience of 160 million gamers and SteelSeries is a widely known and recognized premium gaming brand.

Customer-centric innovation

The SteelSeries winning formula is hard to replicate – SteelSeries was founded by gamers and still is driven by gamers at the same time as they are avid business professionals and innovative engineers and product designers.

This allows the team to take customer centricity to the extreme, identifying issues and opportunities before gamers themselves can even identify their needs.

Integrated hardware and software enhance experiences

This formula has enabled SteelSeries to constantly be one step ahead and innovate at the edge, thus solving problems for gamers via hardware and software. While the hardware is great, the real magic lies in software integration.

Since its foundation, SteelSeries has delivered an extensive list of world-first innovations, including the first integrated software platform for gamers as well as a range of software solutions that continue to enhance the product experience and create stickiness for gamers – exemplified with SteelSeries' GG software platform now having crossed 3.5 million active users and the Moments feature having crossed 1 billion clips created.

Solving real problems for gamers and staying premium

SteelSeries' goal is to own the premium side of the gaming rig – the full suite of peripherals that gamers want. The current offering encompasses headsets, keyboards, mice, controllers, surfaces, and recently also microphones and speakers.

To potentially move into other gaming peripherals, it will require that SteelSeries feel they can solve real problems for gamers that nobody else is solving, thus allowing for premium pricing. Only then will they play.

The gaming market

- Gaming is going mainstream
- Growing engagement – more than gaming
- Fragmented market starting to consolidate

[1] Newzoo Global Gamer Study 2024 [2] Newzoo Global Gamer Study 2023

Building the technology for the future, responsibly

Sustainability is a strategic lever to maximize the positive impact of our products, minimize negative impact on the environment, and safeguard human rights across our value chain

Products making a positive impact

With GN's overarching purpose of Bringing People Closer, we are proud of the positive difference our products make to society and people's lives – to mention just a few examples:

- Our hearing instruments help our users lead better lives – currently, more than 11.2 million people across the world benefit directly from our hearing solutions. As the connections between hearing loss, cognition, and health become clearer, untreated hearing loss becomes much more than a daily nuisance but rather a serious health risk
- Our audio and video solutions help our customers choose remote collaboration over carbon-emitting travel or commuting – switching e.g., long-distance travel with virtual meetings reduce enterprises' climate footprint and daily work-life balance can improve with increased workplace flexibility
- Our gaming solutions support people of all ages in their social interactions with other gamers, representing a more active form of entertainment than passive viewing – today, gaming is a fast growing community that positively impacts people interacting with friends and expanding their social network

Reducing negative impact from our activities

Producing and distributing millions of technology products every year obviously has an impact, which is why GN has laid out an ambitious strategy to reduce any negative impact from our activities.

Building on our long history of responding to changing demands from our stakeholders, sustainability has over the past years become increasingly integrated into GN's business strategy. GN's approach to sustainability 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 key decisions on how we design our products and run our operations. Accordingly, we have not set up a separate sustainability governance structure but use our existing business processes to drive this agenda.

Overall, we focus on three areas where we have the most impact:

1. *Sustainable design* – developing product designs that impact the experience of our products, not our environment
2. *Decarbonization* – reducing our carbon footprint as fast as the science tells us
3. *Supply chain responsibility* – safeguarding human rights across our full value chain

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, or working with our suppliers on safeguarding human rights for everyone working in our value chain.

As the climate crisis intensifies, ensuring our children's future requires that we innovate and adapt. We are committed to protecting our planet by reaching our 2030 climate goals and having net-zero emissions by 2050, in line with the scientific consensus on the need to limit global warming to 1.5 degrees Celsius.

We are focused on product and service development that will help us achieve this target and support the transition to a circular economy. In doing this, we are confident that we will comply with growing product-related sustainability legislation, achieve sustainability certifications for our products, and attract sustainability-minded customers and employees.

CSRD compliant reporting

Our status and progress on environmental, social, and governance topics (ESG) are described in detail in the Sustainability statement of this report in accordance with the EU's Corporate Sustainability Reporting Directive (CSRD).

Global reach, local presence

GN develops and manufactures cutting-edge hearing aids and accessories, enterprise audio and video collaboration equipment and services, gaming peripherals, and associated software solutions. These are marketed and sold across the world

Research & Development

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

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

In 2024, GN invested DKK 1.9 bn in research and development.

Manufacturing

GN has its own central and regional manufacturing sites for hearing aids and accessories in Australia, China, Denmark, Japan, Malaysia, South Korea, Spain, and the United States.

GN's enterprise audio and video collaboration equipment and its gaming products are produced by carefully selected manufacturers mainly in Asia. Most components are sourced from suppliers in Asia. GN works with a small number of tier 1 manufacturers supported by more than 100 sub-suppliers.

Sales and distribution

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

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

GN investment case

We enhance communication between people, and create value and growth by leveraging our unique capabilities and global scale across attractive markets

We do this based on the following characteristics:

- We operate in attractive markets across Tech and MedTech, backed by fundamental megatrends and high entry barriers
- Our focused, talented, and passionate people have deep expertise and proven track-record in the intersection between hardware and software delivering customer-centric innovation and value
- We are multiplying our impact and execution power by being a unique, "non-competing", and attractive global partner to technology and channel leaders across the value chain
- We run agile operations and global supply chain scale to support growth and navigate potential future disruptions
- We will protect our planet by running our company in a climate-friendly and sustainable way
- We have an asset light business model and strong margin focus leading to solid cash flows supported by group-wide synergies

We have set ambitious financial targets for 2025-2028

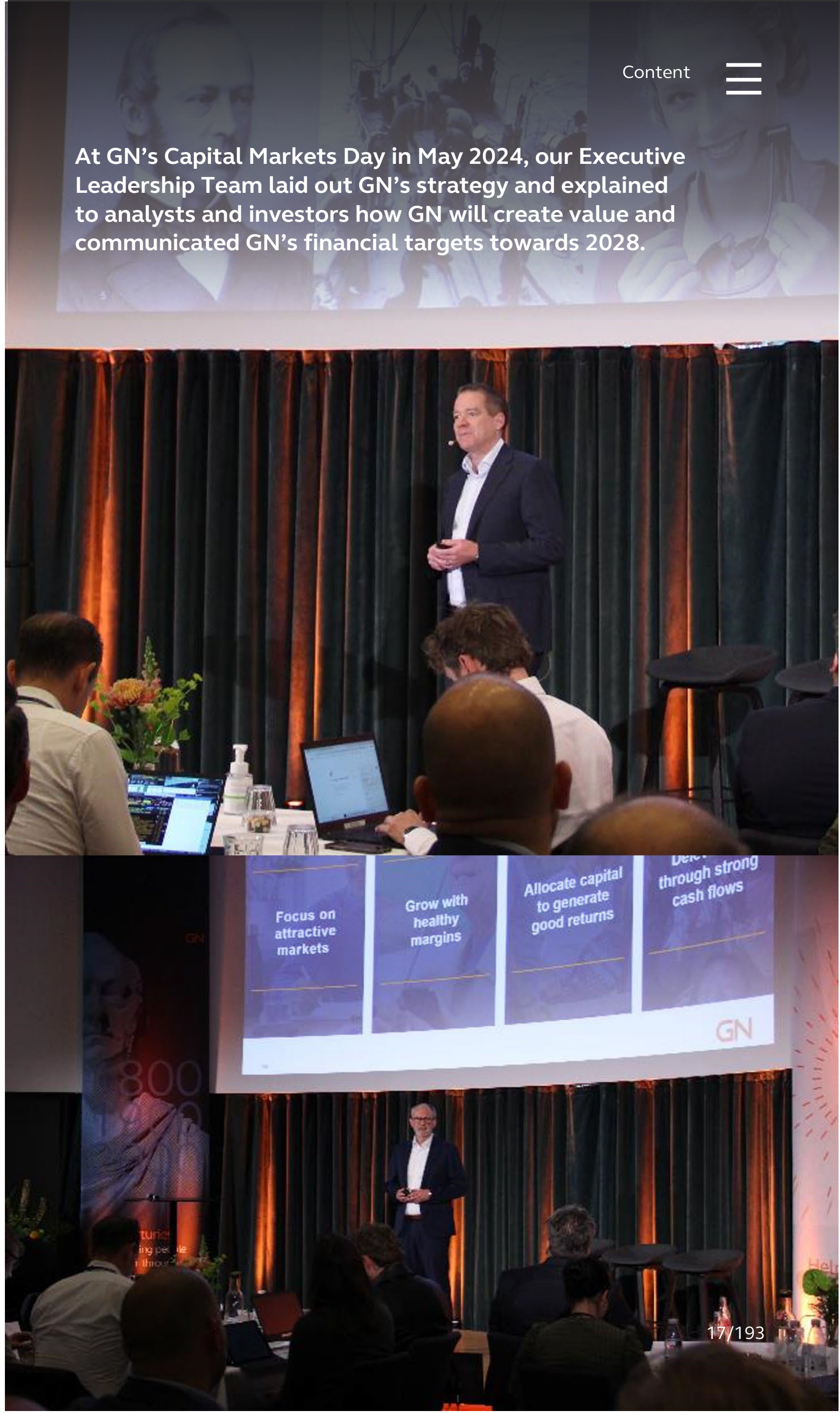
Our financial targets towards 2028 are ambitious and will create shareholder value that is imperative for our continued license to operate:

- Deliver organic revenue growth of 5-8% (CAGR)
- Achieve sustainable EBITA margin target at 16-17% by 2028*
- Reduce leverage to 2.0x by 2028

Each of our business divisions contributes to growth and margin expansion in their attractive growing markets:

- Hearing drives continued market share gains across markets with an expected ~3-4% market value growth. Preserving innovation leadership with focus on core strength and strong partnership value proposition
- Enterprise drives market share gains in video, while maintaining global market share position in headsets with an expected ~3-5% market value growth. Improving channel strength while sustaining innovation leadership
- Gaming drives continued market share gains across gaming gear with an expected ~5% market value growth. Improving channel strength and maintaining innovation leadership while prioritizing margins over growth

*) Based on FX rates as of May 7, 2024



At GN's Capital Markets Day in May 2024, our Executive Leadership Team laid out GN's strategy and explained to analysts and investors how GN will create value and communicated GN's financial targets towards 2028.

Business review

Financials

Five year overview	19
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Customer-centric innovation for enterprises

Jabra extends its premium collaboration portfolio with PanaCast 40 Video Bar System (VBS), the only small room Android-bar that captures the entire room with 180° field of view.

The PanaCast 40 VBS brings customers advanced audio technology for exceptional voice clarity, quick and easy installation, ensuring a seamless setup experience.

For enterprises, this is a future-proof investment with flexible deployment options on Microsoft Teams, Zoom, or permanent bring-your-own-device setups and managed seamlessly with Jabra+ for admins.

Five year overview

DKK million	2020	2021	2022	2023	2024
GN Store Nord					
Revenue	13,449	15,775	18,687	18,120	17,985
Revenue growth	7%	17%	18%	-3%	-1%
Organic growth	9%	20%	-3%	-1%	1%
Gross profit margin	54.3%	55.0%	48.9%	49.4%	53.2%
EBITA*	1,866	2,619	1,560	1,200	2,153
EBITA margin*	13.9%	16.6%	8.3%	6.6%	12.0%
Operating profit (loss)	1,627	2,397	1,111	869	1,860
Financial items, net	-6	-90	-405	-462	-492
Profit (loss) before tax	1,612	2,271	725	343	1,361
Effective tax rate	21.3%	21.2%	21.4%	22.4%	22.2%
Profit (loss) for the year	1,269	1,790	570	266	1,059
Total assets	16,682	23,552	30,589	30,642	30,611
Total equity	5,178	6,229	6,800	9,587	10,824
ROIC (EBITA*/Average invested capital)	19%	25%	9%	5%	10%
Earnings per share, basic (EPS)	9.72	13.63	4.00	1.64	6.79
Earnings per share, fully diluted (EPS diluted)	9.63	13.49	3.99	1.64	6.78
Investments in property, plant and equipment	-221	-457	-209	-93	-120
Free cash flow excl. company acquisitions and divestments	1,865	702	-1,291	1,092	1,081
Cash conversion (free cash flow excl. company acquisitions and divestments/EBITA*)	100%	27%	-83%	91%	50%
Equity ratio	31.0%	26.4%	22.2%	31.3%	35.4%
Net interest-bearing debt**	3,755	4,829	14,561	10,567	9,699
Net interest-bearing debt (period-end)/EBITDA	1.6	1.6	7.1	6.0	3.8
Payout ratio	16%	12%	-	-	-
Share buybacks***	453	1,166	-	-	-
Outstanding shares, end of period (thousand)	128,975	127,718	127,973	145,613	145,613
Average number of outstanding shares (thousand)	128,805	128,816	127,823	138,883	145,613
Average number of outstanding shares, fully diluted (thousand)	130,032	130,194	128,126	138,991	145,712
Treasury shares, end of period (thousand)	13,293	10,458	9,220	5,300	5,300
Share price at the end of the period	487.2	411.3	159.8	171.8	133.8
Market capitalization	62,837	52,530	20,444	25,016	19,476

* Please refer to Key Ratio Definitions on page 167 for definition of EBITA ** Please refer to Key Ratio Definitions on page 167 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

Group financial review 2024

Revenue

In 2024, GN delivered strong financial performance, creating a solid foundation for driving the desired profitable growth in the years to come. Group revenue ended at DKK 17,985 million, driven by organic revenue growth of 4% excluding the discontinued Elite and Talk product lines. The reported organic revenue growth ended at 1% - in line with revised financial guidance following the wind-down. The organic growth was driven by 10% organic revenue growth in Hearing, -3% organic revenue growth in Enterprise, 7% organic revenue growth in Gaming, and -31% organic revenue growth in Consumer as a consequence of the wind-down. For the Group, total revenue growth was -1%, as the impact from M&A was around -2%.

Gross profit

GN Store Nord's gross profit reached DKK 9,564 million compared to DKK 8,945 million in 2023. The gross margin ended at 53.2% (compared to 49.4%), positively impacted by group-wide synergies, pricing discipline, and positive business mix, while partly being off-set by inventory write-downs in connection with the wind-down of the Elite and Talk product lines as well as retail disposals including BelAudição and Dansk HøreCenter towards the end of the year.

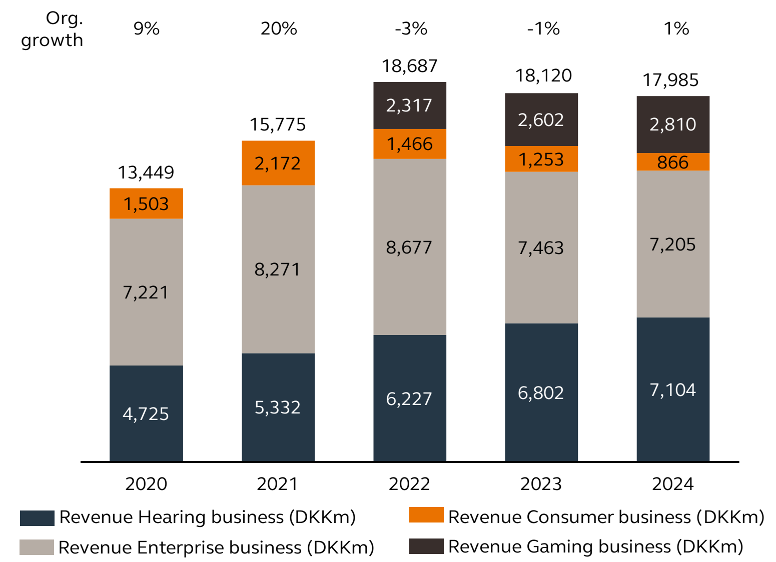
Divisional profit

GN Store Nord's divisional profit increased by 14% to DKK 5,207 million compared to DKK 4,548 million in 2023, which equals a divisional profit margin of 29.0% (25.1% in 2023). This was driven by the strong gross margin improvement, as well as a strict cost focus, partly off-set by the extraordinary costs related to the wind-down of the Elite and Talk product lines.

Development costs

GN Store Nord's development costs ended at DKK -1,491 million compared to -1,546 million in 2023, reflecting an R&D/revenue ratio of 8.3% compared to 8.5%. The development reflects some extraordinary costs in relation to the wind-down and timing of product launches.

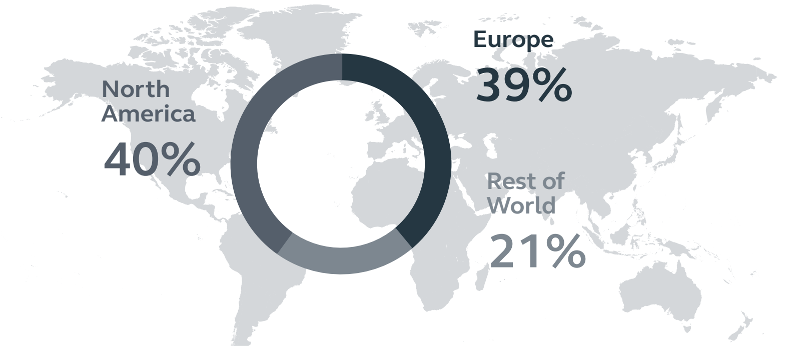
Revenue (DKKm) and organic revenue growth (%)



Financial overview 2024

DKK million	GN Store Nord			Hearing division			Enterprise division			Gaming & Consumer division		
	2024	2023	Growth	2024	2023	Growth	2024	2023	Growth	2024	2023	Growth
Revenue	**17,985**	**18,120**	**-1%**	**7,104**	**6,802**	**4%**	**7,205**	**7,463**	**-3%**	**3,676**	**3,855**	**-5%**
Organic growth	1%	-1%		10%	13%		-3%	-13%		-5%	5%	
Gross profit	**9,564**	**8,945**	**7%**	**4,458**	**4,076**	**9%**	**4,010**	**3,901**	**3%**	**1,096**	**968**	**13%**
Gross profit margin	53.2%	49.4%	3.8%p	62.8%	59.9%	2.9%p	55.7%	52.3%	3.4%p	29.8%	25.1%	4.7%p
Divisional profit	**5,207**	**4,548**	**14%**	**2,464**	**1,874**	**31%**	**2,544**	**2,442**	**4%**	**199**	**232**	**-14%**
Divisional profit margin	29.0%	25.1%	3.9%p	34.7%	27.6%	7.1%p	35.3%	32.7%	2.6%p	5.4%	6.0%	-0.6%p
EBITA	**2,153**	**1,200**	**79%**									
EBITA margin	12.0%	6.6%	5.4%p									
Free cash flow excl. M&A	1,081	1,092	-11									

Revenue distribution



Management and administration costs

GN Store Nord's management and administration costs decreased by 15% compared to 2023 and ended at DKK -1,543 million. The significant decrease reflects cost control across the company, DKK 197 million one-off cost in 2023, and timing of certain structural investments.

EBITA

GN Store Nord's EBITA was DKK 2,153 million compared to DKK 1,200 million in 2023. The increase was primarily driven by strong gross profit growth across the divisions, supported by group-wide synergies of DKK ~430 million, strong pricing discipline, and less extraordinary costs. The EBITA-margin increased by 5.4 percentage points compared to 2023 and ended at 12.0% in line with revised financial guidance following the wind-down.

Other profit & loss items

In 2024, amortization of acquired intangible assets amounted to DKK -365 million compared to DKK -392 million in 2023. Financial items were DKK -492 million in 2024 compared to DKK -462 million in 2023, primarily driven by increasing financing costs as a consequence of the debt refinancing.

In 2024, share of profit (loss) in associates was DKK -7 million compared to DKK -64 million in 2023. Gain (loss) on divestment of operations, etc. was DKK 72 million compared to DKK 61 million in 2023, primarily due to the divestment of Dansk HøreCenter. Profit before tax was DKK 1,361 million compared to DKK 343 million in 2023.

The effective tax rate was 22.2% compared to 22.4% in 2023, translating into a net profit of DKK 1,059 million compared to DKK 266 million in 2023. Earnings per share (EPS) was DKK 6.79 in 2024 compared to DKK 1.64 in 2023, driven by the strong operating performance.

One-company transformation

To set the company up for success, the governance structure was simplified in 2023. As part of this process, GN identified company-wide synergies which support and accelerate the margin improvement across the Group. The company identified DKK ~600 million in cost synergies (across COGS and OPEX) to be realized by 2026 of which roughly two-thirds was expected to be achieved in 2024. During 2024, synergies worth of DKK ~430 million were realized, thus slightly higher than expected. This was a result of the organizational changes executed in 2023, as well as leveraging both structural and operational synergies within sourcing, manufacturing and distribution.

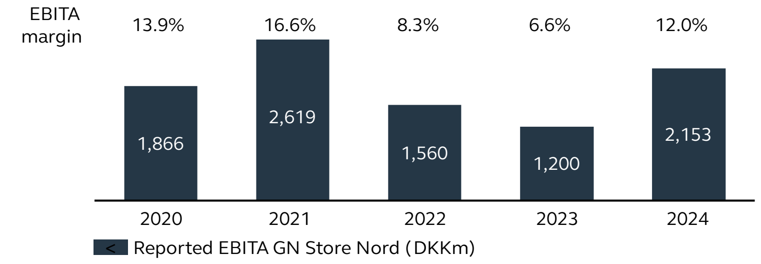
Free cash flow

GN Store Nord managed to deliver yet another year with substantial free cash flow excl. M&A of DKK 1,081 million (in line with financial guidance) compared to DKK 1,092 million in 2023 mainly driven by the solid earnings level and a positive change in working capital despite somewhat higher interest payments following the successful debt refinancing.

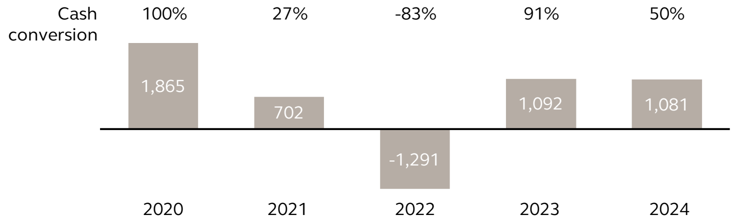
Capital structure

Net interest-bearing debt decreased significantly by DKK 868 million to DKK 9,699 million compared to DKK 10,567 million by the end of 2023, driven by the strong operational free cash flow generation as well as the disposal of Dansk HøreCenter. The adj. leverage was reduced from 4.5x to 3.5x as a consequence of the strong earnings growth and the DKK 0.9 billion debt reduction. Reported leverage ratio was 3.8x reflecting DKK -202 million extraordinary wind-down costs compared to 6.0x in 2023. By the end of 2024, GN had cash and cash equivalents of DKK 980 million. Moreover, GN has access to an undrawn revolving credit facility of DKK 3.9 billion (EUR 520 million) with maturity in Q2 2027.

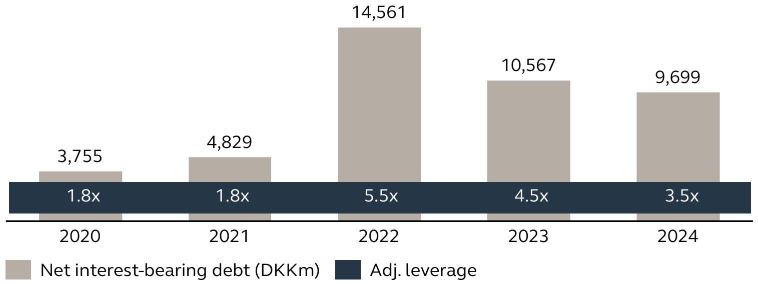
EBITA (DKKm) and EBITA margin (%)



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



Net interest-bearing debt (DKKm) and adj. leverage



Hearing division

Significant market share gains and strong margin improvement

Revenue

The Hearing division had another year of double-digit organic revenue growth and market share gains. The broad-based performance led to 10% organic revenue growth (on top of 13% organic revenue growth in 2023) driven by the successful ReSound Nexia product family (organic revenue growth in Q4 2024 was 7%). Revenue increased by 4% to DKK 7,104 million, compared to DKK 6,802 million in 2023, including M&A impact of around -4% while impact from foreign exchange rates was around -2%.

In North America, the market experienced volume growth in line with the historical 4-6%. GN delivered another year of significant market share gains in North America, leading to strong organic revenue growth, which was predominately driven by the independent channel and JabraEnhance.com. The overall revenue in North America ended at DKK 3,616 million (compared to DKK 3,407 million in 2023).

In Europe, the market experienced volume growth slightly below the historical 4-6% growth rate. Despite the challenging market conditions and a difficult comparison base, GN has gained market shares across most countries, leading to organic revenue growth slightly below the overall division growth. The performance was supported by strong execution in especially Germany and the U.K. The overall revenue in Europe ended at DKK 1,847 million (compared to DKK 1,887 million in 2023).

In Rest of World, the market experienced close to flat volume growth following a strong 2023, suggesting a normalization of the market. Despite the flat market development, GN performed strongly leading to strong double-digit organic revenue growth driven especially by Australia and India, while the Chinese market was challenging. Overall revenue in Rest of World ended at DKK 1,641 million (compared to DKK 1,508 million in 2023).

Gross profit

Gross profit reached DKK 4,458 million corresponding to a gross margin of 62.8% compared to 59.9% in 2023. The increasing gross margin was positively impacted by group synergies and the continued success of ReSound Nexia, but partly off-set by retail disposals including BelAudição and Dansk HøreCenter towards the end of the year.

Sales and distribution costs

Sales and distribution costs decreased by 9% to DKK -1,994 million compared to DKK -2,202 million in 2023. The reduction was mainly driven by retail disposals including BelAudição and Dansk HøreCenter, while Hearing continued to drive sales & marketing investments to sustain the current market share momentum.

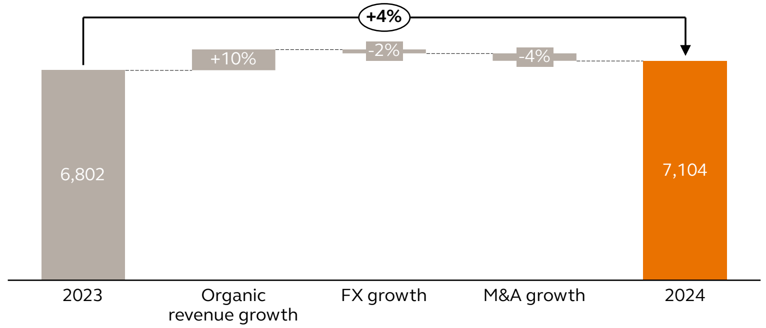
Divisional profit

The divisional profit increased by 31% to DKK 2,464, corresponding to a divisional profit margin of 34.7% compared to 27.6% in 2023. This significant increase was a result of the strong topline growth, gross margin expansion, and tightly managed sales and distribution costs.

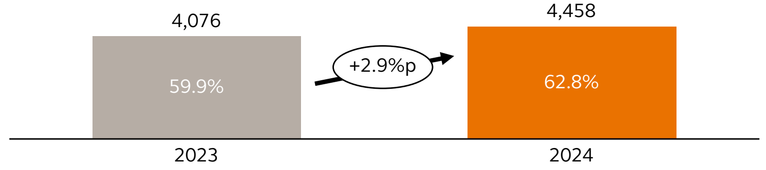
EBITA margin

The EBITA margin in the core Hearing business ended at 20.0% (14.7% in 2023), using 2023 cost allocation methodology on functional group costs.

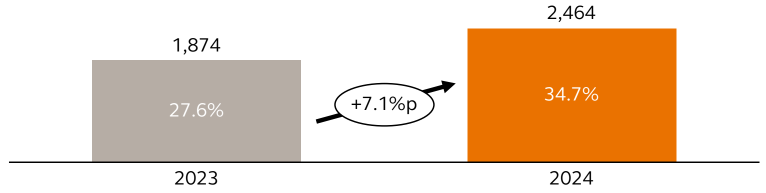
Revenue (DKKm)



Gross profit (DKKm)



Divisional profit (DKKm)



Enterprise division

Strong margin improvement in a challenging yet stabilizing overall enterprise market. Flat growth in the division excluding the speakerphone category

Revenue
The Enterprise division executed well during the year and maintained its global market leadership position in a challenging but improving enterprise market. Revenue declined by 3% to DKK 7,205 million, compared to DKK 7,463 million in 2023, including an organic revenue growth of -3% (organic revenue growth in Q4 2024 was -2%).

From a regional perspective, North America contributed with flat organic revenue growth for the year, while Europe was negatively impacted by economic growth challenges in parts of Central Europe in the second half of the year. Rest of World experienced some level of modest organic revenue growth for the year as a whole. The long-term attractiveness of the enterprise market is fully intact driven by hybrid working and the continued upgrade of collaboration tools to make the experience seamless and more efficient. However, the return to growth is taking slightly longer than anticipated in the beginning of 2024 primarily as a result of the economic growth challenges seen in Central Europe in the second half of 2024.

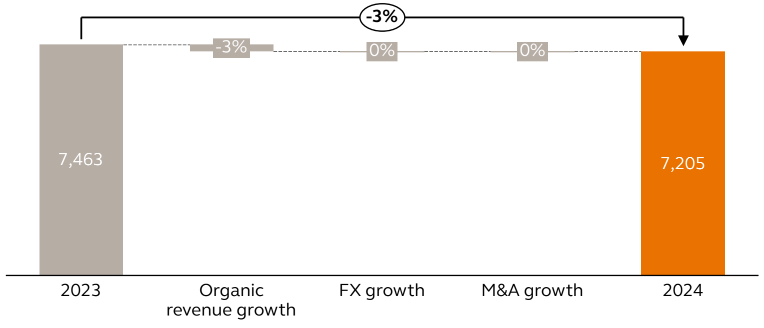
The major headset business maintained its market leading position in an improving market, which led to flat organic revenue growth for the year driven by GN's leading product portfolio and continued strong execution across the organization. The emerging video business drove continued market share gains, leading to double-digit organic revenue growth rates in 2024. As room investments are moving towards integrated video and audio solutions, the speakerphone category experienced high double-digit decline as a result of the structurally declining market. This accounted for the majority of the organic revenue decline, combined with a demanding comparison base from 2023, when GN launched the successful Jabra Speak2 series.

Gross profit
Gross profit reached DKK 4,010 million corresponding to a gross margin of 55.7% compared to 52.3% in 2023. The positive development was supported by group synergies and pricing discipline despite the lower volumes.

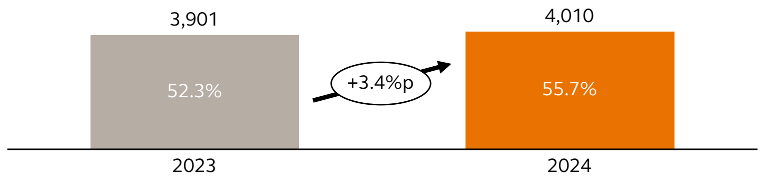
Sales and distribution costs
Sales and distribution costs ended at DKK -1,466 million compared to DKK -1,459 million in 2023. The development reflects continued execution on certain channel investments to sustain its strong market leading position in an anticipated enterprise market recovery, but also some general cost focus.

Divisional profit
Despite the lower volumes and revenue, the divisional profit increased by 4% and reached DKK 2,544 million compared to DKK 2,442 million in 2023. The development corresponds to a divisional profit margin of 35.3% compared to 32.7% in 2023. The increase was driven by the solid gross margin improvement and focused cost control on sales and distribution costs, despite the negative topline development.

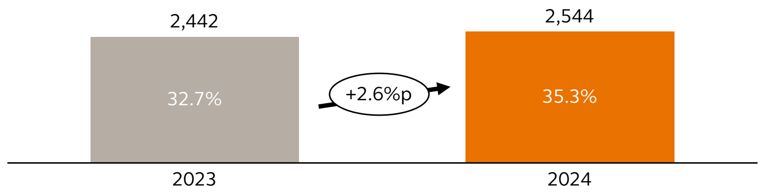
Revenue (DKKm)



Gross profit (DKKm)



Divisional profit (DKKm)



Gaming & Consumer division

Continued market share gains in Gaming, while the wind-down of the Elite and Talk product lines is now finalized

Revenue
The Gaming & Consumer business as a whole delivered revenue of DKK 3,676 million compared to DKK 3,855 million in 2023 with an organic revenue growth of -5% as a direct consequence of the successful execution of the wind-down. Total revenue growth was -5%.

In the Gaming business, SteelSeries was exposed to a market in continued stabilization corresponding to a slightly growing market compared to 2023. SteelSeries continued to grow rapidly even on top of a tough comparison base (16% organic growth in 2023) and further improved its market-leading position in the core gaming gear market with innovative product launches during the year. The strong performance resulted in revenue of DKK 2,810 million compared to DKK 2,602 million in 2023 translating into organic revenue growth of 7% (Q4 2024 organic revenue growth of 16%).

In the Consumer business, the year was characterized by the decision in June 2024 to wind down the Elite and Talk product lines with the rationale to increase focus and resources on more attractive parts of GN's business. The wind-down was successfully finalized by year-end. As a result, the Consumer revenue was DKK 866 million compared to DKK 1,253 million in 2023.

Gross profit
Gross profit reached DKK 1,096 million corresponding to a gross margin of 29.8% compared to 25.1% in 2023. The development reflects a positive contribution from group synergies as well as strong pricing discipline in Gaming, however, partly off-set by extraordinary costs related to the wind-down and significant promotional activity in Consumer to support the wind-down. In the Gaming business, the gross profit ended at DKK 910 million, corresponding to a gross margin of 32.4% driven by group synergies and strong pricing discipline. In the Consumer business, the gross profit ended at DKK 186 million, corresponding to a gross margin of 21.5% driven by the wind-down.

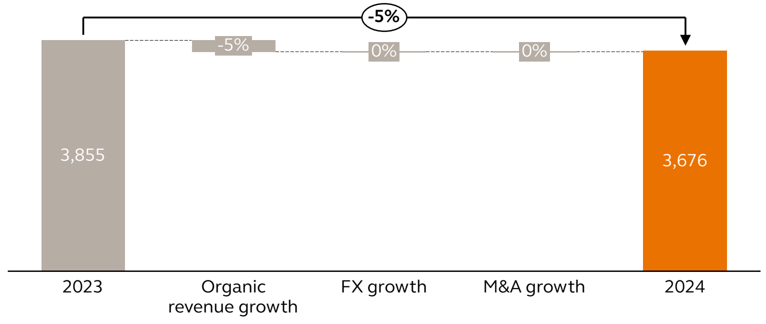
Sales and distribution costs
Sales and distribution costs increased by 22% to DKK -897 million compared to DKK -736 million in 2023. The development reflects extraordinary costs related to the wind-down and continued channel investments and marketing activity to sustain the market share momentum in Gaming.

Divisional profit
The divisional profit ended at DKK 199 million corresponding to a divisional profit margin of 5.4% compared to 6.0% in 2023 significantly impacted by the effects of the wind-down.

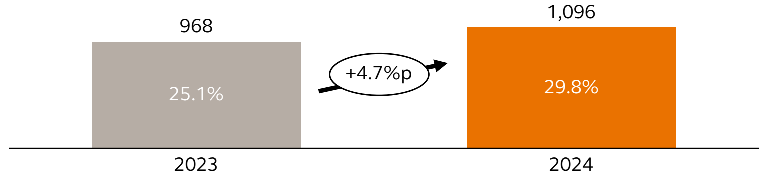
Focusing on Gaming going forward
As a direct consequence of the wind-down, the Group experienced extraordinary costs of DKK 202 million during 2024, including severance payments, write-down of prior development projects and inventories.

Following the successful wind-down, the division was re-named to "Gaming" as of January 1, 2025.

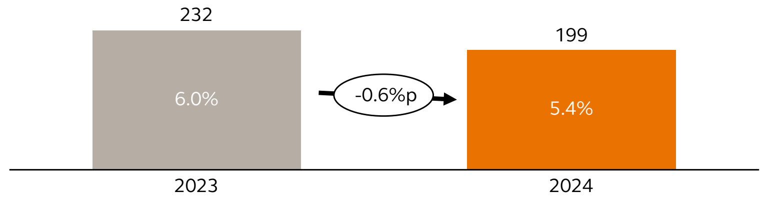
Revenue (DKKm)



Gross profit (DKKm)



Divisional profit (DKKm)



Financial guidance 2025

GN Store Nord

3% to 7%
organic revenue growth excl. wind-down

12% to 14% EBITA margin

~800 Free cash flow excl. M&A (DKKm)

Key revenue assumptions for the financial guidance of 2025

Hearing division

In 2025, GN expects the hearing aid markets to grow in line with the historical growth rates supported by ongoing favorable demographic trends. As such, GN projects 4-6% market volume growth and -1% market ASP decline, equaling a market value growth of 3-5%.

Based on the attractive market fundamentals, the current sales momentum, as well as the launch of ReSound Vivia and ReSound Savi, GN in 2025 expects to continue to gain market share. Consequently, the Hearing division assumes to contribute with organic revenue growth of 5% to 9%.

Enterprise division

Following a longer period of market stabilization, GN expects the enterprise market to grow modestly in 2025. The projection is based on an expected increase in general IT budgets, as well as improving sentiment across GN's distributors, resellers, and end-customers. The market recovery is expected to be led by North America and Rest of World, as parts of Europe is currently impacted by economic growth challenges.

GN expects to be able to continue to maintain its market-leading position in enterprise grade headsets, while gaining market shares in enterprise video communication systems. The assumption is driven by the current market-leading product portfolio, launch of new customer-centric innovations across headsets and video, channel access strength, and strong partnerships with leading software vendors. Consequently, the Enterprise division assumes to contribute with organic revenue growth of 0% to 4%.

Gaming division

In 2025, GN expects the gaming gear market to grow 3-5% driven by continued increase in the number of global gamers but held back by the current consumer sentiment in Europe.

GN expects to continue to gain market shares driven by the very strong brand, innovation leadership, and category expansion. Consequently, Gaming assumes to contribute with organic revenue growth of 7% to 12% (excluding the impact from the wind-down).

Wind-down impact on Group organic revenue growth

Due to the successfully executed wind-down of the Elite and Talk product lines during 2024, the revenue contribution from these product lines in 2025 is assumed to be insignificant (in 2024, the product lines generated revenue of DKK 597 million). As a result, the negative impact from the wind-down on group organic revenue growth will be 3-4 percentage points, while the negative impact specifically in the Gaming division will be 19-20 percentage points. The group financial guidance on organic revenue growth is adjusted for this impact, why the reported organic revenue growth will be 3-4 percentage points lower.

Key EBITA margin assumptions for the financial guidance of 2025

Following a strong margin improvement in 2024, GN expects further margin improvements in 2025, thereby being on a steady trajectory towards the 2028 EBITA margin target of 16-17%. The EBITA margin expansion in 2025 is supported by further one-GN synergies as earlier communicated, the non-recurring nature of the DKK 202 million extraordinary wind-down costs in 2024, as well as underlying margin improvements driven by leverage and scale across the three divisions.

To solidify the margin path towards 2028, we will in 2025 invest further into operations including supply chain, IT modernization, ERP optimization, and cybersecurity to ensure a sustainable and resilient growth platform. This will allow us to drive the targeted margin expansion while further creating flexibility and resilience against potential further geopolitical challenges.

The guidance includes certain costs linked to the wind-down for general service and warranty commitments, expected to diminish over the next couple of years.

The recently announced tariffs between China and the U.S, is expected to lead to a slight negative margin impact for the Group, mainly in Gaming and to some extent Enterprise while no impact is assumed in Hearing.

Finally, the development in foreign exchange rates, including the appreciated USD is assumed to be a headwind for the EBITA margin in 2025, primarily as a function of the tailwind to reported revenue, as the majority of the negative FX impact on absolute EBITA is hedged.

Business review

Company information

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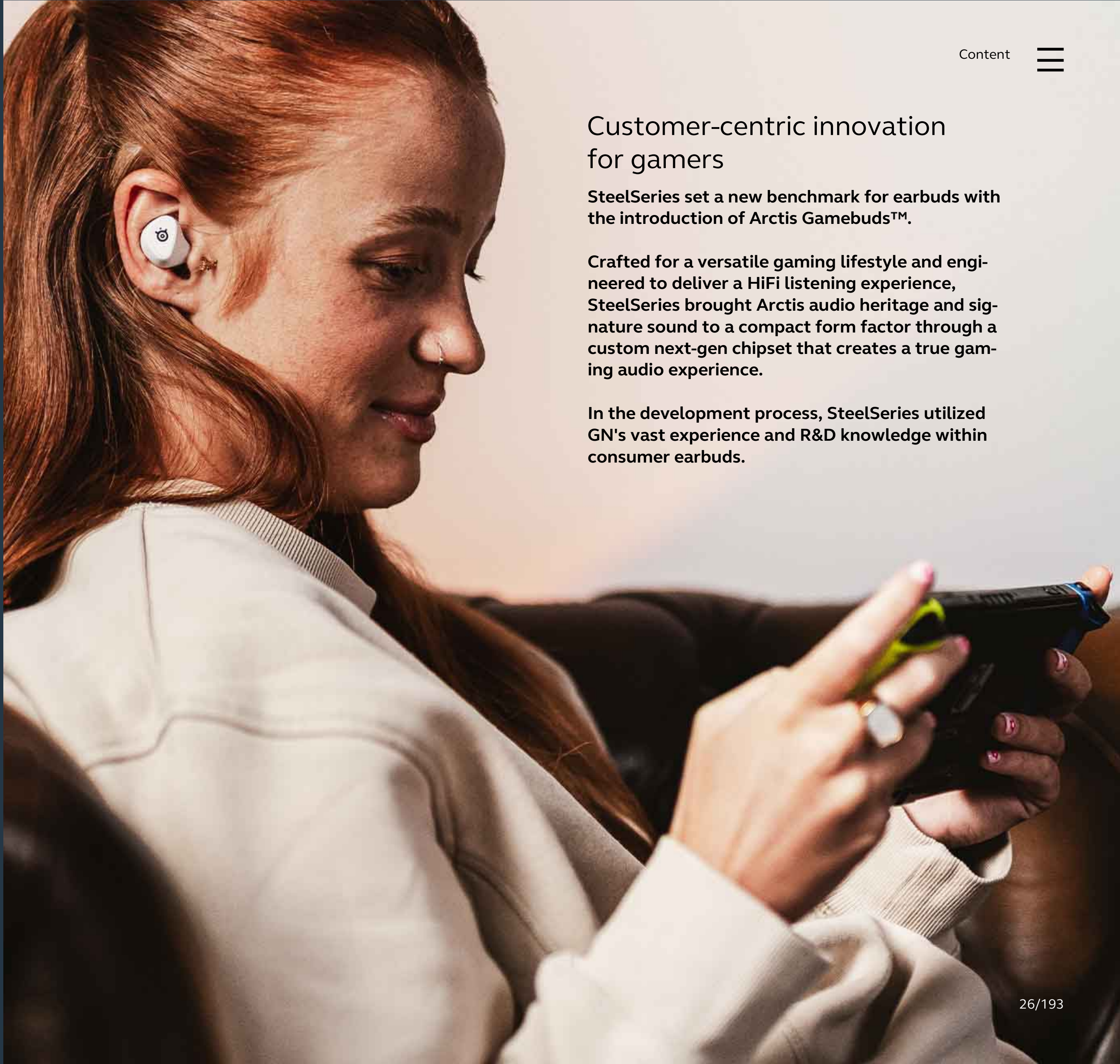


Customer-centric innovation for gamers

SteelSeries set a new benchmark for earbuds with the introduction of Arctis Gamebuds™.

Crafted for a versatile gaming lifestyle and engineered to deliver a HiFi listening experience, SteelSeries brought Arctis audio heritage and signature sound to a compact form factor through a custom next-gen chipset that creates a true gaming audio experience.

In the development process, SteelSeries utilized GN's vast experience and R&D knowledge within consumer earbuds.

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 19.5 billion at the end of 2024. The price of the GN share was DKK 134 on December 31, 2024.

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 63,000 registered shareholders. Of the entire ownership, it is estimated that around 40% are held by investors in Denmark, around 35% in rest of Europe, around 25% in North America, and less than 1% in Rest of World.

The 10 largest registered shareholders held in total around 35% of the GN share capital at the end of 2024 (including GN's holding of treasury shares). By the end of 2024, one shareholder, William Demant Invest A/S, has reported an ownership interest in excess of 10% of GN's share capital.

Share capital and voting rights
GN's share capital of DKK 603,650,860 consists of 150,912,715 shares, each carrying four votes. GN has one share class with no restrictions on ownership or voting rights. The Annual General Meeting has authorized the Board of Directors to increase the share capital and issue new shares in accordance with the Articles of Association.

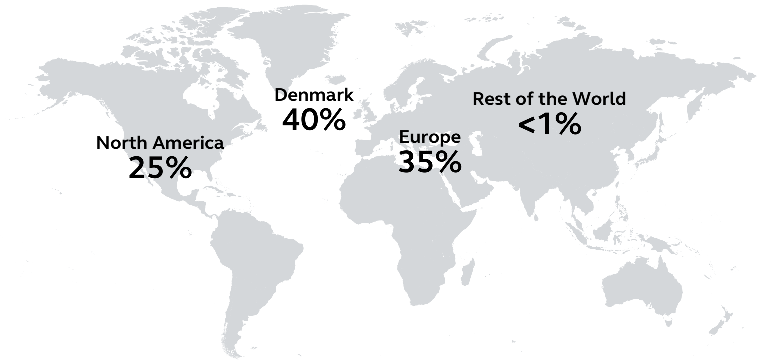
Treasury shares
On December 31, 2024, GN held 5.3 million treasury shares corresponding to 3.5% of the share capital, and the value of the treasury shares was DKK 709 million.

Until the Annual General Meeting on March 12, 2025, the Board of Directors is authorized to acquire shares in GN. The company's holding of treasury shares may at no time exceed 10% of the share capital of the company.

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

Dividend payments and share buybacks are subject to, among other, cash requirements to support the ongoing operations, strategic opportunities, and the company's capital structure. During 2024, GN's net interest-bearing debt decreased by DKK 0.9 billion to DKK 9.7 billion, driven by the strong operational free cash flow. Consequently, the adj. leverage was reduced from 4.5x to 3.5x. GN remain focused on delivering shareholder value and will consider doing shareholder distribution again, once the leverage is closer to the long-term target of 2.0x. GN will not pay out dividend in respect of the financial year 2024 and share buyback programs have been paused for the time being.

Geographical split of shareholders (% of share capital)



Major indices including GN Store Nord

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

Incentive programs

By the end of 2024, the total number of outstanding options in GN Store Nord were 5,103,379 (3.4%) of the share capital in GN Store Nord.

Investor relations policy

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

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

Additional relevant information

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

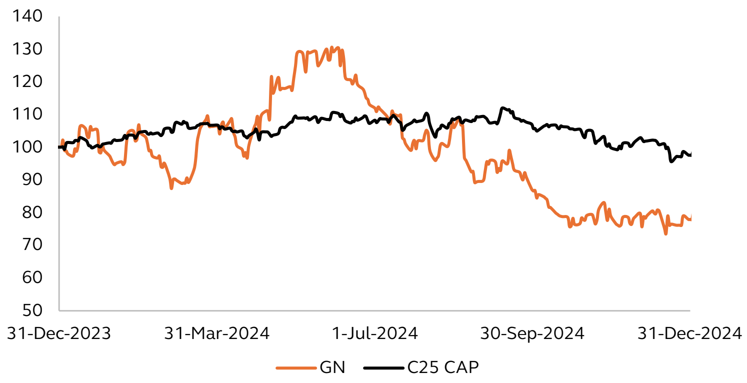
GN has a 30-days silent period prior to publication of a financial report. During these silent periods, any communication with stakeholders is restricted.

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

Notices for the Annual General Meeting

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

Share price development



* Index: 30-12-2022 = 100

Financial calendar for 2025

Event	Date
Annual General Meeting	March 12, 2025
Interim Report Q1 2025	May 1, 2025
Interim Report Q2 2025	August 21, 2025
Interim Report Q3 2025	November 6, 2025

Read company announcements on www.gn.com.

Risk management

Effective risk management is a cornerstone in GN's strategy, ensuring that GN remains resilient, agile, and competitive in an ever-changing global environment. We continue to evaluate and refine our approach, focusing on key areas such as market, technological integration, innovation, product quality, workforce development, ESG, and IT infrastructure.

Risk governance at GN is overseen by the Board of Directors, who ensure risks are managed across the value chain. Risks are identified and governed by a risk department and the Executive Leadership Team for each division and selected functions. Risks are evaluated based on their impact and likelihood. A comprehensive risk report, reviewed and prioritized by the Executive Leadership Team, is presented to the Board of Directors annually for approval.

The main risks associated with GN's businesses, and the main risk mitigation taken to manage these, are outlined on the following pages.

Risk identification and mitigation process

Board Top Risk Review

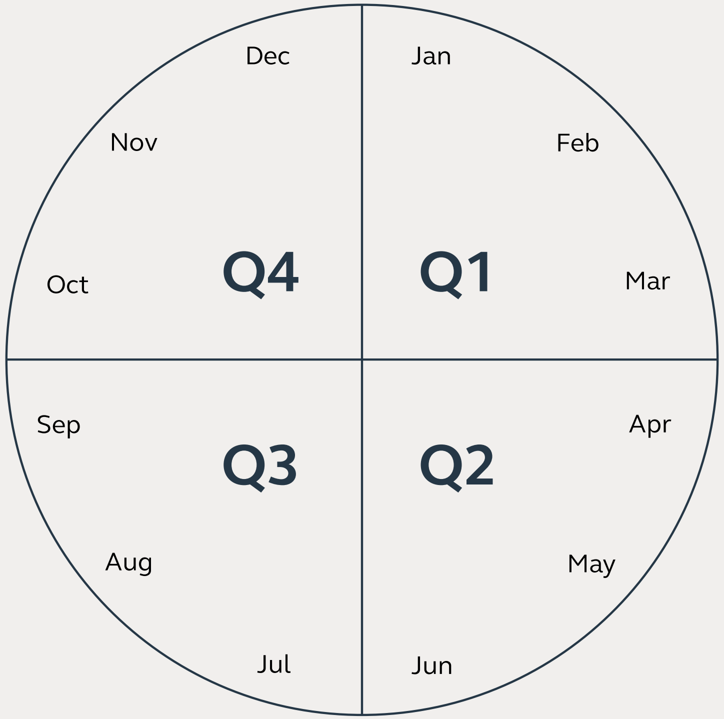
Board of Directors' risk review.

Executive impact review

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

Financial review

Meeting with Finance to assess and validate impact of potential financial risks.



Initial risk assessment process

Prioritized areas receive automated risk and maturity questionnaires.

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

Audit Committee Risk Governance Review

Audit Committee reviews Organization Risk Governance process.

Risk description	Mitigating actions	Assessment
Geopolitical environment General economic and geo-political uncertainty may decrease households' and enterprises' discretionary spending, which may result in declining demand for GN's products. Also, GN's supply chains, including component sourcing, remain dependent on availability of components and manufacturing capacity in China and Asia. Escalating geopolitical instability, deteriorating trade relations, and introduction of additional trade tariffs may impact key suppliers and GN's operations. And this in turn may impact GN's ability to continue to supply key markets.	During the past several years, GN has pursued an operations and supply chain strategy to increase agility, leverage scale, and increase resilience to prepare for increased geopolitical uncertainty. This strategy was further accentuated with the decision in mid-2023 to merge all GN's operations activities into one organization in connection with the one-GN strategy. During 2024, this has led to reduced dependency on manufacturing in and sourcing from e.g., China. This diversification strategy is ongoing and will, among other, enable GN within a relatively short timeframe to serve almost the entire U.S. market (across all three divisions) from manufacturing capabilities outside of China, should this be deemed beneficial.	GN ongoing evaluates the extent to which its organization systematically assesses and manages geopolitical risks associated with collaboration across diverse locations, ensuring that strategies are in place to mitigate potential disruptions. In GN's operations organization, the active assessment of geopolitical risks involves monitoring regional stability and adapting processes to maintain efficiency. Similarly, in sales and marketing, evaluating these risks helps tailor strategies to navigate market dynamics and protect brand integrity in various geopolitical contexts. GN's assessment is that adequate strategies and measures are in place to manage these risks in a balanced way.
Market and competitiveness 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. As purchase decisions within some GN categories potentially migrate from professional buyers to the end-user, brand awareness becomes increasingly important for some of GN's product lines in maintaining and expanding market share.	To enhance our brand recognition and market positioning, we are embedding brand awareness more deeply into our regional and country planning initiatives. We adopt a proactive approach to model potential future competitive behaviors and implement enhanced feedback mechanisms for in-market products. We continue to nurture relationships and develop unique propositions, such as customer-centric innovations. Additionally, strengthening partnerships and engaging with regulators is essential as we work to simplify processes across quality, product launches, supply chain, and marketing.	We have a strong organizational focus on assessing, anticipating, and adapting to evolving market trends, effectively managing brand recognition, analyzing competitive threats, and understanding shifting consumer behaviors, including increasing consumer demands, particularly in relation to sustainability. By integrating these insights into our strategic planning, we enhance our competitive advantage and ensure long-term success in the marketplace. Additionally, our proactive approach to managing geopolitical and potential disruptions enables us to identify vulnerabilities and implement strategies to mitigate risks effectively.
Cyber security IT and data are foundational business enablers for GN across all value chain components. All platforms are required to be available and provide the functionalities needed. Additionally, systems must protect data and privacy. 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.	We continuously implement processes and solutions that meet the increasing global data privacy regulatory demands. In 2024, GN further strengthened our data protection posture to provide excellent, secure, and trustworthy solutions. GN ongoing ensures a high level of cyber security in our infrastructure, products, and services, and adheres to legislation across the entire organization. We ensure continuous IT security monitoring through our Security Operations Center. This enables us to discover and disable threats early. Information security management systems and information security policies are in place, and training is conducted continuously for all employees. The information security management system is being reviewed and approved on an annual basis by the Board of Directors and Executive Management.	GN ongoing evaluates readiness and response to emerging cyber threats, incident response protocols, data protection measures, and third-party relationship risks. We assess the comprehensiveness and current state of our cybersecurity measures across different threat vectors and layers, as well as the culture of continuous improvement in cyber security practices. Key findings highlight strengths and areas for improvement.

Risk description	Mitigating actions	Assessment
IT landscape It is critical to GN to maintain a high degree of effectiveness of its IT landscape in supporting sales processes and strategic initiatives, as well as facilitating research and development innovations. All platforms are required to be available and provide the functionalities needed. Poor availability or lack of functionality in business-critical systems could impact GN's operations.	To enhance our operational efficiency and support business continuity, a significant transition and modernization of our IT systems is currently underway. This includes gradual replacement of our legacy system landscape and implementation of new systems including ERP aimed at improving our logistics and product management capabilities. In parallel, we are enhancing our current systems to ensure stability and increased capacity. Through these initiatives, we aim to create an even more agile and responsive IT environment that aligns with our strategic objectives and supports our growth in the market.	By analyzing current capabilities of our IT infrastructure, we identify specific areas for improvement that will better align our technological resources with organizational goals. This alignment fosters greater agility and competitiveness in the market, enabling us to respond swiftly to changing demands and opportunities. Through continuous evaluation and enhancement of our IT systems, we are committed to maintaining a robust framework that supports our overall mission and enhances our competitive edge.
Operations (manufacturing and supply chain) It is critical to GN's success that its inhouse as well as outsourced manufacturing and supply chain setup is resilient, cost efficient, and able to deliver products and services to customers of the right quality and on time across the world.	To enhance our operational resilience and efficiency, we are taking a series of proactive steps. Key initiatives include improving visibility into inbound logistics and fostering proactive communication and problem-solving capabilities when disruptions occur. Strengthening long-term strategic partnerships is also a priority, along with onboarding new vendors that can produce outside of China. We are also investigating further regional manufacturing options and enhancing current systems for improved stability and capacity. Additionally, we are balancing operations between our different facilities. Our risk diversification strategy primarily focuses on mitigating geopolitical threats, ensuring we remain agile and responsive to market changes.	Assessing our operational resilience and efficiency is essential for ensuring our ability to anticipate and manage disruptions effectively. This assessment includes a thorough analysis of our relationships with key suppliers, which is critical for maintaining product quality throughout the lifecycle. We assess and manage geopolitical risks, focusing on diversifying risks within our operations to enhance stability. Our commitment to continuous improvement is reflected in our initiatives aimed at mitigating risks associated with extreme weather, climate change, and human rights issues. By implementing robust risk mitigation strategies, we strengthen our operational framework and ensure long-term sustainability and resilience in the face of evolving challenges.
R&D (hardware, software, and services) GN operates on the cutting edge of technological advances to provide new relevant user experiences and functionalities to its customers. Any failure to gain access to and deploy the latest technologies and competencies within hardware, software, and services in a timely manner would impact GN's future earnings potential. In addition to maintaining technological leadership, GN must ensure that products and services operate without defects or other quality issues from their launch through their lifecycle. Quality deficiencies could cause significant reputational harm, and ultimately jeopardize GN's ability to remain a relevant player in key markets.	In 2023, we merged our diverse R&D teams into one organization. During 2024, we have streamlined processes to better utilize common technologies and expertise across product groups. This increased scale and critical mass within talents, ideas, technologies, and investments allows GN to innovate more, faster, and better. This unified R&D organization is born with a customer-first approach to innovation, ensuring that all innovation brings value to customers and users leveraging the latest technologies. A new R&D collaborative framework as well as a centralized quality function enhance teamwork and productivity, emphasizing cross-functional collaboration, agile methodologies, and a focus on delivering high-quality results. We ongoing address market demands and threats from commoditization. Additionally, we are assessing geopolitical threats to R&D and ensuring compliance with regulatory requirements.	The evaluation of our alignment with market demands and technological advancements is essential for fostering a culture of innovation and ensuring product quality throughout the entire product lifecycle. By assessing and promoting collaboration and integration across various functions, we enhance operational efficiency and responsiveness to market changes. Our focus on assessing continuous improvement is vital for sustaining competitiveness and driving long-term business growth. Through these initiatives, we create a resilient organization that not only meets current market demands but anticipates future challenges, positioning us for sustained success in an ever-changing landscape.

Risk description	Mitigating actions	Assessment
Products (cybersecurity by design) Technology products and solutions that connect to the internet or to other internet-connected devices have an inherent risk of being compromised, thus exposing users to cyber threats. It is critical for GN's continued success and trust with customers that our products are designed to be secure and resilient towards cyber-attacks.	Secure practices within our software development processes are fundamental aspects of our commitment to ensuring robust security throughout the entire product lifecycle. Further, a Center of Excellence across GN is set to enforce security initiatives and facilitate knowledge sharing. This includes implementing a Product Security Framework, alongside comprehensive training, and risk management. To enhance cybersecurity, we are securing all physical attack vectors in manufacturing and collaborating with chip vendors to ensure compliance. Secure coding practices are set to identify and eliminate vulnerabilities, supported by appropriate tools and developer training. Additionally, we will document risk assessments and conduct vulnerability scans for new software solutions.	A holistic approach ensures that our systems are fortified against cyber threats from multiple angles, enhancing the overall resilience of our offerings. Our evaluation extends to the R&D strategy for managing risks associated with cybersecurity and data privacy. This strategy is aligned with our broader organizational goals, ensuring that we remain vigilant and proactive in the face of evolving threats. By continuously assessing and refining our practices and strategies, we aim to uphold the highest standards of security and integrity in all our products and services, ultimately fostering trust and confidence among our stakeholders.
Financial risk Due to the nature of its operations, investments, and financing activities, GN is exposed to a number of financial risks including changes in interest rates and foreign exchange rates. GN's net interest-bearing debt decreased during 2024 to DKK 9,699 million (2023: DKK 10,567 million). As a result, the adjusted net interest-bearing debt to EBITDA ratio ended at 3.5x (2023: 4.5x) driven by the strong cash flow generation. GN's loans are primarily long-term with maturities until 2036 with a split of fixed and floating interest rates.	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. During 2024, GN has successfully redeemed its EUR 330 million Bond-with-Warrant-Units 0% and EUR 600 million notes with fixed coupon of 0.875% per annum. As result of these redemptions, GN's three-year EUR 800 million term loan facility was fully utilized as of December 31, 2024. 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 remain at EUR 442 million, with a utilization of EUR 169 million on December 31, 2024. 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 47 million on December 31, 2024. In total, GN has outstanding senior unsecured Private Placements of around EUR 95 million in aggregate under the EMTN program by December 31, 2024, with maturities in 2036. Moreover, GN currently has R&D loans outstanding of EUR 291 million with maturities from 1 to 5 years with fixed interest rates. To mitigate potential liquidity or refinancing risks, GN has access to a Revolving Credit Facility of EUR 520 million, which was undrawn as of December 31, 2024.	GN has centralized the handling of 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. Please refer to note 4.2 in the financial statements for further information about financial risks.

Annual EBITA impact from a 5% increase in currency before hedging

(DKK million)

Currency	GN Store Nord
USD	-42
GBP	31
JPY	18
AUD	11

Corporate governance

Management structure

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

The Executive Management consists of a Chief Executive Officer and a Chief Financial Officer. Further, the Group has established an Executive Leadership Team reporting to the CEO and the CFO. The team members are responsible for the day-to-day operations of their respective areas and serve as part of the Group's overall leadership.

Board of Directors

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

Competencies of the Board

GN's Board strives to recruit board members with a diversified range of mutually complementary competencies. The current Board is a diverse group in terms of global experience, functional competencies, and industry background which ensures that it can fulfil its obligations.

The composition is a mix of members with executive positions and professional board members, providing a good balance between knowledge, competencies, experience, and availability for a substantial workload.

The board members possess global expertise within med-tech & healthcare, strategy, M&A, ESG, innovation, R&D and product development, IT, software, digital transformation, marketing, commercialization, supply chain, technology & professional services, finance, and change management. See pages 36-38 for a description of the board members' competencies and experience.

The Board of Directors' annual self-evaluation

The Board evaluates on an annual basis the composition, diversity, and competencies of the Board as a whole - as well as each individual board member's special competencies - to ensure the most optimal performance of the Board. As part of such evaluation, the Chair of the Board cooperates with each individual member to ensure that the members update and supplement their knowledge of relevant matters with a view to ensure that the members' special knowledge and qualifications are applied in the best possible manner.

In 2024, the Board of Directors performed its annual self-evaluation with the assistance of an external advisor. The Danish Committee on Corporate Governance recommends that companies conduct an external, objective evaluation at least every three years.

The process

The evaluation was based on the input from nine Board members and five executives. It encompassed an online questionnaire, a mapping of the Board composition, and various benchmarking to other peer boards as well as a reporting on the results of the evaluation facilitated by the external consultant.

The results of the Board evaluation, including practical recommendations for focus areas, was discussed at a board meeting in December 2024 and the Chair was evaluated and provided with feedback by the rest of the Board.

General conclusions

The Board has a good working relationship and a constructive dialogue with the CEO and management and are empowered to express their thoughts and opinions; Board meetings are conducted in a manner

GN's framework for corporate governance

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

that ensures open, relevant discussions and meaningful participation. The Chair sets the style and tone of the Board to promote open, honest, and constructive debate and the relationship between the Chair and the Executive Management is effective. The board members do their homework in advance of meetings based on the materials distributed to them and the Chair encourages active engagement by all board members. The Board has diverse experiences, personal styles, cultural backgrounds, and a good gender balance. The Chair is seen as an inclusive and seasoned professional, well trusted by the management and with a sincere ambition to do what is right.

As part of the general evaluation conclusions, the external advisor provided a number of recommended focus areas, which the Board intends to take into consideration going forward. The Board was recommended to have a continued focus on risk awareness, monitoring, and reporting, which generally requires increased attention due to macro and geopolitical developments.

The Board was further recommended to focus on strong succession planning in the new one-company structure and to ensure a timely analysis and assessment of the succession bench for senior management positions and to ensure that the Remuneration and Nomination Committees continue with a joint focus on this. Another recommended focus area was to ensure that the Board continuously engages in discussions at the right strategic level and engage in deep discussions for the benefit of the strategic board work.

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

The Chair of the Board will account for the process and the general conclusions in his statement at the Annual General Meeting. Additional information on the evaluation process and the general conclusions of the 2024 evaluation may be found on the company's website: www.gn.com/boardevaluation2024

Board committees

As part of the overall governance of the company, the Board has established Audit, Nomination, Remuneration, and Technology & Innovation committees to assist with monitoring and preparatory work relating to key areas of the Board's responsibilities. The committees' work in 2024 is summarized below:

Audit Committee

The Audit Committee continued to provide oversight of the financial reporting process, the audit process, GN's system of internal controls, and compliance with laws and regulations. The committee reviewed the whistleblower reporting system, material legal cases, main accounting principles, tax and compliance, treasury policy and strategy, risk management processes covering key risks, and monitoring of ESG targets and CSRD compliant reporting. Further, the committee considered the need for an internal audit function, which was not deemed necessary at this time.

Nomination Committee

The Nomination Committee focused on ensuring that Board and Executive Management composition and competencies continue to support GN sufficiently and in line with GN's strategy and purpose. This includes competencies in relation to GN's transformation to a one-company structure, extensive succession and recruitment processes to adequately plan and prepare talent pipeline for Board and Executive Management positions, while ensuring good culture and sound values as an integral part of all nominations, appointments, and succession planning. The Committee also monitored Board performance and competencies and conducted a thorough Board assessment with external assistance. Finally, the current structure and diversity of the Board have been reviewed and found to meet relevant governance requirements.

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 - 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 2024 Corporate Governance Report: www.gn.com/corporategovernance2024

Risk management related to financial reporting is described in this report on page 32. Internal control systems are described in the above-mentioned Corporate Governance Report. This constitutes GN's statutory report on corporate governance as required under section 107b of the Danish Financial Statements Act.

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

GN's Remuneration Report for 2024 is available at: www.gn.com/remuneration2024

Remuneration Committee
The Remuneration Committee supervised and reviewed the remuneration policy. It proposed a new design of the GN long-term incentive plan, which was approved at the Annual General Meeting in March 2024. Furthermore, the committee reviewed and approved all long-term incentive grants and set the targets for the 2024 long-term incentive grant. The committee also assisted with the preparation of the Remuneration Report and oversaw the talent development and succession planning process and outcomes. Finally, the committee reviewed the remuneration and incentive plans for the Executive Leadership Team.

Meeting attendance 2024

	Board		Committees			
	Board	*Chair*	*Audit*	*Nomination*	*Remuneration*	*Technology & Innovation*
Jukka Pekka Pertola	(C) 10/10	(C) 9/9	-	(M) 12/12	(M) 6/6	(C) 6/6
Klaus Holse	(DC) 10/10	(DC) 9/9	(M) 4/4	(M) 12/12	(M*) 2/6	(M) 6/6
Hélène Barnekow	(M) 9/10	-	-	(C) 12/12	(C) 6/6	-
Jørgen Bundgaard Hansen	(M*) 7/10	-	(M*) 3/4	-	-	-
Kim Vejlby Hansen	(M*) 7/10	-	-	-	-	(M*) 4/6
Anette Weber	(M) 10/10	-	(C) 4/4	(M*) 6/12	(M*) 4/6	-
Leo Larsen	(M) 10/10	-	-	-	-	(M) 6/6
Cathrin Inge Hansen	(M) 10/10	-	-	-	-	-
Claus Holmbeck-Madsen	(M) 10/10	-	-	-	-	-

(C) Chairman (DC) Deputy Chairman (M) Member
*) Was not a member of the Board or the Committee for the full year.
Note: Previously, we reported on board meeting attendance in GN Hearing A/S and GN Audio A/S due to member overlap between these and the GN Store Nord A/S board. As a result of the changed governance structure following one-GN, the board structure changed so subsidiary boards are purely internal boards with no member overlap to the GN Store Nord A/S board.

Technology & Innovation Committee
In early 2024, the previous Strategy Committee was renamed to the current Technology & Innovation Committee and its charter was updated to reflect a focus to explore long-term potential strategic technology and innovation based opportunities for GN. The Technology & Innovation Committee oversaw a series of portfolio initiatives as well as innovation opportunities cutting across the GN business with an ambition to explore technological innovations and advancements for GN as a whole. Further, the committee explored the further development of collaboration and synergies between GN's business entities with special focus on the progress in cross-GN innovation opportunities enabled by the one-company R&D organization.

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

Simpler governance and legal entity structure
As a consequence of GN's transition into a one-company setup, the board structure was simplified in the beginning of 2024 after which the board members of GN Store Nord A/S no longer also serve as members of the boards of GN Hearing A/S and GN Audio A/S. In September 2024, the legal entities behind these two operating entities were merged and, subsequently, the global legal footprint will be further simplified and reduced by merging legal subsidiary entities across GN to reduce complexity and cost.

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. The actual remuneration is accounted for in GN Remuneration Report 2024.

Gender diversity at Board and Leadership levels
The percentages as of December 31, 2024, of the underrepresented gender and the set targets for GN's Board and Leadership are reflected in the table below:

Diversity in leadership	2024	2023
1 – Board of Directors		
Total number - elected by General Meeting / *employee elected*	6 / *3*	4 / *3*
Underrepresented gender (%) – (33% is considered balanced)	33 / *33*	50 / *33*
Target (%)	40 / *40*	N/A
Target year	June 30, 2026	N/A
2 – Senior Leadership*		
Total number	19	18
Underrepresented gender (%)	26	17
Target (%)	33	25
Target year	June 30, 2026	2025
3 – Extended Leadership**		
Total number	360	341
Underrepresented gender (%)	23	22
Target (%)	30	25
Target year	2030	2025

*) Senior Leadership as defined in section 3(5) of the Danish gender balance act comprises GN's Executive Management, Executive Leadership Team, and other managers reporting to Executive Management. These managers are formally employed in different GN legal entities but constitute GN's actual senior leadership.
**) Extended Leadership as defined by GN's job grades (equivalent to Mercer IPE score 56 or above).
Note: As referenced in the Sustainability Statement, this table is part of meeting disclosure requirement ESRS2 GOV-1 21 (d), related to Board diversity. For actions on promoting diversity in GN, please also see chapter on Diversity in Own workforce in the Sustainability statement of this report.

Board of Directors

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

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

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

Board member since	2020
Term	2024/2025
Considered independent	Yes
Nationality/gender	Finnish/male
Year of birth	1960

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

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

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

Board member since	2023
Term	2024/2025
Considered independent	Yes
Nationality/gender	Danish/male
Year of birth	1961

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

Chair of the Boards of Storytel AB* and Mindler AB. Deputy Chair of the Swedish Chamber of Commerce for the UK. Member of the Board of Handelsbanken AB*.
Committee memberships: Nomination (Chair), Remuneration (Chair).

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

Board member since	2013
Term	2024/2025
Considered independent	Yes
Nationality/gender	Swedish/female
Year of birth	1964

Note: This page is part of the Sustainability Statement on the disclosure of ESRS 2 GOV-1.
* Company listed on a regulated market

Board of Directors

Jørgen Bundgaard Hansen

B.Sc. Mechanical Engineering; B.Sc. International Commerce. CEO of Gravitas Medical Inc.

Member of the Boards of Sterilucent Inc., Siren Care Inc.*, and AdvaMed Accel.
Committee memberships: Audit (member)

Experienced international leader of large organizations for more than 20 years with a global agenda of growth and major transformation. Has led public, private equity, and venture capital owned companies, primarily within health care in the U.S., E.U., and Asia. Has led transformational turnarounds, change management, and major restructurings.

Extensive global expertise within strategy, M&A, sales, marketing, R&D, operations, ESG/sustainability, supply chain, public company leadership, and investor relations as well as private equity and venture capital markets.

Board member since	2024
Term	2024/2025
Considered independent	Yes
Nationality/gender	Danish and American/male
Year of birth	1967

Kim Vejlby Hansen

Civil Engineer (E), Ph.D. CEO at FOSS A/S (including at FOSS Analytical A/S and FOSS af 24. august 1998 ApS)

Chair of the Boards of Ibsen Photonics A/S and FOSS Ejendomme SLG A/S; Member of the Boards of SPIO Systems ApS, FOSS Analytical A/S and FOSS af 24. august 1998 ApS.
Committee memberships: Technology & Innovation (member).

Extensive executive leadership career with globally operating FOSS since 2002 (Vice President R&D, Executive Vice President Business & Product Development, COO and member of Executive Management, and CEO since 2016).

Deep expertise within general management, business development, M&A, product development (software, hardware, digital signal processing, including in hearing aids), quality, service & sales support, production, procurement, and logistics.

Board member since	2024
Term	2024/2025
Considered independent	Yes
Nationality/gender	Danish/male
Year of birth	1964

Anette Weber

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

Member of the Supervisory Board of New Work SE.
Committee memberships: Audit (Chair) and remuneration (member); New Work SE: Audit (Chair).

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

Board member since	2020
Term	2024/2025
Considered independent	Yes
Nationality/gender	German/female
Year of birth	1971

Note: This page is part of the Sustainability Statement on the disclosure of ESRS 2 GOV-1.
* Company listed on a regulated market

Board of Directors

Leo Larsen
(Employee elected member)
M.Sc. (Electrical Engineering) and a diploma in business administration and international trade. Principal Portfolio Scientist, Research & Exploration

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

Cathrin Inge Hansen
(Employee elected member)
B.Sc. (International Marketing), Graduate Diploma (Business Administration & International Trade), Sr. Regulatory Compliance Strategic Project Manager

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

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

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

Note: This page is part of the Sustainability Statement on the disclosure of ESRS 2 GOV-1.

Executive Leadership Team

Peter Karlstromer
Chief Executive Officer (CEO)

Member since	2023
Year of birth	1971

Member of Executive Management

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

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

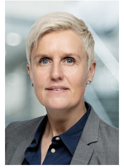
Søren Jelert
Chief Financial Officer (CFO)

Member since	2023
Year of birth	1972

Member of Executive Management

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

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

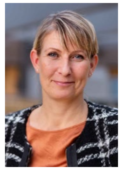


Ann Fogelgren
Chief Information Officer (CIO)

Joined GN in 2020

Christoph Schmid
Chief R&D Officer

Joined GN in 2021



Anu Kerns
Chief People & Communication Officer

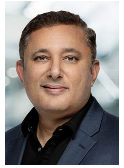
Joins GN in March 2025

Stefan Bergfors
Chief Operations Officer (COO)

Joined GN in 2017

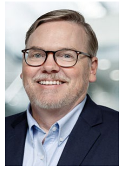
Calum MacDougall
President Enterprise division

Joined GN in 2015



Ehtisham Rabbani
President Gaming division

Joined GN in 2022



Scott Davis
President Hearing division

Joined GN in 2019

Trine Finnemann
Chief Strategy & Transformation Officer

Joined GN in 2019

Note: This page is part of the Sustainability Statement on the disclosure of ESRS 2 GOV-1.
Read more about our Executive Leadership Team and their backgrounds at www.gn.com/About/Management

Sustainability statement

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Customer-centric innovation for hearing aid users

With ReSound Nexia and Beltone Serene, customers for the first time were able to enjoy the remote microphone with Auracast.

As well as supporting Telecoil, FM systems, and DAI/direct audio input, the new Multi-Mic+ is designed to support users in challenging listening environments, including distances and noisy acoustics.

General basis for preparation

GN's Sustainability Statement has been prepared in accordance with the Danish Financial Statements Act paragraph 99a, including the underlying European Sustainability Reporting Standards (ESRS) and Article 8 of EU Regulation 2020/852 (the Taxonomy Regulation). It covers the environmental, social, and governance topics that are deemed material for GN and its stakeholders. The process and methodology for conducting a double materiality assessment (DMA) is described on pages 49-51.

Consolidation

GN's Sustainability Statement is reported based on the same consolidation principles as the financial statements, covering all GN divisions, markets, and global levels. All greenhouse gas (GHG) emission intensity metrics are calculated using group level revenues apart from the energy intensity division for activities in high climate impact sectors which is calculated based on revenue for the Hearing division. Following the materiality assessment and due diligence processes, this Sustainability Statement covers all upstream and downstream value chain activities.

Reporting scope and boundaries

Information and data disclosed about specific impacts, risks, and opportunities (IROs) may be limited to certain divisions, employee groups, and products based on the outcome of the double materiality assessment. Where the ESRS allows for this, GN has made use of phase in and transitional provisions, meaning we do not report on data points that are voluntary on this basis for the reporting year.

Key accounting estimates

For some environmental metrics we have been required to make estimates affecting reported data. For our Scope 3 GHG emission accounting, we have applied secondary or industry averaged emission factors in certain categories, as well as for the rate of recyclable content of our products and packaging, which are based on a high-level assessment of recyclability of the component materials. To improve data accuracy for these metrics, for Scope 3, we will collect more primary data from our suppliers and, for recyclability, we will conduct more comprehensive assessments by incorporating other factors, such as ease of disassembly. Data completeness has been limited for data points calculated using product-level assessments (life cycle assessments (LCAs) or repairability assessments), such as Scope 3 GHG emissions categories 1, 11 and 12, resource inflows and resource outflows: repairability and rate of recyclable content, since we have not conducted assessments for all products. For pollution data, we do not have completeness across our sites so we have estimated using data from sites with similar activities. Some environmental metrics, particularly in Scope 3, have been estimated based on ten months of actual data. To improve data completeness, we will expand LCA coverage of our portfolio, collect pollution data from more sites and, where material and strategically relevant, increase supplier engagement and streamline internal processes to use more full-year data instead.

Sources of measurement uncertainty

Some of the environmental metrics in this report are subject to measurement uncertainty because of the limited availability of primary data, especially where we require data from downstream in the value chain.

- Greenhouse gas (GHG) emissions in Scope 3 category 1, related to indirect procurement, and category 2 (capital goods) measurements are based on spend data and industry average emission factors
- Greenhouse gas (GHG) emissions in Scope 3 category 6 (business travel) measurements include an extrapolation for travel spend in the minority of cases where travel has not been booked through agency partners
- Greenhouse gas (GHG) emissions in Scope 3 category 7 (employee commuting) measurements are uncertain because of a lack of data on office occupancy, particularly in 2021 in light of the Covid-19 pandemic
- Greenhouse gas (GHG) emissions in Scope 3 category 9 (downstream transportation and distribution) are uncertain, as we do not have data on the transportation, warehousing, or retailing of our products once they are sold to our distributors
- Greenhouse gas (GHG) emissions in Scope 3 category 12 (end-of-life treatment of sold products) measurements are uncertain because of waste treatment type assumptions
- For substances of (very high) concern used at our sites, usage quantities at minor sites have been estimated based on larger sites
- The rates of recyclable content in our products and packaging were calculated using a recyclability assessment based on material composition, not accounting for ease of sorting or the recycling capabilities where the product is disposed
- For resource inflows, due to lack of data, manufacturing waste and tertiary packaging for some products are not included
- For the number of people with hearing loss helped, we have made estimates for binaural treatment (i.e., whether users use one or two hearing aids) and replacement rates, as it is not possible to track usage on an end user level

For details on the assumptions, approximations and judgements made in the estimation of these metrics, please refer to the accounting policies.

Overall, all forward-looking information in this report is naturally subject to some level of uncertainty.

The product LCAs, which are used to calculate Scope 3 categories 1, 11 and 12, resource inflows, and recyclability have been verified by Bureau Veritas against the relevant ISO standards. Otherwise, no metrics in this report have been validated by an external body other than the assurance provider.

Restatements

Based on an increased availability of data that covers more of our product portfolio and includes more supplier-specific data, as well as changes to the emission factors applied, we have restated the 2021 baseline for GHG emissions in Scopes 1, 2, and 3. Total Scope 1 and 2 (market-based) emissions were restated from 10,507 tCO2eq to 9,831 tCO2eq, decreasing by 6%. Total Scope 3 GHG emissions have been restated from 425,547 tCO2eq to 349,006 tCO2eq, a decrease of 18%. For further information on the key changes made to the accounting of our GHG emissions, including restatements, see pages 74-75.

Disclosures from other legislations

In addition to information prescribed in ESRS, we have disclosed information about the EU Taxonomy Regulation (see page 63-66) and article 99d of the Danish Financial Statements Act (see pages 100-101).

Disclosures incorporated by reference

Information that is mandatory to disclose as part of the ESRS and has been placed outside of the Sustainability Statement relates to ESRS2 GOV-1 21a- e). Disclosure requirements ESRS2 GOV-1 a), b), c), and e) are included in the management report under “Board of Directors” on pages 36-38. Disclosure requirement ESRS2 GOV-1 d) is included under “Diversity in leadership” on p. 35. All other ESRS-mandatory information is disclosed in the Sustainability Statement.

Abbreviation glossary

Abbreviation	Definition
CAPA	Corrective and Preventive Actions
CBECS	Commercial Buildings Energy Consumption Survey
CCA	Climate change adaptation
CCM	Climate change mitigation
CoE	Center of Excellence
CRM	Corporate Risk Management
CRT	Cobalt reporting templates
CSDDD	Corporate Sustainability Due Diligence Directive
CSRD	Corporate Sustainability Reporting Directive
DACCS	Direct air carbon capture and storage
DEFRA	Department for Environment, Food & Rural Affairs
DEI	Diversity, Equity, and Inclusion
DMA	Double materiality assessment
DNSH	Do No Significant Harm
DPP	Digital Product Passport
DRC	Democratic Republic of the Congo
EFRAG	European Financial Reporting Advisory Group
EHIMA	European Hearing Instrument Manufacturers Association
ELT	Executive Leadership Team
eMDRs	electronic Medical Device Reporting
EPA	Environmental Protection Agency
ESPR	Ecodesign for Sustainable Products Regulation
ESRS	European Sustainability Reporting Standards
EU WEEE Directive	Waste Electrical and Electronic Equipment Directive
FRDM	Freedom
FSC	Forest Stewardship Council
GDPR	General Data Protection Regulation
GHG	Greenhouse gas

Abbreviation	Definition
GLEC	Global Logistics Emissions Council
H&S	Health and safety
HIPAA	Health Insurance Portability and Accountability Act
HSE	Health, Safety, & Environment
HVAC	Heating, ventilation, and air conditioning
IEA	International Energy Agency
IPCC	Intergovernmental Panel on Climate Change
IPE	International Position Evaluation
IRO	Impacts, risk, and opportunity
ISCC	International Sustainability and Carbon Certification
LCA	Lifecycle assessment
NZE	Net-Zero Emissions
OECD	Organisation for Economic Co-operation and Development
PC/ABS	Polycarbonate-Acrylonitrile Butadiene Styrene
PCB	Printed circuit board
PIPEDA	The Personal Information Protection and Electronic Documents Act
PIPL	Personal Information Protection Law
ppm	Parts per million
RBA	Responsible Business Alliance
REACH	Registration, Evaluation, Authorisation and Restriction of Chemicals
REC	Renewable Energy Certificate
RED	Radio Equipment Directive
RoHS	Restriction of Hazardous Substances
SBTi	Science Based Targets initiative
STEPS	Stated Policies Scenario
TCFD	Taskforce for Climate-Related Financial Disclosures
TWS	True Wireless

Sustainability governance

Sustainability governance

As described in its charter, the Board of Directors' Audit Committee holds overall responsibility for overseeing the management of ESG-related impacts, risks, and opportunities (IROs), reporting into the Board for related decision-making. Impacts cover areas where GN has a material impact on people or the environment, risks cover areas where ESG issues pose a material financial risk to GN, and opportunities cover areas where ESG issues present a material financial opportunity to GN. ESG is a quarterly recurring agenda topic in the Audit Committee. To ensure oversight of governance issues, business conduct cases reported through GN's whistleblower hotline, as well as any other governance-related topic that requires Board oversight, are also presented to the Audit Committee on a quarterly basis.

As part of the review and approval of GN's double materiality assessment (see pages 49-51), in the reporting year, the Audit Committee was informed about all identified material IROs as part of approving their materiality, as well as the approach to implementation of due diligence, and results and effectiveness of policies, actions, metrics, and targets that form the basis of the reporting scope of this report. Aside from overseeing the identification of material IROs as part of compliance with reporting requirements, the Board also oversees the implementation of managing material IROs where these have an impact on the company strategy or relate to matters of risk and compliance.

For an overview of the composition and diversity of the members of GN's administrative, management, and supervisory bodies, see pages 36-38. To ensure appropriate skills and expertise in sustainability, ESG is part of the Board's annual self-evaluation process. Sustainability-related skills and expertise related to our material IROs are currently assessed to be sufficient across the Board, but if this changes, it will be included in Board training or as a requirement in the recruitment of new members.

Unless a specific element of IRO management requires a separate project or program governance to drive progress, all decisions related to ESG are taken within the existing governance and decision-making bodies. This reflects that ESG is integrated into existing business processes where possible, rather than treating it as a separate topic. Accordingly, GN does not have a separate ESG or sustainability committee.

The leaders of GN's business divisions and functions of scale together with the CEO and the CFO constitute the Executive Leadership Team (ELT). The ELT is responsible for monitoring, managing, and overseeing the implementation of policies, actions, and targets related to effective management of IROs. Group Sustainability, reporting directly to the CFO, holds overall responsibility for supporting the business in IRO management, sustainability strategy development, and ESG reporting.

To ensure required progress on an operational level, ESG is discussed on at least a quarterly basis in the management teams of all divisions and functions of scale.

In terms of ESG-related target setting, long-term strategic targets such as climate targets, are developed by management with support from key functions and approved by the Board through existing decision-making mechanisms.

Sustainability-related performance in incentive schemes

As stipulated in our Remuneration Policy and reported in remuneration reports, annual ESG-related bonus objectives are discussed and approved by the Remuneration Committee, where the Remuneration Committee is tasked to ensure ESG bonus objectives are aligned with the management of the most material ESG issues as part of the Board of Directors' wider oversight of ESG topics. Progress on these targets is continuously monitored by subject matter experts in the business and discussed quarterly in ELT meetings.

As stipulated in GN's Remuneration Policy, ESG-related performance is part of (annual) short-term incentive (bonus) objectives for all members of the Executive Leadership Team. This supports progress on policies, targets, and actions in mitigating our material IROs across several environmental and social topics.

For the year 2024, these objectives consisted of one overall objective related to reducing carbon emissions across all scopes versus 2023 in support of making progress towards our 2030 climate targets, and 10 key actions related to decarbonization in specific areas, increasing circularity, ESG-related supplier engagement, sustainability-related marketing and CSRD compliance.

All members of the ELT have separate targets related to Diversity, Equity, and Inclusion (DEI), focusing on initiatives aimed to increase representation of women in Senior Leadership roles across GN (see page 92).

Where this is required, these objectives are cascaded down into the monetary short-term incentive objectives on an operational level across relevant divisions and functions.

ESG-related objectives for the CEO and CFO are approved annually by the Remuneration Committee. In the reporting year, 7.2% of the annual bonus was dependent on these objectives for the CEO and CFO with 12% of their annual bonus was linked to ESG, of which 50% was related to reduction of carbon emissions.

Sustainability reporting risk management and internal controls

Our sustainability reporting is integrated into the annual reporting process, which has a well-established process for internal approval, controls, and external assurance. ESG data is subject to internal controlling through a dedicated ESG control function in our finance organization. As 2024 is the first year of CSRD reporting, the control environment is less mature than in financial reporting.

Using a risk methodology where we considered likelihood and impact of a risk materializing, we established that the main risks associated with our sustainability reporting relate to the accuracy and completeness of data, especially where ESG data is derived from financial data, dependent on input from suppliers, or based on estimates. To reduce these risks, we use third-party verified data:

- For ESG data derived from financial data, all financial input data used are sourced from data subject to external assurance
- Where we are dependent on supplier input data, such as for lifecycle assessments (LCAs), where this is possible, we use third-party standards and systems, such as EcoVadis
- Where we use estimates, we base these on widely used third-party datasets, such as EcoInvent for carbon emission factors

Metrics reported in this report which are partly based on estimates are a result of Management's best estimate.

Our due diligence approach is the process in which GN identifies, prevents, mitigates and addresses the actual and potential negative impacts on the environment and people (see S2 Workers in the value chain, pages 95-98) and is aligned with the OECD Guidelines. For an overview of our due diligence initiatives and supply chain engagement, the table below captures the core elements from embedding the process in strategy and business model to engagement with affected stakeholders, as well as our ability to identify adverse impacts and the key actions in this area, including how we track effectiveness of any efforts we take.

Sustainability due diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy, and business model	ESRS 2 GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies ESRS 2 GOV-3 Sustainability-related performance in incentive schemes ESRS 2 SBM-3 Material impacts, risks, and opportunities and how they interact with its strategy and business model
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies ESRS 2 SBM-2 Interests and views of stakeholders ESRS 2 IRO-1 Process to identify and assess material impacts, risks, and opportunities MDR-P Policies adopted to manage material sustainability matters
c) Identifying and assessing adverse impacts	ESRS 2 IRO-1 Process to identify and assess material impacts, risks, and opportunities ESRS 2 SBM-3 Material impacts, risks, and opportunities and how they interact with its strategy and business model S1-1 Policies related to own workforce S2-2 Processes for engaging with value chain workers about impacts S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks related to value chain workers, and effectiveness of those actions
d) Taking actions to address those adverse impacts	MDR-A Actions and resources in relation to material sustainability matters S1-1 Policies related to own workforce S2-2 Processes for engaging with value chain workers about impacts S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks related to value chain workers, and effectiveness of those actions
e) Tracking the effectiveness of these efforts and communicating	MDR-M Metrics in relation to material sustainability matters MDR-T Tracking effectiveness of policies and actions through targets E2-3 Targets related to pollution S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks

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. This chapter covers who we consider our key stakeholders. Views of stakeholders related to sustainability are shared with Executive Management and the Board of Directors as part of overall sustainability governance (see pages 44-45).

Customers

Customer-centricity is a key pillar of our strategy, which is why we continuously proactively engage with customers to understand their needs. Customer engagement takes place through direct dialogues, customer councils, and surveys. Views of customers are integrated into the development of our strategy and in the design of our products and services. ESG topics are integrated into customer dialogues, so that we can support customers in achieving their ESG objectives such as sustainable procurement or decarbonization targets. ESG is also integrated in customer dialogues as part of assessing potential upstream impacts and risks.

Employees

To ensure the well-being of our employees and maintain a diverse, engaged, and passionate workforce, employee engagement takes place on an ongoing basis through several channels: biannual professional and personal development dialogues, employee surveys, and employee groups representing specific demographics and their allies. Employees are also represented in the Board of Directors through the employee-elected board members. Employees can raise concerns confidentially through GN's whistleblower hotline or regular HR channels. Views of employees collected through these channels are integrated in strategy development, policy creations, adjustments, and other decision-making on a continuous basis. Where necessary, specific initiatives are developed to ensure employee well-being. Employees are informed about ESG topics regularly through internal communication channels, which also allow for engagement on topics communicated.

Investors

It is GN's investor relations and communication policy to have an open and active dialogue with our existing shareholders, potential shareholders, other investors, financial analysts, and the media. GN ensures that relevant information is provided to the financial community in a timely manner to ensure that the GN share is fairly priced. This is done in the form of company announcements, press releases, investor meetings, conferences, and presentations of GN's interim and annual financial results.

Following the release of interim and annual financial results, GN hosts roadshows where the Executive Management and the investor relations team inform shareholders, other investors, and financial analysts about the recent developments in GN.

Moreover, when relevant, GN maintains a good dialogue with proxy advisors and other external advisors ahead of the Annual General Meeting.

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 2024, we continued to make ESG a prominent part of our proactive communication with investors.

Regulatory authorities

In support of our policy objective to proactively comply with all ESG legislation, GN assesses relevant regulations on an ongoing basis to ensure we comply with all relevant legislation, and where needed engage directly with policy makers to fully understand the implications of specific legislation for GN. We only engage policy makers on the shaping of future legislation through industry associations such as EHIMA, Danish Industry, and the Responsible Business Alliance, in line with their policy positions. New legislation is emerging in the area of product sustainability, including further chemical restrictions, right to repair, and battery legislation. On a corporate level, aside from CSRD, we closely monitor legislation in the area of ESG due diligence (CSDDD) and human rights-related laws across many different geographies. Where necessary we adjust our strategy, product, and service offerings to comply with legislation.

Suppliers

We engage with suppliers on an ongoing basis as part of regular business processes. We expect our suppliers to uphold the standards set out in our Supplier Code of Conduct and several supporting policies, employing a variety of tools to ensure compliance. Supplier ESG performance, based on their EcoVadis score and decarbonization maturity, is integrated into overall supplier performance and preference assessments. Where this is strategically relevant, we work in partnership with our suppliers to achieve joint business and ESG objectives.

Industry and ESG associations

GN is a member of several industry and ESG-related associations, for the purpose of demonstrating commitment to jointly developed standards and policy positions, engaging with industry peers on industry-spanning issues, tracking legislation and engaging with policy makers through representatives of these organizations.

Business model

GN operates an asset light business model with a global value chain and is committed to consistently create value to all stakeholders

GN develops, manufactures, and markets innovative hearing aids for people with hearing loss; headsets, speakerphones, and video equipment for collaboration at work; and a broad range of gaming gear.

Our business model relies on customer-centric innovation, strong ecosystem and channel partnerships, agile and scalable operations, global reach, and engaged and competent employees as our key resources. We strive to maintain and further develop these key resources, providing benefits to our customers, investors, and other stakeholders. See “Unfolding GN’s value potential” on pages 7-15 for more details.

There is no difference between specific markets, product categories, customers or end user when it comes to their relevance to our overall sustainability agenda, except for product safety, which only meets our materiality threshold for reporting for our hearing aids. In terms of geographies, some issues related to workers in our value chain are more relevant to specific regions.

Employee headcount by geographical area

Region	# employees
Africa	7
Asia & Pacific	3,390
Europe	2,939
Middle East	21
North America	1,697
South/Latin America	91

Key resources

- Engaged and focused people
- Partnerships and ecosystems
- Innovation and intellectual property
- Global reach, local presence

ESG impacts across our value chain

- Environmental and social impacts of raw material and mineral sourcing
- Environmental impacts of energy generation across our value chain
- Social impacts of working conditions and equal treatment across our value chain
- Environmental impact of transportation and distribution
- Environmental impact of product use
- Positive social impact of our products
- Environmental impacts of end-of-life and e-waste, positive environmental impact of circularity

Value created

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

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

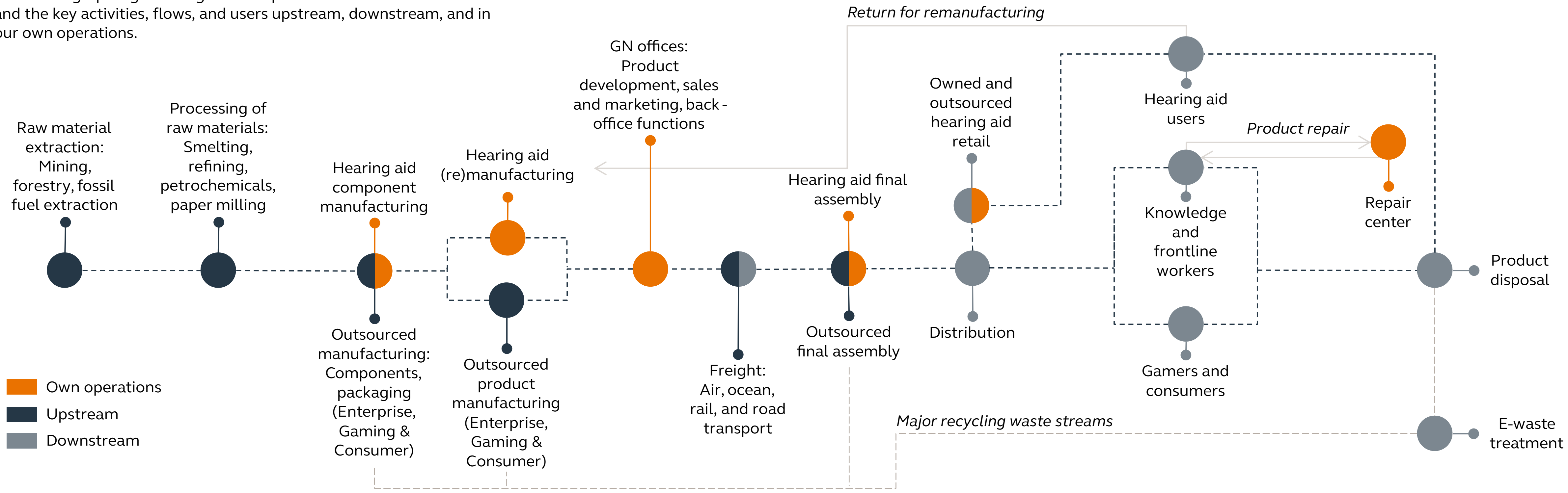
Our world and environment
Pursuing responsible and inclusive business practices. Designing environmentally conscious products, services, and operations.

Our investors
Delivering shareholder value by executing on the company strategy.

Value chain

Key activities in our own operations as well as upstream and downstream value chain

The below graphic gives a high-level representation of GN's value chain and the key activities, flows, and users upstream, downstream, and in our own operations.



Double materiality assessment

Methodology

In 2023, we commenced our double materiality process, in accordance with the process set out in ESRS 1, which covers general requirements for reporting in accordance with CSRD. We mapped our value chain and identified the industries on which we depend across our value chain.

Next, we identified impacts, risks, and opportunities (IROs) across our full value chain for all ESG sub-topics and sub-sub-topics contained in Appendix A of ESRS 1. To assess the materiality of different IROs and topics, we developed a scoring key from 0-5 for both impact and risk materiality and set a materiality threshold at 2 or above for materiality and 3 or above for highly material topics, where 2 represented low scale, concentrated scope, remediable with some effort and a low likelihood, while a 3 represented medium across the same variables. Through this process we assessed 31% of topics to be highly material and 21% of topics to be material for our own operations, and 45% of topics to be highly material and 35% of topics to be materials for our value chain.

In 2024, we finalized our double materiality process through the following steps:

- We made updates to IROs and scoring based on further inputs from stakeholders and additional guidance from EFRAG
- We set the reporting threshold at 3 or higher to focus reporting on the most material topics

We then mapped disclosure requirements and data points against material IROs to determine the contents of this Sustainability Statement, taking into account the specificity of IROs where needed to scope out data points where the IROs are limited to for example specific parts of our value chain, employee groups, or geographies.

We applied three analytical approaches in our double materiality process:

- Desk research: we consulted 40 reports from NGOs, governments, and key suppliers
- Internal workshops: we held five internal workshops with 27 subject matter experts
- External stakeholder interviews: we interviewed eight external stakeholders, constituting both readers of the report and impacted stakeholders. We selected external stakeholders based on the areas where we lacked visibility through our existing stakeholder engagement mechanisms: pollution, resource outflows, and human rights impacts far down our supply chain

We assumed our impacts and risks to be similar to industry averages in cases where we lacked clear data or were unable to allocate impacts prevalent to GN in our value chain.

Our double materiality assessment was subject to ongoing review by senior management. It was formally approved by the Audit Committee in August 2024.

Identification and assessment of impacts

In scoring impacts, we gave equal weight to the three factors constituting severity combined (scale, scope, and irremediable character), and likelihood, prioritizing negative impacts based on their relative severity and likelihood.

Own operations and value chain

For impacts in our own operations, we assessed ESG impacts related to our assets, and core activities: hearing aid component assembly in Denmark, manufacturing of hearing aids in China and Malaysia, final assembly of hearing aids in regional operational centers, R&D and product testing, sales and external collaboration, and white-collar back-office functions for all GN divisions. We also considered secondary activities in support of these core activities.

For our value chain impacts, we prioritized assessing six value chain industries on which GN's business model depends which have heightened risk of adverse ESG impacts: mining, plastic and aluminum production, paper production, freight and business travel, electronics manufacturing, and e-waste treatment.

Environmental sub-topics

For pollution, biodiversity, and water-related sub-topics, we used geographical impact and industry reports in our assessment. This enabled us to understand the material impacts of our own sites, the location of our suppliers and sub-suppliers across our value chain on the surrounding ecosystem and communities, as well as the degree to which we depend on the local ecosystem for our business model. This process led to several sub-topics in the area of pollution to be considered material to GN from an impact perspective, whereas all sub-topics related to biodiversity and water were considered not material from an impact perspective.

We also used the above sources to assess the materiality of sub-topics related to resource use and circular economy, as impacts in this area are ultimately also linked to impacts on nature through pollution, water impacts, or biodiversity loss. In addition, for resource use and circular economy, we specifically scored the (potential) impacts of our business model in terms of the circularity and sustainability of resource inflows (i.e. the materials we use in our products and packaging), resource outflows (i.e. to what extent our products and services are set up to enable circularity), and waste caused by our business model. This process led to several sub-topics in this area to be considered material to GN from an impact perspective.

For environmental sub-topics related to pollution, biodiversity, and water, we assessed to what extent our current business model depends on substances of (very high) concern, activities that cause biodiversity loss or significant water consumption, and whether this dependence could have significant financial implications. This process led to none of these sub-topics to be considered material to GN from a financial risk perspective.

For environmental sub-topics related to resource use and circular economy, we assessed to what extent our current business model depends on a non-circular economy, in terms of a dependence on the use of virgin material, as well as customer demands for products that are not aligned with the requirements of a circular economy. This process led to several sub-topics in the area of resource outflows to be considered material to GN from a financial risk perspective.

For all environmental topics, we also considered whether any material opportunities exist. Ultimately, as our core activities do not relate to solving environmental impacts, and our sustainability efforts are aimed at minimizing our environmental impacts, we did not identify any opportunities within environmental topics that met our materiality threshold.

Identification and assessment of financial risks and opportunity

To assess the materiality of IROs in terms of financial risks or opportunities, we used the same prioritization in terms of value chain industries and economic activities in our own operations as impact scoring. We used our existing enterprise risk management mechanism to score risks on a 0-5 scale, meaning we gave equal weight to likelihood and two factors constituting magnitude combined: revenue impact and reputational risk. For revenue impact, we used the same thresholds as for other risks to score risks between minor and critical, thereby giving equal weight to sustainability-related risks as to other risks.

Our double materiality process is aligned with our enterprise risk management and overall business strategy processes, as we use the insights gathered in the double materiality assessment to improve our assessment of the relative financial risk materiality of ESG topics to inform business decisions related to risk mitigation in accordance with the overall enterprise risk management process. For opportunities, we apply the same process where instead of financial risk we assess the relative financial upside.

Identification and assessment of climate change related IROs

At GN, the risk management process continuously identifies new business risks. Our risk management process is described on page 29, and includes processes related to defining and managing ESG risks, as well as climate-related risks.

Impact

GN has a material impact on climate change through the emission of GHGs from activities in our own operations and in our value chain. For a quantification of this impact, refer to our GHG accounting under ESRS E1-6 on pages 74-75. While we have identified several climate-related physical and transition risks to our business, we do not assess any of these to be material from a financial perspective. None of our assets or business activities are considered incompatible with or need significant efforts to be compatible with a transition to a climate-neutral economy, for example due to significant locked-in GHG emissions or the requirements for alignment to the EU Taxonomy requirements.

Risks and opportunities

Risks and opportunities have been assessed by looking at our impacts in terms of financial loss or gain and reputational damage or gain. The assessment used our product life cycle assessments (LCA), corporate GHG accounting and publicly available tools, such as the WWF Water Risk Filter and climate impact projections from IPCC AR6. We also looked at historical incidence of extreme weather events and consequent disruption in own operations and supply chain as well as cost variability, and expected changes to, for example, carbon taxes placed on GN goods.

Physical and transition risks

We applied different climate scenario analysis over the short, medium and long term to identify and assess climate-related acute and chronic physical risks, such as extreme weather events, heat and water stress and sea level rise, as well as transition risks, such as carbon pricing, regulatory change, changing customer behavior, and availability of materials. For climate-related physical risks, geolocations data for our facilities and those of our suppliers was used to assess relevant risks.

A high-level qualitative assessment was carried out using the RCP8.5, IEA Net-Zero Emissions by 2050 Scenario (NZE) and IEA STEPS scenarios. The RCP8.5 scenario gives us the likely upper end of risk exposure of the business to climate-related hazards in the future. Here, the Shared Socioeconomic Pathway 3 was chosen to reflect recent trends in international affairs. The IEA's new Net Zero Roadmap report and IEA's NZE and STEPS scenario were applied to identify and assess climate-related transition risks and opportunities that GN may face in the future if the world pursues a path to net-zero emissions by 2050 or if climate action is less aggressive and policymaking is assumed to remain as today.

For the scenario analysis, we assumed that GN's core business activities and operating model do not change and that our major production facilities remain as they were at the time of the assessment. We also assumed that the supplier base and sales distribution broadly remain as they were at the time of assessing the risks. Going forward, we will prioritize the most significant risks and opportunities we have identified, using more quantitative analysis, also taking into account any changes to our operating model and locations of our major production facilities.

GN broadly aligns time horizons for ESG-related risk assessment with that of the Corporate Risk Management (CRM) process, which apply a 1-to-3-year horizon (0 to 1 years for short-term and 2 to 3 years for medium-term). While our short-term time horizon is aligned with that of the ESRS-defined time horizons, the medium- and long-term time horizons deviate slightly. The main reason for this is to align with the existing CRM process. In the context of both climate-related physical and transition risks, the 1-to-3-year horizon is part of the CRM process, whereas longer term climate-related risks are considered only as part of the double materiality process, as well as in conjunction with the scenario analysis, where we have defined a 10-30 year long-term time horizon. From the scenario analysis, we assessed GN's exposure to climate-related hazards and transition events in our own operations and across the value chain.

A large proportion of GN components and products are manufactured across China and South-East Asia, which are areas exposed to extreme weather events, particularly floods and tropical storms, but also sea-level rise. Climate change impacts in certain parts of our supply chain could potentially lead to business interruption before production is fully restored with, in certain cases, limited ability for other regions to pick up the demand. For example, global production of semiconductors (an important component in most GN products) is concentrated in Taiwan, South Korea, and the U.S. Regarding events related to the transition to a net-zero economy, we expect regulation and customer behavior to shift in favor of lower carbon goods and services, especially as we see wider adoption of green public procurement principles among our B2B customers, but we still expect other non-climate-related factors to retain a strong influence on purchasing behavior.

Material IROs

Impacts, risks, and opportunities (IROs)

Our double materiality assessment identified 29 material IROs across seven topical standards. Our IROs consist of 21 impacts and 6 risks, as well as 2 additional IROs with both an impact and a risk attached. The IROs are spread across 19 ESG topics depicted in the infographic on the next page (see topical chapters for information on IROs per ESG topic). All IROs are covered by ESRS disclosure requirements, except for the positive impact related to helping people with hearing loss, which is entity specific. As this is our first year reporting based on IROs, there are no changes compared to previous reporting periods.

Overall, like any other risk, our risks are integrated in our strategy and business model through enterprise risk management processes, whereas managing our impacts is anchored in compliance with relevant legislation, as well as integration of additional policies, actions, and targets of our strategy and our business model where managing the impact requires additional efforts.

We have assessed the time horizon for impacts to be the strategy period until 2028, as we lack clarity beyond that to accurately assess the materiality of impacts. Through a high-level resilience analysis in which we assessed the implications of these IROs on the overall sustainability of our business for the same period, we assess that the nature and severity of our IROs do not require us to alter our strategy and business model at a scale and pace beyond our capacity to adjust if required. As described in more detail on the next page, we assess that generally we can manage IROs through policies, targets, and actions that fit within the context of our existing business model and strategy.

ESRS topics	IRO type				IRO title	IRO description
E1 - Climate change mitigation	I	N	A	GN	Scope 1 and 2 emissions	Part of our operations run on fossil fuels, resulting in both Scope 1 and 2 emissions with negative impacts on the environment.
E1 - Climate change mitigation	I	N	A	VC	Scope 3 emissions	A majority of our value chain runs on fossil fuels, resulting in high value chain emissions (Scope 3) with negative impacts on the environment.
E1 - Energy	I	N	A	Both	Reliance on fossil fuels	The majority of energy used in our value chain is from fossil fuels, as well as some energy used in our own operations. This results in negative impacts on the environment.
E2 - Pollution of air, water, and soil	I	N	PT	VC	Pollution to water, soil, and food	Industries such as manufacturing, mining, fossil fuel extraction, paper, and e-waste have the potential to lead to negative impacts in terms of pollution of water, soil, and food.
E2 - Substances of concern (and very high concern)	I	N	A	Both	Use of substances of (very high) concern	Substances of (very high) concern are used by both by GN during manufacturing and by value chain industries such as mining and component manufacturing. This can lead to damage to the environment and human health
E5 - Resource inflows	I	N	A	Both	Use of virgin and non-renewable resources	GN products contain a wide variety of materials from virgin and non-renewable resources, impacting the need to extract ever more finite resources.
E5 - Resource outflows	I/R	N	A	Both	Non-circular products	Where GN products are disposed without recovery and reuse of valuable materials, this negatively impacts the environment as it requires further use of raw materials instead. It also poses a risk of reputational damages and increasing operating costs related to not meeting customer demands of more circular solutions.
S1 - Working conditions: Working time	I	N	PT	GN	Excessive overtime in own operations	Blue-collar employees can be exposed to excessive overtime, which potentially leads to negative impacts on employee health, well-being, and safety.
S1 - Working conditions: Adequate wages	I	N	PT	GN	Non-decent wages in own operations	While GN pays all employees a minimum wage, this may not represent an adequate wage and can lead to poorer quality of life for affected employees.
S1 - Working conditions: Health & safety	I	N	PT	GN	Inadequate protections of health and safety in own operations	Health and safety incidents occurring at major GN's manufacturing sites in China and Malaysia can negatively impact employee health, well-being, and safety.
S1 - Equal treatment and opportunities: Equal pay	I	N	PT	GN	Pay inequality in own operations	While GN has in place processes for equal remuneration, both white and blue-collar workers can be potentially impacted by not receiving equal pay for equal work.
S1 - Equal treatment and opportunities: Harassment	I	N	PT	GN	Discrimination and harassment in the workplace in own operations	Where inadequate protections and grievance mechanisms are not provided or do not function effectively in the workplace, this can potentially impact employee well-being.
S1 - Equal treatment and opportunities: Diversity	I	N	PT	GN	Diversity issues in the workplace in own operations	GN promotes and takes action to increase diversity in the workplace, but a potential lack of diversity in management could lead to negative impacts for the underrepresented gender in being offered career opportunities.
S2 - Working conditions: Working time	I	N	PT	VC	Excessive overtime in the value chain	Some industries in GN's value chain, including mining, manufacturing, retail and logistics, have links with excessive overtime, which can lead to negative impacts for value chain workers in terms of health and well-being.
S2 - Working conditions: Health & safety	I	N	PT	VC	Inadequate protections of health and safety in the value chain	Mining industries are linked to severe impacts to health and safety of value chain workers. It is also common for other industries, such as manufacturing, logistics and e-waste, to be linked with negative impacts on health and safety.

I = Impact R = Risk O = Opportunity P = Positive Impact N = Negative Impact A = Actual Impact PT = Potential Impact GN = Own Operations VC = Value Chain Both = Own Operations and Value Chain

Environmental

Climate-related IROs

We have identified three actual, negative impacts related to climate. Even though we have also identified climate-related risks in accordance with the recommendations of the Taskforce for Climate-Related Financial Disclosures (TCFD), across other topics and integrated with non-ESG risks to the business, these were not assessed to be material in accordance with the threshold applied in our double materiality assessment (see pages 49-51).

We have identified one actual, negative impact for our own operations (Scopes 1 and 2) and one specific to our value chain (Scope 3), related to the negative effects on climate change as a consequence of carbon emissions caused by every aspect of our core activity and value chain activities we depend on.

We have identified one further actual, negative impact for our own operations and value chain, related to the consumption of fossil fuel energy.

We respond to these impacts through our climate transition plan, which is integrated into our wider strategy. See pages 67-71 for further detail on the management of these impacts.

Pollution-related IROs

We have identified two negative impacts related to pollution. These are all specific to our core activity of manufacturing electronic devices. Whereas we do not consider the scale of the pollution impact of our activities to be high, producing our products requires the use of substances that can have polluting effects on the environment and through that on human health.

ESRS topics	IRO type				IRO title	IRO description
S2 - Working conditions: Secure employment	I	N	PT	VC	Non-adequate housing in the value chain	Some industries in GN's value chain have links with insecure employment arrangements for value chain workers, potentially impacting access to housing, well-being and safety.
S2 - Equal treatment and opportunities: Violence, harassment, gender equality and diversity	I	N	PT	VC	Discrimination and harassment in the workplace in the value chain	Some industries in GN's value chain operate in countries with inadequate legal protections against violence and harassment, which can negatively impact the health and well-being of value chain workers.
S2 - Working conditions: Freedom of association, collective bargaining and social dialogue	I	N	PT	VC	Inadequate protections of freedom of association and workers' rights in the value chain	Some industries in GN's value chain operate in countries with inadequate protections of workers' rights. This can negatively impact workers where rights, such as freedom of association, collective bargaining, and social dialogue are not provided.
S2 - Working conditions: Work-life balance	I	N	PT	VC	Non-respect of family leave and work-life balance in the value chain	Some industries in GN's value chain operate in countries where rights related to adequate work-life balance and parental leave are not provided, which can negatively impact the health and well-being of workers in the value chain.
S2 - Working conditions: Adequate wages	I	N	PT	VC	Non-decent wages in the value chain	Most industries in GN's value chain pay workers at least a minimum wage, while some value chain industries may even pay workers below a minimum wage. In all cases, where this does not represent an adequate wage, it can negatively impact the health and well-being of value chain workers.
S2 - Working conditions: Diversity	I	N	PT	VC	Diversity issues in the workplace in the value chain	Some companies in GN's value chain may not be promoting diversity or taking proactive actions to increase diversity of the workforce. This can negatively impact marginalized groups, such as migrant workers.
S2 - Other worker related rights: Child labor and forced labor	I/R	N	PT	VC	Child and forced labor in the value chain	Some industries in GN's value chain, such as mining and manufacturing, are linked to negative impacts of both child labor and other forms of forced labor. Where companies in GN's direct supply chain are linked to this, there are significant risks to earnings due to trade compliance, including fines and reputational damages
S4 - Information related: Privacy	R	-	-	Both	Data breach risk and loss of customer information	There are risks of reputational damages and large fines where GN is exposed to cyber attacks and theft of highly sensitive customer data (e.g. health records).
S4 - Personal safety: Health & safety	R	-	-	VC	Violation of health and safety standards	Failure to meet health and safety product standards, particularly for hearing aids, can lead to increased risks of product recalls, reputational damage, and legal costs that result in a large financial impact.
G1 - Culture	R	-	-	GN	Breach of code of ethics and local laws	There is a risk in some of GN's operations that employees do not follow codes of conduct and business ethics leading to high reputational damage and financial loss.
G1 - Whistleblowers	R	-	-	GN	Failure to protect whistleblowers	Where GN is not able to detect or adequately deal with a specific case, as well as cases of retaliation towards a whistleblower, there is a risk of reputational damage and large fines from authorities.
G1 - Third party relations: Relationships	R	-	-	GN	Risk of poor management of supplier relationships	If GN is found to be doing business with a disreputable company it could have knock-on risks of reputational damage to GN, resulting in loss of revenue.
G1 - Corruption and bribery	R	-	-	GN	Reputation damages of corruption and bribery	If GN is found to have committed acts of corruption and/or bribery, there are risks in terms of reputational damages, as well as fines from authorities.
Entity-specific - Hearing health	I	P	A	VC	Better hearing for millions of end-users	GN has a positive impact on society in terms of the capacity to offer millions of end-users with the opportunity of better hearing, which in turn has a number of positive social and health benefits.

I = Impact R = Risk O = Opportunity P = Positive Impact N = Negative Impact A = Actual Impact PT = Potential Impact GN = Own Operations VC = Value Chain Both = Own Operations and Value Chain

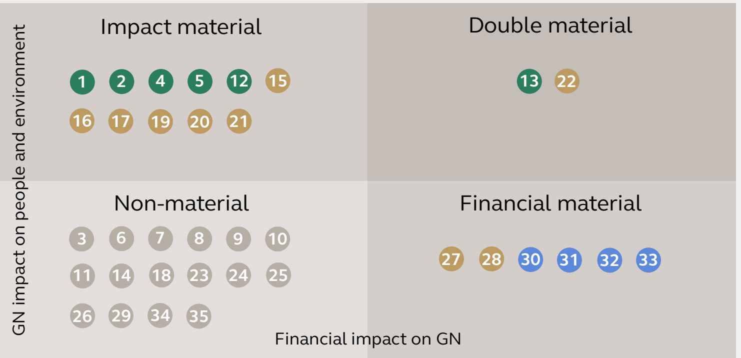
Within our own operations, we have identified one material negative, actual impact, which relates to the use of substances of concern and very high concern as part of our production process. These substances are used in our test labs and manufacturing facilities for a variety of purposes.

We have identified the same material impact for our upstream value chain, where these substances are used for the manufacturing of components or finalized products purchased by GN.

Within our value chain, we have identified one further potential negative impact related to the pollution of water, soil, and food. Upstream, these impacts are related to manufacturing, mining, and fossil fuel extraction, and downstream with e-waste.

In response to these impacts, we have a system to prevent and control the use of these substances in our own operations so that we comply with all relevant legislation in this area, while we anchor this requirement to our suppliers through our due diligence processes based on our code of conduct. Beyond this, these impacts do not have a significant impact on our business model and strategy. See pages 77-79 for further details on how we manage the impacts of these impacts.

Resource use and circular economy-related IROs
We have identified two material IROs related to resource use and circular economy. These IROs are a consequence of our core activity of manufacturing electronic devices requiring the use of finite and scarce materials, as well as e-waste because of non-circular processing of our products after use. They originate in our strategy of offering premium products at the cutting edge of technology, which often requires driving efficiencies to achieve competitive prices, through a go-to-market business model which depends on sale of products through a wide variety of channels.



Environmental

E1 Climate
1 Climate change mitigation
2 Energy
3 Climate change adaptation

E2 Pollution
4 Substance of (very high) concern
5 Pollution of air, water, soil and food
6 Microplastics

E3 Water and marine resources
7 Water
8 Marine resources

E4 Biodiversity and ecosystems
9 Direct impact drivers of biodiversity loss
10 State of species
11 Dependencies on ecosystem services

E5 Resource use and circular economy
12 Resource inflows
13 Resource outflows
14 Waste

Social

S1 Own workforce
15 Adequate wages, working time and health & safety
16 Equal pay
17 Diversity
18 Other work-related rights

S2 Workers in the value chain
19 Secure employment, working time, social dialogue, adequate wages, freedom of association, collective bargaining, health & safety
20 Gender equality, violence & harassment and diversity
21 Child labor
22 Forced labor
23 Other work-related rights

S3 Affected communities
24 Economic, social, and cultural rights
25 Civil and political rights
26 Particular rights of indigenous people

S4 Consumers and end-users
27 Information related impacts
28 Personal safety
29 Social inclusion

Governance

G1 Business conduct
30 Corporate culture
31 Whistleblowers
32 Corruption and bribery
33 Management of relationships with suppliers
34 Animal welfare
35 Political engagement

With regards to resource inflows, we have identified one material negative, actual impact in our own operations related to our use of a variety of metals, plastics, electrical components, and packaging at our manufacturing sites that are made primarily from virgin materials resulting in the need to extract finite resources.

We have identified the same material negative impacts for our upstream value chain, where our suppliers that are part of the manufacturing of components, full products, or packaging use virgin raw materials and resources to create metals, plastics, electrical components, paper, and cardboard.

With regards to resource outflows, we have identified one material, actual negative impact in our own operations, related to the share of GN's products not being designed to be repaired, refurbished or recycled, or covered by a service that enables the product to be returned for sustainable processing. Attached to this impact, we have also identified one material risk related to GN's hypothetical failure to adjust its business model to meet customer demands for circular products and services, such as repairable devices or takeback services. If GN cannot adapt it may also lead to reputational damage and increased operating costs.

To manage these IROs, we have set policies, targets, and actions to reduce our dependence on virgin material, as well as include circularity considerations in product design and the services we offer. These initiatives currently do not significantly alter our business model or strategy, rather they seek to align our current business model and strategy with a transition to a circular economy.

Water and biodiversity-related IROs

By using third-party risk mapping tools, we assessed whether our own sites are located in water-stressed or biodiversity-sensitive areas, or if our business model otherwise has significant dependencies or impacts on water use or drivers of biodiversity loss. Through this process, we established that we currently have no material IROs related to water and biodiversity.

Social

Own workforce-related IROs

We have identified six negative, potential impacts related to our own workforce, defined as all GN employees. Overall, these impacts reflect our business model, which depends on human input as a vital resource for all our key activities in our own operations: hearing aid component assembly in Denmark, manufacturing of hearing aids in China and Malaysia, final assembly of hearing aids in regional operational centers, R&D and product testing, sales and external collaboration, and white-collar back-office functions. Within this assessment, we established that the most helpful grouping principle for the sake of applying impacts to specific employee categories to be blue-collar employees at major manufacturing sites on the one hand and white-collar and all other blue-collar employees on the other. Given that all white-collar-related potential impacts also apply to blue-collar employees, in this report, we report on the management of impacts either for blue-collar workers at major manufacturing sites or all GN employees.

We have identified four negative, potential impacts related to our full workforce, including working time, equal pay, adequate wages, harassment, and diversity.

We have identified one negative, potential impact related to blue-collar employees in major manufacturing sites only, relating to health and safety.

These impacts would negatively impact the well-being of employees in varying degrees. In all cases, they would be limited in scope to a single employee or specific group of employees.

We respond to these IROs through a variety of policies, targets, and actions, within the context of our existing business model and strategy. See pages 87-94 for further detail on the management of these IROs.

Workers in the value chain-related IROs

We have identified nine IROs related to workers in the value chain. Overall, all these IROs reflect our dependence for our core activity of manufacturing electronic devices on suppliers in industries with documented negative social impacts, specifically mining, plastic and aluminum production, paper production, freight and logistics, electronics manufacturing, and e-waste treatment.

We cannot accurately link the majority of these potential impacts to GN's activities because they occur in industries that are at tier 2 or beyond supplier level in our upstream value chain. We directly or indirectly have business relations with a very large number of sub-suppliers, in a part of our value chain where we have limited visibility and no direct supplier relationships to leverage an assessment of potential social impacts. For this reason, it is also not possible for these impacts to identify very specific (groups of) people or geographies where GN's activities lead to impacts. Workers we consider to be at high risk of impact and therefore in scope for this assessment include:

- Agency workers working on GN sites in countries with weak worker protection controls (this covers agency workers at our manufacturing site in Malaysia)
- Blue-collar workers working for upstream entities involved in mining, plastic, aluminum and paper production, and electronics manufacturing
- Blue-collar workers working for downstream entities involved in freight and distribution, and electronic waste processing

In the absence of evidence that GN's value chain differs significantly from similar companies, we have therefore assessed material impacts on a more general level, looking at documented, systemic impacts occurring in these industries.

We have combined these more general insights with assessments of potential impacts in parts of our upstream value chain where we do have visibility to assess impacts more accurately:

Our key tier 1 and tier 2 suppliers which are subject to ESG audits:

- Suppliers and sub-suppliers covered by our due diligence process related to compliance with our conflict minerals policy, which focuses on mining for specific types of minerals with a focus on Democratic Republic of the Congo (DRC) and surrounding countries, and impacts related to child and forced labor
- Suppliers covered by due diligence process related to forced labor compliance, which focuses on the impact of forced labor in regions targeted by forced labor legislation

Combining these two assessments, we have identified 7 material, potential, negative impacts related to working conditions, specifically covering secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining, work-life balance, and health & safety.

For these impacts, we assess the potentially impacted workers to be blue-collar workers across these value chain industries.

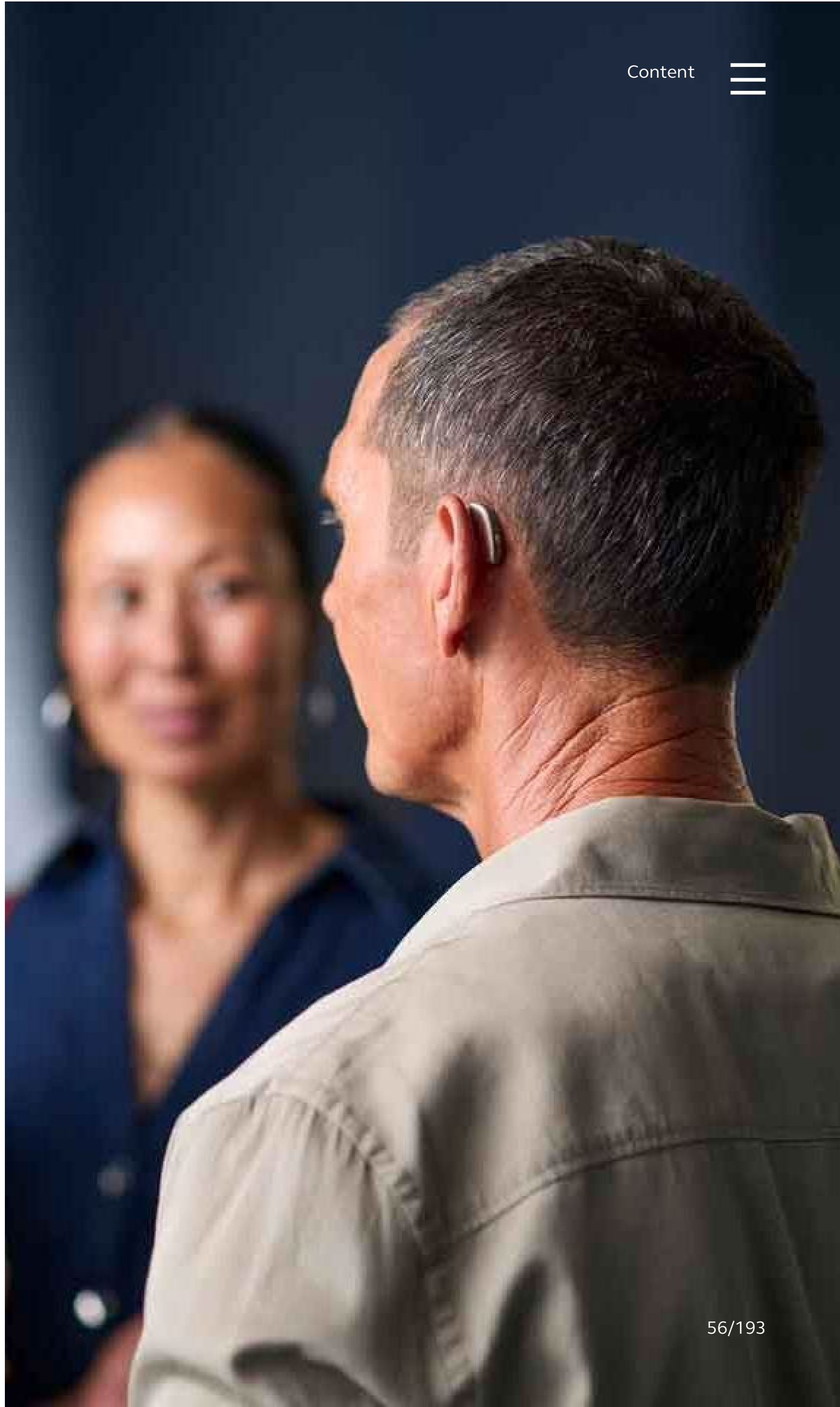
We have identified one material negative, potential impact related to equal treatment and opportunities, specifically covering gender equality, violence and harassment, and diversity.

Finally, we have identified one material negative, potential impact related to other work-related rights, covering child labor and forced labor, where we assess the potentially impacted workers to be either children working in non-certified mineral mines in the Democratic Republic of the Congo (DRC) and surrounding countries or bonded workers in regions with systemic forced labor. This potential impact also leads to a material potential financial risk, as non-compliance with forced labor legislation could potentially prohibit us from selling goods in certain markets, leading to a significant revenue loss.

We respond to these IROs by ensuring robust product due diligence processes through our code of conduct, supplier audits and additional controls aimed at avoiding conflict minerals and forced labor, within the context of our existing business model and strategy. See pages 95-98 for further detail on the management of these IROs.

Customer and end user-related IROs
We have identified one actual positive impact related to helping people with hearing loss. This is an 'entity-specific' impact, as it is not covered in any specific disclosure requirement in ESRS S4. This positive impact in 2024 led to an estimated 11.2 million people with hearing loss benefiting from our products. The impact is a consequence of our core activity of manufacturing hearing aids with the impact taking place downstream at the users of our products. Our strategy seeks to increase this impact by helping more people with hearing loss through customer-centric innovation, partnerships, and operational and commercial effectiveness. For more information, see page 12.

We have identified one material risk in the value chain and in our own operations related to data privacy of customers, as GN holds a range of data on these customers, some of which is highly sensitive (e.g. health records, as part of the activities in our hearing aid division), where a failure to protect this data could have significant financial implications.



We respond to this risk by ensuring robust data privacy processes within the context of our existing business model and strategy. See pages 99-100 for further detail on the management of this risk.

We identified one further risk relating to product safety of our hearing products which as medical devices fall under strict product safety regulation to protect hearing aid users, relating to the potential financial implications of product safety failure, leading to potential health and safety impacts for end-users.

We respond to this risk by ensuring robust product safety processes within the context of our existing business model and strategy. See page 101 for further detail on the management of this risk.

Governance-related IROs
We have identified four material risks related to governance. Overall, these risks reflect GN's dependence on a wide range of business relations across many geographies, which inherently create risks around business ethics in relation to third parties.

We have identified one material risk related to culture, representing a potential failure of internal compliance culture leading to employees to not uphold our business ethics standards, as stipulated in our Ethics Guide or local laws.

We have identified one material risk related to whistleblowers, representing a potential failure to adequately protect or support whistleblowers.

We have identified one material risk related to third party relations, representing the potential consequences of a failure of third-party due diligence leading to GN doing business with disreputable entities.

We have identified two material risks related to corruption and bribery, one representing the potential financial consequences of a failure to prevent or detect corruption and bribery, and it leading to incidents of corruption or bribery.

We respond to these risks by ensuring robust business ethics, third-party due diligence and whistleblower processes within the context of our existing business model and strategy (see pages 103-104).

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GOV-4	Statement on due diligence	Sustainability governance	44-45
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SBM-1	Strategy, business model and value chain	Business model	47
SBM-2	Interests and views of stakeholders	Stakeholder engagement	46
SBM-3	Material impacts, risks and opportunities and how they interact with its strategy and business model	Material IROs	52-57
IRO-1	Process to identify and assess material impacts, risks and opportunities	Double materiality assessment	49-51
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E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Climate change, Climate change strategy	67-71
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Double materiality assessment	49-51
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E1-2	Policies related to climate change mitigation and adaption	Climate change	67
E1-3	Actions and resources in relation to climate change policies	Climate change, Climate change strategy	67-71
E1-4	Targets related to climate change mitigation and adaption	Climate change, Climate change strategy	67-69
E1-5	Energy consumption & mix	Climate change, Energy consumption and mix	72
E1-6	Gross scopes 1, 2, 3 and Total GHG emissions	Climate change, Greenhouse gas emissions	73-75
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Climate change, Greenhouse gas removals	76

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E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Double materiality assessment	49-51
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E5-1	Policies related to resource use & circular economy	Resource use and circular economy	80
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S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material IROs	55
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S1-2	Processes for engaging with own workforce and workers' representatives about impacts	Own workforce, Employee engagement	88
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Own workforce, Remediation and channels to raise concerns	88
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S1-9	Diversity metrics	Own workforce, Diversity, equity, and inclusion	92
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S1-16	Compensation metrics (pay gap and total compensation)	Own workforce, Equal pay	93-94
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S4-1	Policies related to consumers and end-users	Consumers and end-users	99-101
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ESRS S2 – Workers in the value chain

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S1.SBM-2	Interests and views of stakeholders	Stakeholder engagement	46
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material IROs	54-56
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S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks related to value chain workers, and effectiveness of those actions	Workers in the value chain	96-97
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ESRS G1 – Business conduct

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G1.IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Double materiality assessment	49-51
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G1-3	Prevention and detection of corruption and bribery	Business conduct, Prevention and detection of corruption and bribery	104
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Data points that are derived from other EU legislation

Disclosure requirement	Data point		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material	Page number
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x		x	35
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x		x	36-38
ESRS 2 GOV-4	30	Statement on due diligence	x				x	45
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities paragraph	x	x	x		x (Phased in)	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production paragraph	x		x		x (Phased in)	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons paragraph	x		x		x (Phased in)	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco paragraph			x		x (Phased in)	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	x	67-69
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks paragraph		x	x		x	67
ESRS E1-4	34	GHG emission reduction targets	x	x	x		x	69-71
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				x	72
ESRS E1-5	37	Energy consumption and mix	x				x	72
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x				x	72
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		x	75
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x		x	72
ESRS E1-7	56	GHG removals and carbon credits				x	x	76
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x			
ESRS E1-9	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk ; Location of significant assets at material physical risk		x				
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x				
ESRS E1-9	69	Degree of exposure of the portfolio to climate- related opportunities			x			
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x					
ESRS E3-1	9	Water and marine resources	x					
ESRS E3-1	13	Dedicated policy	x					
ESRS E3-1	14	Sustainable oceans and seas	x					
ESRS E3-4	28 (c)	Total water recycled and reused	x					
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x					
ESRS 2- IRO 1 - E4	16 (a) i		x					
ESRS 2- IRO 1 - E4	16 (b)		x					
ESRS 2- IRO 1 - E4	16 (c)		x					
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	x					

Disclosure requirement	Data point		SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Material	Page number
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	x					
ESRS E4-2	24 (d)	Policies to address deforestation	x					
ESRS E5-5	37 (d)	Non-recycled waste	x					
ESRS E5-5	39	Hazardous waste and radioactive waste	x					
ESRS 2- SBM3 - S1	14 (f)	Risk of incidents of forced labour	x					
ESRS 2- SBM3 - S1	14 (g)	Risk of incidents of child labour	x					
ESRS S1-1	20	Human rights policy commitments	x				x	87
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Con-ventions 1 to 8			x		x	87
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				x	87
ESRS S1-1	23	Workplace accident prevention policy or management system	x				x	89-90
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x				x	94
ESRS S1-14	88 (b) (c)	Number of fatalities and number and rate of work-related accident	x		x		x	90
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x				x (Phased in)	
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x		x	93-94
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x				x	93-94
ESRS S1-17	103 (a)	Incidents of discrimination	x				x	94
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD	x		x		x	94
ESRS 2- SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x				x	55-57
ESRS S2-1	17	Human rights policy commitments	x				x	95-96
ESRS S2-1	18	Policies related to value chain workers	x				x	95-96
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x		x	95-96
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Con-ventions 1 to 8			x		x	95-96
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				x	95-97
ESRS S3-1	16	Human rights policy commitments	x					
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	x		x			
ESRS S3-4	36	Human rights issues and incidents	x					
ESRS S4-1	16	Policies related to consumers and end-users	x					
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x			
ESRS S4-4	35	Human rights issues and incidents	x					
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x					
ESRS G1-1	10 (d)	Protection of whistleblowers	x					
ESRS G1-4	24 (a)	Fines for violation of anticorruption and anti-bribery laws	x		x		x	104
ESRS G1-4	24 (b)	Standards of anti- corruption and anti- bribery	x				x	104

Sustainability statement

Environment

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Customer-centric innovation for retailers

Every second counts in the retail world, and effective communication across teams is critical. Jabra Perform 75 is a new Bluetooth headset designed specifically for shift workers in retail environments. It's future-ready for AI, seamlessly integrating with existing frontline worker applications and future voice-led applications.

The Perform 75 offers hands-free, instant access to critical information—allowing associates to stay focused on their tasks while delivering outstanding product knowledge and a better in-store customer experience.

EU Taxonomy Regulation disclosure

The EU Taxonomy is a ‘green’ classification system of economic activities, aimed at promoting sustainable ways of working for financial and non-financial companies. GN is required to assess the eligibility and alignment of its economic activities with the taxonomy requirements.

GN’s eligible economic activities in 2024

To assess our eligible revenue, capital expenditure (CAPEX), and operational expenditure (OPEX), we have conducted a full screening of both our core and secondary economic activities against those listed in the Annexes to the climate and environmental delegated acts. Our findings indicate eligibility under economic activities tied to two of the environment objectives: the transition to a circular economy and climate change mitigation.

Our core business activity is covered by the economic activity *CE 1.2 Manufacture of electrical and electronic equipment*, which relates to the manufacturing of all our products from Hearing, Enterprise, and Gaming & Consumer. In support of this core activity, we also engage in *CE 5.1 Repair, refurbishment and remanufacturing*, and *CE 5.2 Sale of spare parts*. Our secondary activities are associated with the climate change mitigation objective and relate mostly to leased buildings and vehicles, construction of new buildings, renovation measures, various energy efficiency initiatives, and data centers, IT servers, and networking equipment.

Assessing alignment in 2024

To evaluate the degree to which an economic activity is considered aligned under the EU Taxonomy, they need to comply with all of the technical screening criteria under Substantial Contribution, Do No Significant Harm (DNSH) and the Minimum Safeguards. As the circular economy objective overlaps with our existing sustainability initiatives, we have chosen to focus on our core activity (CE 1.2) to assess alignment. This economic activity covers the majority of our revenue, CAPEX, and OPEX KPIs and is therefore material to our business model. While our other eligible economic activities are important in other business areas, they are nevertheless smaller in size and lack the required adequate data and documentation to assess alignment.

Our assessment in 2024 therefore focuses exclusively on the technical screening criteria under CE 1.2. Through this review, we have established that none of our revenue, CAPEX, or OPEX fully satisfies the requirements under Substantial Contribution, DNSH nor the Minimum Safeguards for all eligible economic activities, and as such we do not report any alignment in 2024.

Our approach in 2025 and beyond

We fully recognize the value of ensuring our products meet the criteria under our core economic activities. We believe our existing circularity policy and initiatives have linkages to the EU Taxonomy requirements and as we work towards achieving our targets, we expect to see increased alignment over time. Moving forward, we will perform a systematic review of existing circularity initiatives, sustainability strategy, and the technical screening criteria. This will enable us to work towards implementing an end-to-end process of assessing alignment of all our product categories under CE 1.2 and help us adjust our processes within this activity towards alignment.

Accounting practice

The financial KPIs are expressed as the eligible proportion of turnover, capitalized expenditure, direct non-capitalized expenditures which are related to a product, service, asset, or process of an eligible economic activity. As we are reporting 0% alignment in 2024, we do not have any double counting in the KPIs. The reporting scope covers all of GN and its subsidiaries.

For 2024, we have increased the scope of eligible financials by adding net revenue lines from the Enterprise and Gaming & Consumer divisions to the numerator. We have also allocated eligible revenue streams from other services to our customers, such as repair and refurbishment of our products and the sale of spare parts. Similarly, this also applies to both the CAPEX and OPEX KPIs as we have incorporated the additions to both tangible and intangible assets, as well as any direct non-capitalized expenditure, applicable to our Enterprise and Gaming & Consumer divisions. For this reason, we have provided restatements of 2023 numbers for all financial KPIs to be aligned with our approach for 2024 (see pages 64-66).

Revenue

The turnover KPI is defined as Turnover-eligible turnover divided by total turnover. The total turnover is GN’s total net revenue. Our consolidated net revenue can be reconciled to our consolidated financial statements (see section 2.1).

CAPEX

The CAPEX KPI is defined as Taxonomy-eligible CAPEX divided by total CAPEX. The total CAPEX consists of additions to tangible and intangible assets, before depreciation, amortization, and any re-measurements. It includes acquisitions of property plant and equipment, intangible assets, leases with usage rights (IFRS 16), investment properties, additions due to acquired business and excludes current and non-current assets, as well as goodwill. The total additions under the CAPEX KPI can be reconciled to our consolidated financial statements (see sections 3.1 and 3.2).

OPEX

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

Turnover

Financial year 2024		2024				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')							
Economic activities	Code (2)	Turnover (3)	Proportion of turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaption (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		(DKKm)	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**N**	**0%**	-	-
of which Enabling		0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	N	0%	E	-
of which Transitional		0	0%	0%	-	-	-	-	N	N	N	N	N	N	N	N	0%	-	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	-	-	-	-	-	-	-	-	-	-
Manufacture of electrical and electronic equipment	CE 1.2	17,881	99%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	99%	-	-
Sale of spare parts	CE 5.2	104	1%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	1%	-	-
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		17,985	100%	0%	0%	0%	0%	100%	0%	-	-	-	-	-	-	-	100%	-	-
A. Turnover of Taxonomy eligible activities (A1 + A2)		**17,985**	**100%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100%**	**-**	**-**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		-	0%																
Total		**17,985**	**100%**																

CAPEX

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code (2)	CAPEX (3)	Proportion of CAPEX, year 2024 (4)	Climate Change Mitiga-tion (5)	Climate Change Adapta-tion (6)	Water (7)	Pollution (8)	Circular Economy (9)	Bio-diversity (10)	Climate Change Mitiga-tion (11)	Climate Change Adap-tion (12)	Water (13)	Pollution (14)	Circular Economy (15)	Bio-diversity (16)	Minimum Safe-guards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2) CAPEX, year 2023 (18)	Category enabling activity (19)	Category transi-tional activity (20)
		(DKKm)	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	N	0%	-	-
of which Enabling		0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	N	0%	E	-
of which Transitional		0	0%	0%	-	-	-	-	N	N	N	N	N	N	N	N	0%	-	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	-	-	-	-	-	-	-	-	-	-
Manufacture of electrical and electronic equipment	CE 1.2	1,334	79.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	95.4%	-	-
Transport by motorbikes, passenger cars and light commercial vehi-cles	CCM 6.5 / CCA 6.5	11.2	0.7%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%	-	-
Construction of new buildings	CCM 7.1 / CCA 7.1 / CE 3.1	19.1	1.1%	EL	EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	0%	-	-
Renovation of existing buildings	CCM 7.2 / CCA 7.2 / CE 3.2	39	2.3%	EL	EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	0.5%	-	-
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 / CCA 7.3	0.6	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%	-	-
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4 / CCA 7.4	0.1	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%	-	-
Acquisition and ownership of buildings	CCM 7.7 / CCA 7.7	278	16.5%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	4.1%	-	-
Data processing, hosting and related activities	CCM 8.1 / CCA 8.1	0.3	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0%	-	-
CAPEX of Taxonomy-eligible but not environmentally sustainable ac-tivities (not Taxonomy-aligned activities) (A.2)		1,682	100%	21%	21%	0%	0%	83%	0%	-	-	-	-	-	-	-	100%	-	-
A. CAPEX of Taxonomy eligible activities (A1 + A2)		**1,682**	**100%**	**21%**	**21%**	**0%**	**0%**	**83%**	**0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100%**	**-**	**-**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CAPEX of Taxonomy-non-eligible activities			0%																
Total		**1,682**	**100%**																

OPEX

Financial year 2024		2024		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities	Code (2)	OPEX (3)	Proportion of OPEX, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2) OPEX, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		(DKKm)	%	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	N	0%	-	-
of which Enabling		0	0%	0%	0%	0%	0%	0%	N	N	N	N	N	N	N	N	0%	E	-
of which Transitional		0	0%	0%	-	-	-	-	N	N	N	N	N	N	N	N	0%	-	T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	-	-	-	-	-	-	-	-	-	-
Manufacture of electrical and electronic equipment	CE 1.2	1,532.9	74.0%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	88.8%	-	-
Repair, refurbishment, and remanufacturing	CE 5.1	339.7	16.4%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	9.5%	-	-
Transport by motorbikes, passenger cars and light commercial vehicles	CCM / CCA 6.5	1.7	0.1%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.1%	-	-
Renovation of existing buildings	CCM / CCA 7.2 / CE 3.2	6.5	0.3%	EL	EL	N/EL	N/EL	EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
Installation, maintenance and repair of energy efficiency equipment	CCM / CCA 7.3	6.2	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
Installation, maintenance, and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM / CCA 7.4	0.01	0.0%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM / CCA 7.5	0.3	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.0%	-	-
Acquisition and ownership of buildings	CCM / CCA 7.7	156.6	7.6%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	1.1%	-	-
Data processing, hosting and related activities	CCM / CCA 8.1	5.5	0.3%	EL	EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	0.1%	-	-
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,049	99.0%	9%	9%	0.0%	0.0%	91%	0.0%	-	-	-	-	-	-	-	99.7%	-	-
A. OPEX of Taxonomy eligible activities (A1 + A2)		**2,049**	**99.0%**	**9%**	**9%**	**0.0%**	**0.0%**	**91%**	**0.0%**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**99.7%**	**-**	**-**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OPEX of Taxonomy-non-eligible activities		21.4	1.0%																
Total		**2,071**	100%																

Climate change

As a globally operating manufacturing company that produces and transports millions of products a year, climate change is naturally a material topic for GN. Driven by our climate targets, we are committed to playing our part in reducing emissions in line with the scientific consensus on the required pace of decarbonization, while ensuring business continuity in a world in which the effects of climate change are increasingly impacting all industries and regions. To meet this commitment, we have a climate transition plan in place, consisting of an overarching policy, science-based targets, climate-related incentives for our CEO and CFO (see pages 67-69) and several decarbonization initiatives. The Board of Directors has approved the policy, targets, and incentives.

IROs

We have identified three IROs, all impacts, related to climate change, reflecting that we are a globally operating manufacturing company which inherently leads to carbon emissions because of the use of fossil fuels across our value chain (see page 52). We have identified one actual negative impact related to energy use for our own operations and value chain respectively, as well as two actual negative impacts related to climate mitigation, for own operations and value chain respectively because of the carbon emissions resulting from this.

Policies

Our Environmental Policy covers our approach to climate change. It includes our commitment to reduce our greenhouse gas (GHG) emissions in line with the scientific consensus on the urgency of addressing climate change and the degradation of nature, manifested in our science-based targets for 2030 and commitment to be net-zero no later than 2050.

For our Scope 1 and 2 emissions, where electricity consumption constitutes a major part of our footprint, we prioritize sourcing renewable energy through instruments that ensure local generation and newly or not yet commissioned projects (e.g., through a power purchase agreement). The policy also states that opportunities to improve energy efficiency, such as replacement of machinery and equipment, process optimization and heating, ventilation, and air conditioning (HVAC) system setting adjustment are identified, evaluated and implemented on an ongoing basis.

As the vast majority of our emissions are in our value chain (Scope 3), the policy also includes our expectations of suppliers, also captured in our Supplier Code of Conduct, to provide accurate carbon data to enable us to take a data-driven approach to our decarbonization strategy.

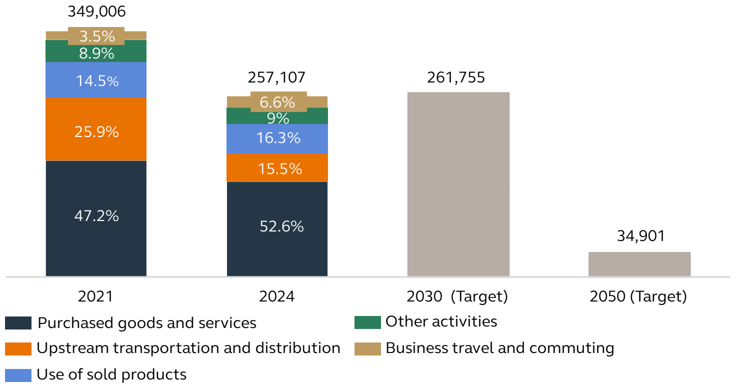
The policy also sets out significant decarbonization levers and the key criteria we employ in prioritizing decarbonization initiatives: impact and GN's degree of influence. Finally, the policy states that we do not consider carbon offsetting as an alternative to carbon reduction, and that we will only engage in carbon removal that is independently certified, and that we will not claim any carbon avoidance claims related to our products as part of meeting our climate targets. This policy is approved by our Board of Directors, and our Executive Management is accountable for implementation.

Climate change strategy

Although climate is a material topic to GN in several ways, for our climate strategy it is relevant to state that - as reflected in the disclosure related to the EU Taxonomy (see pages 63-66) - our core economic activity (CE 1.2) is not eligible to be considered sustainable from the perspective of climate-related objectives. In other words, GN's core activity is not such that it can potentially contribute to resolving or directly facilitating climate-related impacts on a significant scale. While some of our secondary economic activities are eligible under the climate change mitigation objective, these are not material to our main business model, and we have therefore not invested significant CAPEX or OPEX related to such initiatives. Moreover, our climate reduction initiatives as described on these pages, are anchored within our existing business model and financial planning. This is further supported by the fact that we do not currently have material climate-related financial risks (see page 29), and the fact that GN is not excluded from the Paris-aligned benchmarks.

For these reasons, we also do not expect alignment of our economic activities with the delegated act on climate objectives to change significantly in the future. However, a small increase in CAPEX and OPEX alignment may be expected in eligible economic activities such as construction of new buildings and production facilities (CCM/CCA 7.1), building renovation measures (CCM/CCA 7.2), energy efficiency initiatives at our facilities (CCM/CCA 7.3), installation of onsite renewable energy capacity (CCM/CCA 7.6) and electrification of our car fleet (CCM/CCA 7.4) which are actions we will take to ensure we meet our near- and long-term climate targets.

Scope 3 emissions (tCO2eq)

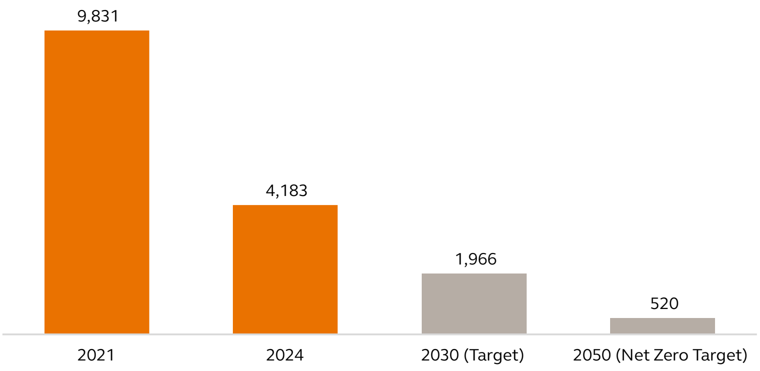


2024 emissions are below our 2030 target value, but this does not impact our decarbonization efforts, as there are many factors influencing future emissions, including expected organic growth. See page 69 for details.

Target	Scopes	Base year	Baseline value	Target year	Target value	Reduction %	Current value	Progress to target %	Target reference value*	Methodology
Near-term target 1	Scope 1 (23%) scope 2 market-based (77%)	2021	9,831	2030	1,966	80%	4,183	72	5,702	Science-based target, approved by SBTi
Near-term target 2	Scope 3	2021	349,006	2030	261,755	25%	257,107	105	174,503	Science-based target, approved by SBTi
Long-term target	Scopes 1 (<1%), 2 (2%) and 3 (98%)	2021	358,837	2050	35,884	90%	261,290	30	35,884	Science-based target, not approved by SBTi

*Cross-sector (ACA) reductions pathway based on the year 2020 as the reference year from Pathways to Net-zero –SBTi Technical Summary (Version 1.0, October 2021)

Scope 1 and 2 emissions (tCO2eq)



Targets

GN has set Board-approved science-based GHG emission reduction targets to manage our climate-related impact and risks by decarbonizing in line with the scientific consensus on the urgency of addressing climate change and the degradation of nature. We are committed to reduce absolute GHG emissions (metric tons CO2eq) in Scope 1 and 2 by 80% and in Scope 3 by 25% by 2030 from a 2021 baseline. GN is also committed to reaching net-zero GHG emissions by 2050 at the latest, meaning 90% reduction with neutralization of unabated emissions to reach net zero.

These targets cover all GHGs stipulated in the GHG Protocol and all activities in GN's own operations and value chain globally. Our near-term targets have been set using the Science Based Targets initiative's (SBTi) Criteria v5.0 with the absolute contraction approach and the cross-sector pathway, which is based on the P1 scenario in the IPCC Special Report on Global Warming of 1.5°C. It has been assumed that GN's core business activities will not change by 2030. We have aligned our net-zero target to the SBTi's cross-sector absolute reduction method for long-term targets.

Besides the scientific basis, the perspective of customers and several users of sustainability statements (e.g., existing investors, lenders, and other financial institutions) also influenced our decision to set emission reduction targets with SBTi.

Through our climate targets, we demonstrate our commitment to ensure our business is compatible with the transition to a net-zero economy and with the limiting of global warming to 1.5°C in line with the Paris Agreement. Our 2030 reduction targets are the first milestone towards achieving net-zero emissions by 2050, and we assess that we can reach this milestone without adjusting our business model, as the required reductions can be achieved through a number of decarbonization levers without having to adjust the fundamentals of how our business operates. We are planning and implementing several initiatives using such levers (see the Actions in this chapter). To ensure we will utilize the levers to the extent required to meet these targets, we will integrate our transition plan into our company strategy, as well as supporting divisional and functional strategies, in 2025.

The International Energy Agency's Net-Zero Emissions scenario (IEA NZE) was used to identify likely contextual decarbonization when we identified the decarbonization levers we can act on to reach our climate targets. For example, given that our products consume electricity, the expected decarbonization of the power grids in our major markets was relevant to understand the trajectory for our Scope 3 category 11 emissions, irrespective of any potential improvements to the energy efficiency of our products.

An estimated 41,792 tCO2e are locked-in emissions from the use of GN products sold in 2024, which currently makes up 16% of our total Scope 3 emissions (see page 75). These use phase emissions could still be reduced through firmware updates in the market, but it remains difficult to quantify potential emissions reductions from such initiatives. As these emissions are a result of electricity consumption, we expect significant reduction to take place as a result of the global shift towards renewable energy as part of the transition to a net-zero economy outside GN's direct control. Given the general duration of use of our products, we don't expect these locked-in emissions to prevent us from reaching net-zero in 2050, regardless of the pace of the transition to renewable energy.

Current performance against our targets and outlook towards 2030 and 2050
The carbon emissions reported in this report show that we are on track to meet our 80% 2030 reduction target for Scope 1 and 2 emissions, having reduced our emissions by 58% already versus our 2021 baseline. For carbon emissions in Scope 3, in 2024 we reached our reduction target of 25% by 2030, having reduced emissions by 26% versus our baseline. Our current emissions demonstrate that our target is achievable but, as there are many factors influencing future emissions, this is no guarantee we will continue to achieve this target in 2030 and the years in between.

Our emissions are largely driven by production volumes, especially in the Enterprise and Gaming & Consumer divisions, and organic growth is therefore likely to lead to higher emissions. The extent to which organic growth will lead to changes in our carbon emissions depends on the EBITA margin (which we expect to increase), decarbonization initiatives we implement, and decarbonization taking place in our value chain not related to our initiatives, such as the advancement of low-carbon materials and decarbonization of the energy and transport sectors. As described in the GN investment case on page 17, we expect organic growth of 5-8% annually until 2028. Ensuring we meet our targets on a continuous basis therefore will likely require decoupling organic growth from increased emissions by decreasing the carbon intensity of our activities.

Other potential impacts on our carbon emissions might include a further increase in climate-related demands from customers and business partners, as well as an increase in climate-related legislation, both of which could strengthen the business case for further decarbonization initiatives. While we do not expect major changes to the types of products in our portfolio until at least 2028, the mix of products and services we offer beyond 2028 could also impact carbon emissions.

Achieving our target to be net zero in 2050 will likely require further adjustments to our strategy and potentially our business model, including the use of new technologies particularly related to the materials we use in our products. As our strategy period does not extend beyond 2030 and there are many uncertainties around the decarbonization pathways of the industries we depend on in our value chain in the period 2030-2050, we cannot yet assess the nature and extent of the required adjustments. We do believe reaching our 2050 net-zero target is achievable, as there is no indication, based on the IEA 2024 World Energy Outlook report, that decarbonization trends in the power and transport sectors will prevent us from reaching this.

Target baseline
GN disclosed GHG emissions in Scopes 1, 2 and 3, covering all business activities, for the first time in 2021. Data accuracy for that reporting year is sufficient for reliable representation of GN's GHG emissions. To improve the accuracy and comparability of our carbon accounting, we have updated our methodology, most significantly changes to the emission factors applied. The 2021 baseline has been recalculated so there is no effect on our targets (see the Restatements section on page 42).

Actions
To meet our climate targets and meet our policy objectives, we have identified six decarbonization levers. We have implemented several emission reductions initiatives within these levers, and they also form the framework for future decarbonization initiatives. Data on expected reductions from planned actions is not yet available.

To meet our Scope 1 and 2 target of 80% reduction in emissions by 2030, we focus on:

Renewable energy
The share of renewable energy consumed has increased to 39% from a 3% baseline in 2021, primarily through the procurement of Renewable Energy Certificates (RECs). The RECs source solar power for our headquarters and production facility in Denmark, our global manufacturing centers in China and Malaysia, and our regional operations center in the United States. In 2025, we will develop a long-term renewable energy plan for all sites in operational control with more than 50 employees. This will include assessing the potential for onsite generation at our major production sites.

Energy efficiency
Based on the recommendations of the energy audit conducted in 2023, several energy efficiency initiatives have been implemented at our global production facility in Malaysia, including modifications to cooling systems and lighting, as well as replacement of process equipment. As a result, energy consumption per unit production has decreased by 37% since 2023, with an absolute reduction in energy consumption and related emissions of 8% and 6%, respectively.

In 2025, we plan to carry out a follow-up energy audit at our facility in Malaysia in the wake of the initiatives we have implemented in 2024 based on the guidance from the existing energy audit. Beyond 2025, we also plan to conduct an energy audit at our production facility in Xiamen, China, and to implement a major system modification at our facility in Malaysia, which is expected to further reduce energy consumption at the site.

Fleet electrification
We update our company car policies on an ongoing basis to encourage transition towards electric vehicles.

To meet our Scope 3 target of 25% reduction in emissions by 2030, we prioritize:

Product and packaging design
We have increased the use of lower carbon materials in new product development, particularly in the Enterprise division. From having used less than 1% recycled or renewable plastic in our products in 2021, we have increased the proportion of recycled or renewable plastics and synthetic fibers out of total weight of plastic and synthetic fibers to 11.4% across our product portfolio in 2024. Four new products with recycled or renewable plastic were launched in 2024, with more products containing recycled or renewable plastic to be launched in 2025.

To reduce the use of carbon-intensive materials across our product portfolio without compromising on the quality of our products, we continuously test recycled and bio-based alternatives for their suitability for use in our products.

Decarbonization of transport and logistics
Reducing air freight is a significant decarbonization lever for GN. In 2024, we reduced the share of air freight (by tonkm) from the global to regional distribution hubs in our Enterprise division from 94% in 2021 to 22%, which was the main driver for the absolute reduction of 50,313 tCO2eq in Scope 3 category 4 (14% of total Scope 3 emissions in 2021). We will continue switching to ocean and rail freight wherever possible.

To reduce emissions from road freight, we purchased renewable diesel for use in trucking on specific routes for our hearing products in Europe.

Renewable energy in the supply chain
To reduce emissions from outsourced manufacturing we track our suppliers' share of renewable energy consumption and will engage them to increase where necessary in support of our long-term targets.

Enabling actions

We have taken several key enabling actions that improve data quality or establish new business processes, which are necessary for realizing our transition plan.

In 2024, we conducted 15 new product Life Cycle Assessments (LCAs) and updated seven existing LCAs. We have improved our LCA methodology to use more supplier-specific data and to better align with our peers to facilitate comparison within our industries. Next year, we plan to expand LCA coverage of our product portfolio and continue our supply chain engagement program to increase the share of primary data used.

Further details of the above actions can be found in the table to the right.

Actions table

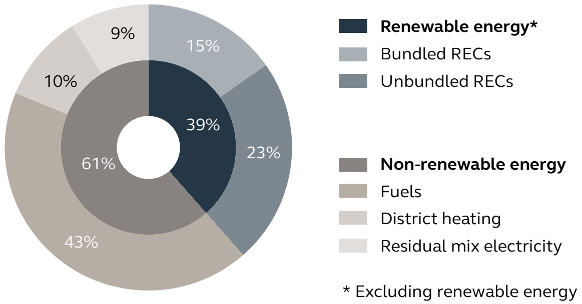
Key emission reduction initiative	Scope	Timeframe	Emissions scope	Achieved emissions reduction (tCO2eq) in 2024	Expected outcomes/ emissions reduction (tCO2eq)	Associated Target	EU Taxonomy economic activity
Renewable energy	Own operations - Hearing division production facilities and key offices	Unbundled RECs were purchased in 2024 in China and the US to cover consumption in 2024	Scope 2 (market-based)	An absolute reduction of 2,131 tCO2eq from 2021 was achieved, of which 93% was through the purchase of RECs, with the remainder coming from a reduction in consumption at these sites	We plan to continue sourcing renewable energy for our HQ and our key production sites. We expect to source renewable energy for additional sites in 2025, further reducing market-based Scope 2 emissions	Scope 1 and 2 target	N/A
Energy efficiency	Own operations (Global manufacturing facility, Malaysia)	Recommended initiatives from the 2023 energy audit were implemented in 2024	Scope 2 (location-based)	Energy consumption decreased by 8% from 2023, despite increased production output. This achieved an emissions reduction of 141 tCOeq (6%)	We expect to save approximately 140 tCO2eq in location-based Scope 2 emissions per year from the implemented energy efficiency initiatives	Local target to reduce annual power consumption by 3% in 2024 (from 2023)	CCM 7.3
Fleet electrification	Own operations (Global)	We are rolling out new company car policies on an ongoing basis for new lease contracts	Scope 1	Transitioning to electric cars has achieved a reduction of 25 tCO2eq, compared with the scenario where new leases in 2024 were petrol cars	Reducing the number of fossil fuel cars in our fleet will lead to an increasing annual reduction of our Scope 1 emissions, the majority of which come from car fuels	Scope 1 and 2 target	CCM 6.5
Supply-chain decarbonization	Value chain (Enterprise inbound logistics)	Minimizing air freight in our inbound logistics (by weight) has been an ongoing initiative since 2021. We will continue to do this and have dedicated short-term bonus objectives to support this initiative	Scope 3	The absolute emissions reduction from the 2021 baseline is estimated to be 37,909 tCO2eq	We expect further emission reductions from this action in future, but we are not able to quantify these, as freight volumes fluctuate	Scope 3 and target	N/A
Supply-chain decarbonization	Value chain (Hearing division outbound road freight in EMEA)	Carbon insetting through purchase of HVO fuels has been implemented from July 2024 onwards	Scope 3	Through the purchase of HVO fuels, we have reduced transportation emissions by 2.07 tCO2eq in 2024	With the continued purchase of HVO fuels at the same rate we expect to reduce Scope 3 Category 4 emissions by around 4.1 tCO2eq annually	Scope 3 target	N/A
Product design: low-carbon materials	Value chain (Products in Enterprise and Gaming & Consumer divisions)	The ongoing inclusion of sustainable design requirements in our product development process, including use of recycled materials, has led to emission reductions from new product launches and product updates	Scope 3	31 tCO2eq reduction was achieved for Enterprise products released in 2024 by replacing 6% of the virgin fossil plastic (PC/ABS) weight with recycled or renewable alternatives	We expect that the work we have done to test and incorporate these materials in our new product development will lead to increasing emissions reductions in 2025 and beyond	Scope 3 target, Resource inflows target	N/A

Energy consumption and mix

Renewable energy

To meet our Scope 1 and 2 emission reduction target, we are working on increasing the share of renewable energy consumption at our sites. In 2024, 38.5% of our energy consumption came from renewable sources (up from 2.9% in 2021), including purchase of 4,886 MWh of bundled RECs (4,500 MWh from a power purchase agreement in Denmark, the remainder coming from green tariffs) and 7,454 MWh of unbundled RECs in Malaysia, China, and the U.S., where we have hearing aid production facilities. All purchased RECs came from solar or wind power generation.

Renewable and non-renewable energy sources



* Excluding renewable energy sources in the grid mix

MWh	2024
Fuel consumption from coal and coal products	-
Fuel consumption from crude oil and petroleum products	11,613
Fuel consumption from natural gas	2,064
Fuel consumption from other fossil sources	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	5,220
Total fossil energy consumption	18,897
Share of fossil sources in total energy consumption	59%
Consumption from nuclear sources	366
Share of consumption from nuclear sources in total energy consumption	1%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	12,754
The consumption of self-generated non-fuel renewable energy	-
Total renewable energy consumption	12,754
Share of renewable sources in total energy consumption*	40%
Total energy consumption	**32,017**

*Including renewable sources in the grid mix

	Unit	2024
Total energy consumption from activities in high climate impact sectors	MWh	18,072
Net revenue from activities in high climate impact sectors	DKKm	7,104
Energy intensity MWh/ DKK million		**2.54**

§ Accounting policies

Energy consumption and mix

Energy purchased directly from the vendor is included. Where actual energy consumption from invoices is unavailable, consumption is estimated based on the relevant historical period. For electricity and heat, supplier-specific energy mix was used where available. Otherwise, national grid mix was assumed.

High climate impact sector: GN's Hearing division falls under NACE Code C26.6: Manufacture of irradiation, electromedical, and electrotherapeutic equipment.

Greenhouse gas emissions

Scopes 1 and 2

GHG emissions in Scopes 1 and 2 (market-based) emissions have decreased by 58% from the 2021 baseline, taking us 72% of the way towards our target of 80% reduction by 2030. The reduction is primarily driven by the increased share of renewable energy at our sites.

For Scope 1, stationary emissions have decreased 15% from the 2021 baseline, primarily because of a reduced scope of activities at our UK site. Fugitive emissions have decreased by 44% from the 2021 baseline, largely caused by lower cooling consumption in Denmark. Mobile emissions have increased by 20% since 2021 from an increase in company car use after the Covid-19 pandemic.

Market-based Scope 2 emissions have decreased by 82% from the 2021 baseline, predominantly caused by an increase in the share of renewable power share at our sites from 5% in 2021 to 60% in 2024. Location-based Scope 2 emissions have decreased by 8% since 2021, primarily because of lower grid emission factors.

Scope 3

Total Scope 3 emissions have decreased by 26% from the 2021 baseline, taking us beyond reaching our Scope 3 target for 2030 to reduce by 25%. The largest decrease (of 56%) occurred in category 4 (upstream transportation and distribution), because of an increase in the share of ocean and rail freight from 6% to 78% for the transportation of Enterprise products to regional distribution centers.

In category 1 (purchased goods and services), which has decreased by 18% since 2021, emissions from direct procurement decreased by 16% because of lower demand for Enterprise products. Indirect procurement emissions decreased by 23% because of lower spending, particularly on services.

Emissions in category 2 (capital goods) have decreased by 26% because of large reductions in PPE additions for factory and office buildings and for operating assets and equipment.

In category 6 (business travel), emissions have increased by 265% from the 2021 baseline, because of unusually low levels of business travel in 2021 due to the Covid-19 pandemic. As business travel does not represent a significant share of total emissions, this does not disqualify 2021 as a suitable baseline for our targets.

Other significant decreases have occurred in emissions in categories 11 (use of sold products) and 12 (end of life of sold products): 17% and 30% respectively, because of lower sales of products with relatively high energy consumption, particularly in the Enterprise division.

Greenhouse gas intensity

GHG emission intensity per unit revenue (market-based) has also decreased by 25% since 2021, which is largely a result of the growth in the share of GN's revenue from the Hearing division, which is less carbon intensive.

Restatements

GHG emissions in 2021 have been restated across all scopes because of divestments, improvements in data quality, methodological changes and updates to emission factors (see table to the right). Restatements are compared to 2023, which included SteelSeries emissions. SteelSeries emissions from 2021, before the acquisition, were therefore already captured in the data.

The baseline for our Scope 1 and 2 emission reduction target has been restated from 10,507 tCO2eq to 9,832 tCO2eq, a decrease of 6.4%, which mainly arose from the divestment of Dansk HøreCenter, while our Scope 3 target baseline has been restated to 349,006 tCO2eq.

New data has improved data quality and assumptions behind Scope 3 accounting. One of the most significant improvements has been made in categories 1 and 11, because of increased LCA coverage of our product portfolio. New LCA data has improved modelling accuracy in category 12. Base year emissions in these categories have been restated.

Excluding indirect emissions (radiative forcing from emissions at high altitude) from air transport, which were previously included for air freight and air travel, has enabled us to use supplier-specific data and better align with the widely adopted GLEC framework. This has improved data accuracy and comparability. Base year emissions in Scope 3 category 4 have decreased by 61,740 tCO2eq, and a small decrease has occurred in category 6. Other methodological and boundary updates have led to changes in the baseline. See the table below for details of all GHG emission restatements.

GHG Emissions scope	Previous baseline (tCO2eq)	Restated baseline (tCO2eq)	% change
Scope 1	**2,411**	**2,447**	**1.5**
Scope 2 (location-based)	**6,353**	**6,264**	**-1.4**
Scope 2 (market-based)	**8,096**	**7,384**	**-8.8**
Scope 3	**425,547**	**349,006**	**-18.0**
1 Purchased goods and services	144,020	164,916	14.5
2 Capital goods	17,992	17,131	-4.8
3 Fuel and energy-related activities	1,920	859	-55.3
4 Upstream transportation and distribution	151,985	90,245	-40.6
5 Waste generated in operations	112	93	-17.0
6 Business travel	2,650	2,630	-0.8
7 Employee commuting	7,122	9,617	35.0
8 Upstream leased assets	1,631	1,870	14.7
9 Downstream transportation and distribution	16,972	8,953	-47.2
11 Use of sold products	80,349	50,495	-37.2
12 End-of-life treatment of sold products	794	2,197	176.7

§ Accounting policies

Scopes 1 and 2

Direct emissions (Scope 1) come from the combustion of purchased fuels onsite for heat and in vehicles owned or leased by the company, as well as fugitive emissions, which arise from GN's use of refrigerant gases in production facilities.

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

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

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

Where actual data is not available for the reporting period, consumption is estimated based on the relevant historical period.

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 electricity consumed in the UK, heat, fuel, and transport, US EPA factors for electricity consumed in the US, and IEA factors for all other electricity consumption. GHG emission attributes (from RECs), supplier-specific and residual mix factors are used to calculate market-based Scope 2 emissions. Otherwise, location-based factors are used. Emission factors applied to Scope 2 emissions do not separate the percentage of biomass or biogenic CO_2.

§ Accounting policies

Scope 3

Reporting of Scope 3 GHG emissions is based on the GHG Protocol guidance. Categories 10 (Processing of sold products), 13 (Downstream leased assets) and 14 (Franchises) are not relevant to GN and are not reported. Category 15 (Investments) is not deemed material because most investments relate to retail activities in the Hearing division, which are covered in Category 9 (Downstream transportation and distribution).

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

Category 1 – Purchased goods and services
For indirect procurement, emissions from goods and services purchased by GN are calculated using categorized spend data. Cradle-to-gate LCAs across all divisions are used to calculate emissions from direct procurement (purchasing of components, semi-finished and finished goods).

Category 2 – Capital goods
Emissions from property, plant, and equipment (PPE), calculated using categorized spend data.

Category 3 – Fuel and energy-related activities
Upstream emissions from energy consumption at sites and for fleet vehicles where GN has operational control are calculated using actual energy consumption data, where available. Otherwise, emissions have been calculated from estimated energy consumption.

Category 4 – Upstream transportation and distribution
Emissions from upstream transportation are calculated using supplier-specific reported emissions or from distance and chargeable weight data. Where chargeable weight was not available for 2021, it has been estimated from gross weight, based on professional judgement of the expected ratio between the two.

§ Accounting policies

Where needed, distances are extracted from EcoTransIT using coordinates, port codes or city location.

Scope 3 category 4 includes some emissions from outbound freighting of GN goods that we do not pay for, as these shipments could not be distinguished from shipments in the same transport leg that GN pays for.

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

Category 6 – Business travel
Emissions from air travel, train travel and hotel stay, calculated using ticket data gathered from travel partners, uplifted using spend data to include travel not booked through GN's travel partners. Emissions from fuel purchased by employees for road travel are accounted for in category 1.

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

Category 8 – Upstream leased assets
Energy use at sites not included in Scopes 1 and 2. Emissions are calculated with a market-based approach using actual data obtained from building management providers and, where necessary, estimates based on floorspace and actual data from a site with similar geography and activities.

§ Accounting policies

Category 9 – Downstream transportation and distribution
Emissions associated with the warehousing or retail of GN products after they are sold, where these activities and services are not owned or purchased by GN.

Emissions from retail and warehousing are estimated using energy intensity per unit floorspace for retail and non-refrigerated warehouse buildings in the US (CBECS) and allocated supplier-specific emissions from upstream warehousing, together with an estimation of the total floorspace occupation of all GN products sold in the year.

Category 11 – Use of sold products
Emissions from the power consumption of all GN products, calculated using power consumption measurements from product LCA samples, estimated average use cases and product lifetimes for main product categories. For Gaming products, market data was used to define the use cases.

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

Categories 1 (direct procurement in Enterprise, Gaming & Consumer), 3, 4, 7 and 11 are calculated from 12 months of data, while categories 1 (indirect and direct procurement in Hearing) 4, 5, 6, 8, 9 and 12 are calculated from 10 months of data. Category 2 has been calculated for 9 months of data, but includes a significant lease expense occurring in Q4.

Primary data, meaning energy or emissions (intensity) data, from our suppliers was used in categories 1, 3, 4, 7 and 8, which amounted to an estimated 14% of our total Scope 3 emissions. In category 1, we collected Scope 1 and 2 emission intensities per unit revenue data from key tier 1 suppliers. In category 4, we collected allocated emissions data for the regional distribution hubs. Category 7 included primary data collected from a sample of employees. In categories 3 and 8, data was obtained on energy use, not supplier-specific upstream emission factors for the production and distribution of the energy sources.

GHG Emissions (tCO2eq)	Calculation method	Emission Factors	2021 (Baseline)	2024
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions		DEFRA	2,447	2,748
Percentage Scope 1 GHG emissions from regulated emissions trading scheme (%)			-	-
Scope 2 GHG emissions				
Gross location-based Scope 2 GHG emissions		IEA, EPA, DEFRA	6,264	5,748
Gross market-based Scope 2 GHG emissions		Energy attribute-specific, Supplier specific and residual mixes	7,384	1,435
Scope 1 & 2 GHG emissions (market-based)			**9,831**	**4,183**
Scope 3 GHG emissions			**349,006**	**257,107**
1 Purchased goods and services	Spend-based and LCAs	Ecoinvent, Supplier specific, DEFRA	164,916	135,345
2 Capital goods	Average spend-based	DEFRA	17,131	12,632
3 Fuel and energy-related activities	Average-data method	DEFRA	859	1,100
4 Upstream transportation and distribution	Distance-based and average-data	DEFRA, Supplier specific	90,245	39,932
5 Waste generated in operations	Waste-type-specific	DEFRA	93	230
6 Business travel	Distance and spend-based	DEFRA	2,630	9,605
7 Employee commuting	Distance-based	DEFRA	9,617	7,258
8 Upstream leased assets	Asset-specific	IEA, EPA, DEFRA	1,870	1,922
9 Downstream transportation and distribution	Distance-based and average data	DEFRA	8,953	5,749
11 Use of sold products	Direct use-phase emissions (electricity)	IEA, EPA, DEFRA	50,495	41,792
12 End-of-life treatment of sold products	Waste-type-specific	DEFRA	2,197	1,542
Total GHG emissions (location-based)			**357,717**	**265,603**
Total GHG emissions (market-based)			**358,837**	**261,290**
Biogenic CO2 emissions in Scope 1		DEFRA	0.10	0.13
Biogenic emissions in the value chain		Ecoinvent, DEFRA	-4,956	-4,780
GHG emissions intensity (tCO2eq/ DKK million)				
Total GHG emissions (location-based) per net revenue			19.4	14.8
Total GHG emissions (market-based) per net revenue			19.4	14.5

Greenhouse gas removals

Throughout 2024, GN has enabled GHG removals from seven climate change mitigation projects outside our value chain. These have been financed through the purchase of carbon credits amounting to the removal of 263 metric tons CO2eq.

GN is committed to reaching net-zero emissions by 2050 at the latest, which will require us to neutralize any unabated emissions by the same year. For the scope, methodology, and frameworks applied in setting this target, please refer to E1-4 (Climate change mitigation targets). We plan to expand upon our current carbon removal portfolio and neutralize residual emissions through removal projects occurring outside our own operations and value chain. We monitor the development of the carbon removal market to assess opportunities to maximize the safety and reliability of our carbon credits.

GN only partners with reputable suppliers and business partners, ensuring that all projects have undergone thorough due diligence assessments to certify quality and integrity. Projects are assessed based on indicators relating to climate impact, co-benefits, integrity, and the outlook of each project to validate the safety and reliability of the carbon storage. All projects, except one, are certified under a recognized quality standard. No projects have been retired during 2024.

All GHG removals are from technological sinks and fall under category 5 in the Oxford Offsetting Principles. This means the carbon removal involves extracting CO2 from the atmosphere and storing it in the geosphere, such as through direct air capture with geological storage (DACCS) or converting atmospheric carbon into rock through remineralization.

§ Accounting policies

GHG removals

The metrics represent the carbon removal of 7 climate change mitigation projects from five countries, including the applicable offset method, certification standard and the relevant time period. All metrics, except from one project (Running Tide), have been externally verified by both the certifying party of the relevant carbon credit(s) and Klimate.co, ensuring the validity and accuracy of the carbon removal.

Credits by offset method

Removal or reduction	Oxford category	Offset method	Biogenic or Technological	tCO2eq
Removal project	5	Aquatic Biomass Sinking	Technological	7
Removal project	5	Artisanal Biochar	Technological	196
Removal project	5	Bio-oil	Technological	8
Removal project	5	Industrial Biochar	Technological	53
Grand totals				**263**

Share of each recognized quality standard

Credits by certification standard	tCO2eq	Percentage
Artisanal C-sink standard	196	74%
EBC C - Sink	39	15%
Puro.earth	13	5%
Isometric	8	3%
No certification	7	3%
Grand totals	**263**	**100%**

Share of projects issued in the EU and non-EU countries

Project country	Project country	Project	tCO2eq	Percentage
Non-EU project	Kenya	Bio-Logical	13	5%
Non-EU project	India	Carboneers - Odisha & Assam	22	8%
Non-EU project	India	Varaha - Banni Biochar	174	66%
Non-EU project	**Totals for India**		**196**	**74%**
Non-EU project	United States	Charm Industrial - 2027 Vintage	4	2%
Non-EU project	United States	Charm Industrial - 2028 Vintage	3	1%
Non-EU project	**Totals for United States**		**8**	**3%**
Non-EU project	Iceland	Running Tide	7	3%
Totals for Non-EU project			**224**	**85%**
EU project	Germany	Carbuna	39	15%
Totals for EU project			**39**	**15%**
Grand totals			**263**	**100%**

Date and amount of carbon credits cancelled and expected to be cancelled in the future

Year planned to retire	Project name	tCO2eq
2025	Bio-Logical	13
2025	Carboneers - Odisha & Assam	22
2025	Carbuna	39
2025	Varaha - Banni Biochar	174
Totals for 2025		**248**
2027	Charm Industrial - 2027 Vintage	4
Totals for 2027		**4**
2028	Charm Industrial - 2028 Vintage	3
Totals for 2028		**3**
Grand totals		**256**

Pollution

IROs

We have identified two negative impacts related to pollution (see page 52). Firstly, an actual negative impact because we utilize substances of concern and very high concern during the production processes within our own operations, which can adversely affect human health and ecosystems. The same IRO also addresses our upstream value chain, specifically in terms of the negative impact of component production and the resulting substances of concern and very high concern that may be embedded in our products.

The second negative impact relates to the release of harmful substances during the extraction of raw materials manufacturing processes and transportation in our upstream value chain. These substances can pollute water, soil and ultimately enter the food chain.

Policies

GN's Environmental Policy addresses our pollution-related negative impact in terms of substances used during both production in our own operations and outsourced manufacturing. Our policy commitments include compliance with all pollution-related legislation related to the use of substances of concern and very high concern, such as REACH and RoHS, and the substitution of substances with less harmful alternatives that can fulfil the same purpose, even when not legally required. This policy is supported by internal procedures on controlling and limiting the impact of incidents and emergency situations.

Our Supplier Code of Conduct covers supplier requirements in terms of pollution, specifically addressing our negative impacts relating to our value chain. Through this, we expect suppliers to comply with all pollution-related legislation and proactively minimize or eliminate emissions and discharges of pollution, which can have a potential negative impact on the pollution of water, soil and food.

The implementation of these policy commitments is managed by senior management functions in our quality and legal functions. In support of achieving our policy intentions, we continuously evaluate and test performance to ensure compliance with legal requirements. Products that are manufactured in our own operations (hearing aids) are subject to medical regulatory requirements, which include obligations on material use. For products for which manufacturing is outsourced, all suppliers providing products or components to GN are required to complete a declaration of compliance to conform with our policies.

In response to the impact related to water, soil, and food pollution in our value chain, we audit suppliers on breaches of our Code of Conduct as part of our wider supplier due diligence processes, where to meet our ambitions for ongoing full compliance, major violations are subject to mandatory corrective action.

Actions

To address these potential negative impacts, we strive to continuously substitute or reduce our use of hazardous substances, in our own operations and value chain wherever possible. All current and planned actions are undertaken within the parameters of our existing product development programs, financial planning and business model.

Own operations

To support our policy objectives in this area, as well as moving beyond compliance with our internal policies through our health and safety processes (see pages 89-90), we phased out the use of dichloromethane as a cleaning agent in 2024, replacing it with a more effective and less harmful alternative.

As another action in 2024, at our manufacturing facility in Xiamen, we have significantly reduced our consumption of isopropyl alcohol (estimated annual reduction of 69% in liters consumed in 2024 versus 2023) by installing onsite recycling capability.

In 2025, we aim to work with stakeholders in our R&D, quality and legal functions to understand additional areas where we can take actions in substituting substances with less harmful alternatives throughout our production processes.

Value chain

As part of our policy objectives, a key focus is the continuous evaluation of compliance regarding the use of harmful substances by our suppliers. During 2024, all relevant suppliers have completed a declaration of compliance to show adherence to our policies in this area. This has enabled a better view of any high-risk areas in our value chain, as well as a better understanding of potential negative impacts relating to pollution of water, soil, and food, driven as a result of the use of hazardous substances.

For products for which we depend on outsourced manufacturing, our focus is on phasing out halogens, specifically bromine, choline and fluorine. For Jabra products, we set requirements for suppliers and verify compliance through in-house testing. We expect to phase out bromine and chlorine in 2025 (where we have set a control limit that these substances cannot exceed 900 parts per million (ppm) individually or 1,500 ppm when combined) for flame-retardant parts, where phase out of these halogens in batteries will likely take longer. We have completed phase out of these substances for all other parts. We expect to phase out fluorine by 2026 for the same parts (where this substance cannot exceed 50 ppm).

Our current setup ensures compliance with our control limits but does not give us precise volumes of substances used in our value chain. With the aim of being able to report actual volumes in accordance with phased in data points in ESRS E2 for substance use in the value chain in future, we have commenced an action in 2024, running until 2026 to change our processes so that we obtain full material declarations from all suppliers for substances of very high concern.

To support further efforts towards compliance with the Ecodesign for Sustainable Products Regulation (ESPR) and Digital Product Passport (DPP), we have assessed the potential of integrating our systems and automation efforts to capture data on the full product lifecycle. In 2025, we expect to continue developing our capabilities in this area, such as investigating the use of new technology and applicable tools to improve data capture relating to substances of concern which are embedded in our products.

Targets

We have no mandatory or voluntary targets for substances of (very high) concern either in our own operations or value chain. Due to lack of comprehensive data it has not been feasible to establish realistic and achievable targets at this time, however we will assess whether a target can be set once we have developed a baseline of total volumes used. For our own operations, we will also assess in 2025 whether we will set targets, where our key consideration will be whether setting targets will help us achieve our policy objective more effectively than our current processes based on continuous compliance and improvements. Moreover, we do not have any mandatory or voluntary targets for air, soil and food pollution in the value chain. Our supplier due diligence processes ensure that we are only working with suppliers that are compliant with pollution-related regulations as well as our Supplier Code of Conduct. Furthermore, our audit processes enable us to continuously monitor and track compliance within this area.

Metrics

We will not report this metric for substances products or components for which manufacturing is outsourced, as these fall under the phase in provision given that these substances are added to components or products in our value chain. As such, our reported metric only includes substances added to products or components in our own operations, i.e., as part of manufacturing of hearing aids.

Substances of (very high) concern in production

We include all substances used in the production process within our own operations, including any applicable substances which leave our facilities.

§ Accounting policies

Total amount of substances of concern and substances of very high concern used in own operations

To report the total volume of substances of (very high) concern for production sites, we have collected usage or purchasing data for the substances that are in scope at our manufacturing sites in China, Malaysia, Denmark, and Spain. The total quantities used at these sites have been extrapolated to account for the remainder of our manufacturing sites where we have similar activities. Total amounts have been grouped by their respective hazard class as well as the level of severity within a given hazard class. All volumes are reported in litres. The metrics and use of substances of (very high) concern is externally verified at all sites and in accordance with local environmental legislation.

The hazard of a substance divides health, environmental and physical hazards into separate hazard classes such as reproductive toxicity, skin sensitization, carcinogenicity etc. The severity of the hazard within each class is described by the category. Some classes have five categories; other classes have only one category. Category 1 always represents the most severe hazard within that class. The higher the category number, the lower the severity of the hazard. Each substance can have more than one hazard class and several of the substances used will therefore be accounted for in more than one hazard class. For example, a substance that is skin sensitizing can also be carcinogenic and will be counted twice (one time in the skin sensitization hazard and once in the carcinogenicity hazard).

For detailed information about the hazard classes and its categories pleaser refer to Regulation (EC) No 1272/2008 (the CLP regulation) or see guidance on CLP (https://echa.europa.eu/guidance-documents/guidance-on-clp).

Overview of substances of very high concern

Hazard class	Substance	Amount in litres generated, used or procured during production
PBT (Article 57d) or vPvB (Article 57e) *	Octamethyl Cyclotetrasiloxane	-
Totals for Toxic for reproduction (Article 57c)		**246**
Toxic for reproduction (Article 57c) **	Bis(2-hydroxy-3-tert-butyl-5-methylphenyl)methane	-
Toxic for reproduction (Article 57c)	Diphenyl(2,4,6-trimethylbenzoyl)phosphine oxide	246

* Refers to the REACH regulation and covers substances that have Persistent, Bioaccumulative and Toxic properties or substances that have very Persistent and very Bioaccumulative properties. Very small amounts of substances that has these properties, are used
** Very small amounts of substances are used

Overview of substances of concern

Hazard class	Amount in litres generated, used or procured during production	Amount in litres leaving facilities as products
Hazard - Carciogenity	**215**	**-**
Category 1	150	-
Category 2	65	-
Hazard - Chronic hazard to the Aquatic Environment	**6,041**	**79**
Category 1	269	-
Category 2	625	-
Category 3	1,418	79
Category 4	3,729	-
Hazard - Germ Cell Mutagenity	**3**	**-**
Category 2	3	-
Hazard - Reproductive Toxicity	**1,135**	**-**
Category 1	74	-
Category 2	1,061	-
Hazard - Respiratory Sensitisation	**3,096**	**-**
Category 1	3,096	-
Hazard - Skin Sensitisation	**6,020**	**-**
Category 1	6,020	-
Hazard - Specific Target Organ Toxicity, repeated exposure	**2,861**	**807**
Category 1	385	807
Category 2	2,476	-
Hazard - Specific Target Organ Toxicity, single exposure	**1,326**	**-**
Category 1	6	-
Category 2	1,320	-

Resource use and circular economy

IROs

We have two IROs related to resource use and circular economy reflecting the financial risks and environmental impacts of our dependence on a wide range of materials for the manufacturing of our products (see page 52). For resource inflows, we have one actual negative impact, reflecting our dependence on virgin materials for our products related to our own operations and value chain, respectively.

For resource outflows, we have one negative actual impact, reflecting the extent to which our current business model and product design is not fully aligned with circular economy. Attached to this IRO, we also have one financial risk, reflecting the potential financial implications of not transitioning to a more circular business model, as required by legislation or customers.

Aside from mitigating the risk and impacts of relying on finite and scarce resources, moving towards a more circular business model provides opportunities to reduce electronic waste and meet increasing demand for circular products and services.

Policies

Our Environmental Policy, covering GN's approach to all material environmental topics across our own operations and value chain, includes a section on resource inflows, stating that our commitment to reducing resource inflows by optimizing for efficient resource use in the design of our product and avoiding unnecessary production waste. Where this is technically and operationally feasible, we are committed to introducing recycled or renewable alternatives for materials used in our products. For biological or renewable materials, such as paper and cardboard used in our packaging, we strive to source these materials sustainably to ensure this does not lead to deforestation. The provenance of the materials we use is pivotal to the impact of our value chain, which is why we source materials with credible third-party certifications, such as FSC, ISCC Plus and Global Recycling Standard.

Our Environmental Policy also covers resource outflows, stating that we strive to minimize generation of waste from our business by including circularity principles, such as durability, repairability, recyclability and ease-of-disassembly, into the design of our products. The policy also states that in terms of management of products in-market or at end-of-life, we strive to recover or maintain value through services and partnerships that support reuse, refurbishment or recycling of products or components through enabling remanufacturing, refurbishment, repair, out-of-warranty takeback schemes and as-a-service leasing models.

This policy is approved by our Board of Directors, and Executive Management is accountable for implementation.

Our policy commitments also include ongoing work to ensure compliance with product recycling legislation, where we finance recycling infrastructure according to the EU WEEE directive in EU markets. In the U.S. states, where some of our products are covered by extended producer responsibility legislation, in 2024 we established partnerships to enable end-users to send their products in for recycling.

Actions

In addressing our material IROs related to resource use and circular economy, we have taken considerable steps both in terms of the sourcing of materials for our products and the end-of-life management to limit outflows and waste. The actions undertaken in 2024, including those planned over the coming reporting period(s), are aligned with the existing parameters of our financial planning and business model.

Resource inflows – materials

We aim to achieve at least 50% of materials in our products to be recycled or bio-based, measured as part of the total weight of mechanical parts, which is supported by a number of our circularity targets (see

E5-3 Targets related to resource use and circular economy. In 2024, we have achieved an overall use of 19.1% across our full product portfolio, and we are continuously investigating more sustainable materials and evaluating their potential to ensure we have a catalogue of materials made from recycled or renewable resources available for product development. Our focus has been on plastics, but we have commenced investigating alternatives to metals and fabrics as well.

Resource inflows – packaging
A key action for GN is increasing the share of packaging that is FSC Mix certified. During 2024, we increased the share of cardboard and paper packaging that is FSC certified to 71%. New product packaging has also been designed to increase its recyclability and percentage content of recycled material.

Moreover, we are also taking actions to increase the share of recycled and sustainably sourced bio-based material across the full product portfolio (see E5-3 Targets related to resource use and circular economy, see pages 81-82). To take further action in this area in 2025, we have dedicated resources towards product development to include at least 50% of such materials as a percentage of the total weight of mechanical parts, as a requirement in all new programs in Enterprise and for all non-True Wireless (TWS) headsets and mice in Gaming. In Hearing, we will be taking an action to investigate recycled materials for end user cases, chargers, and wireless accessories. Moreover, as noted by our action in 2024 on packaging – we will continue the rollout of FSC-certified packaging across all products to ensure more sustainably sourced materials are used.

Over the next two years, we are also aiming to take actions related to testing and introducing recycled metals, while between now and 2030, we will also investigate the feasibility of implementing more sustainable materials used in electronic components, such as PCBs, speaker drivers and batteries, working closely with suppliers and engaging in partnerships to drive innovation in these areas.

Resource outflows - repairability
An important area for GN is to pursue initiatives relating to circular designs of our products to limit resource outflows. During product development process, we engage with internal stakeholders involved in product development to set requirements for ease of repair, remanufacturing and disassembly, striving to optimize our design for circularity without compromising on product quality and durability. While this is an ongoing process, we have taken considerable steps in 2024 to assess 16 of our products on the internal repairability index (see page 85), where most of them are considered (highly) repairable accordingly.

While we are working towards ensuring that our products are as repairable as possible, another key action is to also extend our repair and remanufacturing initiatives. For in-warranty products, our repair center in Xiamen, China, repairs headsets, speakerphones, and video bars. In 2024, 99% of products returned for repair were repaired.

Returned hearing aids are remanufactured at our site in Malaysia and returned to the market as replacement devices. In 2024, we achieved a remanufacturing rate of 48% for returned hearing aids.

Over the next year, we aim to achieve better repairability of all our products, which is also supported by our resource outflows target (see E5-3 Targets related to resource use and circular economy, see pages 81-82). In 2024, we also commenced a wide-ranging repair strategy program to run until 2027 with the aim of full compliance with right-to-repair and sustainable battery legislation and maximizing the value of repair for end-users, business partners, and our business through setting additional requirements for designing for repair and developing a scalable model for enabling product repair.

Resource outflows – take-back and remanufacturing
Another planned initiative related to resource outflows is a take-back scheme, which we are intending to launch in early 2025. Through this scheme, we will enable voluntary returns of both in-and out-of-warranty products, initially limited to Jabra products in the enterprise segment for selected customers, enabling responsible processing of returned products to limit unnecessary waste.

Targets

Resource inflows - materials
Towards achieving our policy intention to reduce the impact associated with our resource use, we are introducing recycled and non-fossil materials, which is driven by our voluntary target set in 2021 to use at least 50% recycled or renewable material in all newly developed products in 2025, measured as the percentage of the total weight of mechanical parts (i.e. plastics, metals, fabrics and other non-electronic parts). This target was set in 2021 based on internal consultation of experts in R&D, product management and sourcing. Our baseline when we set the target in 2021 was 0%.

Through this target, we aim to increase the use of circular material and minimize the use of primary raw material by building a stable supply of recycled materials to apply across our product portfolio, ultimately contributing to a lower environmental footprint of our materials and more developed and therefore cost-effective recycling capabilities across our supply chain.

We monitor and review progress towards this target by including a product-specific requirement during the product development process in line with this target, where products to be launched need to meet this target unless this is not feasible for technical or business reasons.

We are on track to meet this target as for product categories where this is feasible, with three products launched in 2024 meeting this target already.

To further support this, we have set a target to increase the share of recycled and bio-based material use across the full product portfolio to 25% with a baseline of 19.1% in 2024.

Resource inflows – packaging
Cardboard and paper packaging accounts for approximately 34% of our total material use by weight. In support of our policy objective to minimize the impact of our resource use, we have a target to obtain FSC certification for all paper and cardboard packaging in new products by 2025. We are on track to meet this target with FSC-certified cardboard and paper used for packaging for the majority of products in 2024. The share of cardboard and paper packaging that is FSC certified across GN by weight has increased to 71% in 2024 as a consequence.

Resource outflows – repairability
To ensure we are able to monitor and track effectiveness of actions taken to minimize our resource outflows, we have set a 2025 target relating to repairability. For this target we aim to ensure that all new products for which development starts in 2025 (except Hearing) to be 4 or higher (on a scale from 0-5) on GN's internal repairability index. Through this target, we also aim to contribute to improved circular designs of our products by ensuring high repairability. We have set this target in consultation with experts in R&D, product management and sourcing, as well as with GN's Executive Management.

Processes for target-setting

We will likely set further targets to address other matters related to resource use and circular economy, such as shortcomings regarding meeting the EU Taxonomy technical screening criteria under Substantial Contribution for our core economic activity CE 1.2 (see pages 63-66). As earlier stated, we expect to see increased alignment with these requirements as we work towards achieving the above-mentioned targets.

All targets have been set based on insights into development trends in the market, as well as considering availability of resources, materials, supplier performance, and cost considerations. All current targets and our ambition level in setting further targets in this area is to comply proactively with legislation and stakeholder expectations. As such, we determine which metrics to use for our targets based on three considerations:

- (Emerging) legislation, such as right-to-repair and extended producer responsibility laws, which could require reporting on progress in specific areas of resource outflows
- Stakeholder demands, such as customers requiring further insights in progress in areas of for example repairability or durability
- Effectiveness of achieving greater circularity in our business model, where targets should be in areas where the metric best represents true circularity impact, as measured by progress towards current or future targets

In the meantime, we track the effectiveness of our actions related to resource outflows using the same considerations. For example, the way we roll out our takeback scheme in a way that is optimized for meeting demands of customers.

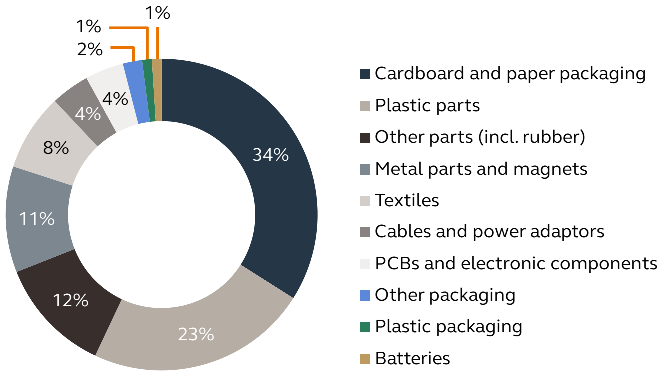
Resource inflows metrics

Resource use associated with the manufacture of our products and packaging is a highly material topic for GN. Multiple material types, including plastics, metals, textiles, cardboard and adhesives, are required to make our products and packaging. GN purchases intermediary and finished products from our suppliers. The total weight of these products that are used across our own product and packaging portfolio are therefore reported, including breakdown of broad material types to provide greater insight into GN's resource consumption and management of transition risks related to critical raw materials. An estimated 20% of the materials used in our products and packaging was either recycled or sustainably sourced biological materials.

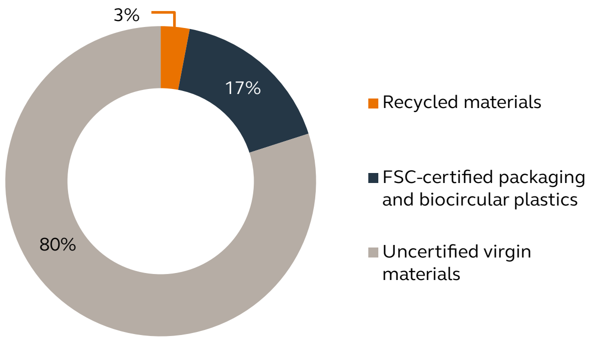
For GN, biological materials refer to paper, cardboard and bio-based plastics used in our products and packaging. Within this, we source FSC-certified packaging and ISCC Plus-certified biocircular plastics. Therefore, we report on the percentage of biological materials that have either of these certifications. Secondary intermediary products are used in the form of post-consumer recycled plastic pellets, with varying percentages of recycled content, depending on the product.

Resource inflows - products and packaging	2024
Total weight of material (metric tons)	11,178
Percentage of biological materials that is sustainably sourced (FSC)	17%
Total weight of recycled materials (metric tons)	309
Percentage of recycled materials	3%

Resource inflows per material type (by weight)



Share of recycled and FSC-certified materials



§ Accounting policies

All resource inflows metrics are estimated using our product lifecycle assessments (LCAs), as these contain verified component-level data, including material composition and measured weight. The LCAs we have available are allocated at the item level across the product portfolio. All LCAs are third-party verified according to ISO 14067.

For products currently lacking an LCA, a reference LCA is allocated. Professional judgement is applied in the selection of a reference that will best represent the product or part. An uplift is conducted for items that cannot be represented by an LCA, based on the calculated average per unit volume purchased or produced. For Enterprise, Gaming & Consumer products, one unit packaging per unit product has been assumed.

Total weight of products and materials

The total weight of products is calculated by multiplying product or part component-level weights by the total production or purchase volumes at product or part level in the reporting year.

Percentage of biological materials that is sustainably sourced

Product and packaging components containing biological materials and corresponding certifications (FSC) for sustainable sourcing are tagged on the component level and their weights calculated proportionately to the relevant total.

Weight of secondary intermediary products

GN product and packaging components containing secondary intermediary products are tagged on the component level. The percentage recycled content of the intermediary product is multiplied by the total weight of the component.

Recyclability

The rate of recyclable content across GN products in 2024 was 67%, while recyclable content of packaging was 81%. Materials considered to be recyclable, such as plastics, metals and cables, accounted for approximately 36%, 17% and 5% of total product weight, respectively.

Recyclability	2024
Rate of recyclable content in products	67%
Rate of recyclable content in packaging	81%

§ Accounting policies

The recyclability of products and packaging

The share of products and packaging that is recyclable has been estimated by weight using our product lifecycle assessments (LCAs), as these contain verified component-level data, including material composition and measured weight. The LCAs we have available are allocated at the item level across the product portfolio. All LCAs are third-party verified according to ISO 14067.

For products currently lacking an LCA, a reference LCA is allocated. Professional judgement is applied in the selection of a reference that will best represent the product or part. An uplift is conducted for items that cannot be represented by an LCA, based on the calculated average recyclable weight per unit volume purchased or produced. For Enterprise, Gaming & Consumer products, one unit packaging per unit product has been assumed.

The total share of recyclable products and packaging is calculated by multiplying product or part component-level weight by the total product- or part-level production or purchase volumes in the reporting year. The weight is then summarized by material categories and broad product category (i.e. headsets, keyboards etc.). The summed weight for the material and product categories considered to be recyclable at scale are then calculated as a percentage of total weight of resource inflows.

Product durability

For video, audio and gaming products, based on the data inputs used (see accounting policy), it was concluded that legal warranty period is the most appropriate data type for estimating products' durability. We estimate that product durability for these products is equal to the warranty period at a minimum. In practice the products will often last longer than the minimum warranty period. The warranty period for these products differs, ranging from 1 to 5 years. Gaming and consumer products typically have 1-2 years warranty, video products typically have 2 years warranty, while selected Biz, BlueParrott and Engage headsets typically have 3 years warranty. Extended warranty services can increase warranty up to 5 years for selected products.

For hearing aids, we design our products to minimum 5-year durability, which takes origin in the initial requirements for the minimum storage time for documentation in the Medical Device Directive. GN is therefore required to ensure safe and effective use of its products for at least 5 years, which is documented in our submissions to authorities as part of product approval.

Comparing to industry average is not possible, as these are not available and with this being the first year in which CSRD is in place, we cannot calculate an average based on other companies in CSRD's scope within our industries either. We therefore limit the disclosure to the estimated durability of our products.

§ Accounting policies

Key products from the production process

From our three core business areas, the following products are in scope:

- **Hearing**: Hearing aid, accessories, and packaging
- **Enterprise:** Audio and video devices for professional use and packaging
- **Gaming & Consumer**: Gaming devices, peripherals and packaging, consumer audio devices and packaging

The durability of video, audio and gaming products

To assess the durability of these products, we have used the following data inputs:

- Durability requirements set in the product development phase of products, reflecting the intended durability of products
- The legal warranty period, representing the minimum expected lifetime of a product in the market
- Return rates within the warranty period, in order to confirm that products generally do not break during the warranty period
- Where feasible, the nature and timing of product returns to assess whether returns reflected end-of-life of a product

§ Accounting policies

The durability of hearing aids

To assess the durability of hearing aids, we considered the design requirements for durability, which are included in binding submissions to authorities as part of product approval. These design requirements take origin in the legal requirements as stipulated in the Medical Device Directive in terms of the minimum required duration for manufacturers of hearing aids to ensure safe and effective use of the product.

Product repairability

GN has established an internal repairability index which assesses the ease of repairing a product. Based on the repairability index calculation, products are divided into five categories: highly repairable, very repairable, medium repairable, low repairable and not repairable. See the table on the right.

For new audio, video and gaming products, product repairability is assessed in the early product development phase to provide input to the project team on how to improve product design for repair.

In 2024, GN conducted repairability assessment for 19 enterprise and gaming products. The analysis conducted shows that 60% to 70% of the assessed products are highly repairable (5 out of 5 on our repairability index) or very repairable (4 out of 5 on our repairability index). Hearing products were not included in the formal assessment process, but returned in-warranty hearing devices are remanufactured at our site in Malaysia and returned to the market as replacement devices. The remanufacturing rate of 48% demonstrates the repairability of these products.

In 2025, GN will continue repairability assessments across our full product portfolio and further integrate repairability requirements into the product development process.

§ Accounting policies

The repairability of products

To report on product repairability, we established an internal index for assessing product repairability for audio, video and gaming products based on:

- the extent to which the design of the product allows for it to be repaired, where parts of highly or very repairable products are easy to replace and repair without specialist tools, with no damage. Medium and low repairable products require technical knowledge and specialist tools to repair with likely damage, while not repairable products are (nearly) impossible to repair, with very likely damage
- the time and resources required to repair the product in practice
- the sum of components' remaining value compared to the total material value

In practice, the connector type between components is an important factor determining the score of a product on the index.

For hearing products, we have not executed a repairability assessment, but have instead assessed repairability based on whether hearing aids are repairable in practice through our owned remanufacturing setup. This setup demonstrates hearing aids are generally repairable.

Index	Level	Description	Repairability % (Key indicator)
5	Highly repairable	Excellent Repairability design Highly modular design, parts are easy to replace and repair without the need for special tools. Repair process Does not damage any components, and there is basically no complex process.	>80%
4	Very repairable	Good Repairability design considers the ease of repair, making routine replace and quick fixes straightforward and convenient. Repair process The assembly and disassembly process is less complex, parts are easy to disassemble and replace, with very few parts prone to damage.	70-79%
3	Medium repairable	Medium Repairability design The design has some reparability, but still requires technical knowledge and tools. Repair process The assembly and disassembly process is general, with some parts prone to damage during disassembly.	60-69%
2	Low repairable	Low Repairability design Poses challenges in repairs, necessitating the condition of specialized tools and a high level of technical expertise to overcome. Repair process The assembly and disassembly process is complex, with many parts prone to damage during disassembly.	50-59%
1	Not repairable	Impossible Repairability design Repairs are nearly impossible. Repair process The assembly and disassembly process is difficult and most of parts prone to damage.	<49%

Sustainability statement

Social

Own workforce	87
Workers in the value chain	95
Consumers and end-users	99

Customer-centric innovation for over-the-counter hearing

GN offers customers the smallest over-the-counter hearing aid yet with future-ready connectivity.

The Jabra Enhance Select 500 features a "micro" design that is 25% smaller than standard receiver-in-ear hearing aids.

It supports Bluetooth Low Energy Audio streaming for calls, music, and media and is ready for the future with Auracast broadcast audio for direct audio transmissions in equipped concert venues, event spaces, and transit centers

Own workforce

IROs

Reflecting that GN is a global company with blue and white-collar employees spread across different geographies, we have six IROs related to our own workforce, all of which are impacts (see pages 52-53). Three of the IROs are related to working conditions, specifically addressing negative impacts in terms of working time, adequate wages, and health & safety. The other three IROs relate to equal treatment and opportunities, including equal pay, harassment, and diversity. The IROs are considered in terms of all GN employees, however negative impacts related to health and safety are particularly relevant for blue-collar employees at our major manufacturing sites. Disclosures on employee engagement and remediation and channels for raising concerns are relevant to all IROs, while the disclosures on human and labor rights refer to the material impacts linked to health & safety, diversity and anti-harassment.

Policies for managing IROs

GN has implemented several policies for managing material impacts related to own workforce.

As a member of the UN Global Compact since 2010, GN is committed to safeguarding human rights and labor rights principles in its own workforce. Accordingly, GN operations and business activities are guided by the UN guiding principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

GN upholds human rights principles through the implementation of policies and procedures which prevent discrimination, harassment, advances diversity, and ensure fair and equal treatment of its workforce.

To address IROs on working time, adequate wages and health and safety, the GN Ethics Guide outlines our employment practices which are aligned with human and labor rights principles. GN also respects voluntary freedom of association, including the right to organize and bargain collectively in a manner that is legally compliant. GN does not accept child labor and forced labor as defined by the UN Convention on the Rights of the Child.

To ensure the health and well-being of our employees, GN has implemented health and safety policies and procedures locally in accordance with country legislation and regulatory requirements.

In addressing IROs related to equal pay, harassment and diversity, GN has a dedicated Diversity, Equity and Inclusion policy which outlines beliefs and aspirations for equal treatment and opportunities for all its employees. Similarly, a dedicated anti-harassment policy promotes respectful culture and aims to raise awareness about bullying and how to report inappropriate behavior. GN policies are designed for all employee groups at every level to eliminate discrimination and uphold human rights principles.

To prevent discrimination and promote an inclusive culture, GN has launched various communication campaigns, provided training, and established employee resource groups. Additionally, GN encourages an open dialogue and feedback to continuously improve its policies and internal procedures.

GN provides channels for raising concerns, including potential human rights impacts, and has established internal procedures for handling the cases to ensure remedy for its employees.

Actions for managing IROs

GN has taken several actions in response to potential negative impacts on a case-by-case basis. Depending on the nature of the impact, actions are determined based on:

- International and local standards and regulations
- Internal policies
- Input from employee engagement processes

GN ensures adequate resource allocation for addressing each material impact with clearly defined roles and responsibilities.

Execution of actions is anchored in GN's existing governance structures, which defines roles and responsibilities, and ensures sufficient resource allocation.

To evaluate effectiveness of actions implemented, GN conducts assessment and collects the necessary data for analysis. The results are reviewed by senior management to identify areas that require attention, allowing for necessary amendments to be made where needed. For longer term initiatives, GN performs continuous assessments to address any emerging issues promptly.

Targets set for managing IROs

To measure progress of the initiatives implemented, GN has set targets for a number of IROs.

To set targets, GN gathers baseline data on the current performance of the material impacts identified. GN also uses data available from employee engagement for setting and monitoring target performance. This includes GN's biannual employee engagement survey, employee resource groups and representatives, and other channels available for raising concerns. Based on the target performance and recommendations from management reviews and employee engagement, GN continuously identifies lessons learnt and improvements.

Employee engagement

We value our employees' views and perspectives and maintain continuous dialogue to ensure their input is considered. At GN, we are committed to providing a safe and supportive environment for all employees to report concerns.

We conduct an employee engagement survey - GN Voice - twice a year where we ask all employees to share their opinions and ideas on areas at their workplace known to significantly impact the well-being, performance, and growth. The engagement survey gives employees the opportunity to provide detailed and constructive feedback to guide leaders as well as the teams they are part of. Based on the engagement survey results, team leaders are required to facilitate focused team sessions where key topics are discussed, and action plans created. Further to the GN Voice survey, GN conducts ad hoc pulse checks in departments where major transformation takes place to ensure employees' views and perspectives are considered.

Employees can at all times engage with their direct manager, HR business partner, contact GN's global Diversity, Equity, and Inclusion team, or join employee-led employee resource groups. GN also conducts webinars, communication, and awareness campaigns on topics such as mental health, neurodiversity, and health and safety. Additionally, GN has established employee resource groups that aim to gain insights into the perspectives of marginalized employees. This includes a global network of female professionals in GN, a global network for LGBT+ colleagues and allies, and a network for black colleagues and supportive allies across the company. The results from the campaigns and employee feedback are reviewed and evaluated by Diversity, Equity, and Inclusion (DEI) to identify new initiatives and actions. Employees are also encouraged to share their comments and views on internal Teams channels and the GN intranet.

Remediation and channels to raise concerns

GN's whistleblower hotline, the GN Alertline, is accessible to all internal and external stakeholders for raising their concerns and reporting business ethics misconduct. The GN Alertline is a secure and confidential reporting tool hosted by an independent third party. All investigations are handled by designated and trusted GN employees.

The GN Alertline permits internal and external stakeholders to report concerns in good faith and is part of GN's commitment to being a credible and responsible company, with a continuous focus on improving corporate governance processes.

To raise awareness about the GN Alertline and to encourage employees to speak up, GN regularly conducts communication campaigns, latest in 2024. The communication campaigns also enable GN to assess employee awareness and trust of the channels provided. In addition, guidelines on how to access the GN Alertline and report cases are available on GN's intranet and external website.

Cases reported are handled by designated and trusted employees in the Group Business Ethics & Compliance department who assess the information and initiates investigation, if required. Reported cases are treated seriously and confidentially ensuring a fair outcome after thorough investigation. All reports are handled confidentially to protect the identity of those involved, fostering a safe environment for individuals to voice their concerns without fear of retaliation. GN's commitment to protect those reporting misconduct from any kind of retaliation or repercussions is outlined in GN's Non-Retaliation Policy. For more information on the Non-Retaliation Policy and GN Alertline, see chapter G1 Business Conduct.

Employee characteristics

At the end of the reporting period, our total employee headcount is 8,145 employees. The most representative number in the financial statements can be found in note 2.3 on page 126. Our operations are widespread, with significant employee presence in key regions.

The gender distribution is balanced with 4,098 males, 3,969 females (12 workers who identify as non-binary and 66 workers where we miss gender data).

The majority of our workforce (7,265 employees) are on permanent contracts, with 643 of these employees are non-guaranteed hours workers. In addition, GN has 880 employees on temporary contracts. The temporary workers, who make up 10.8% of our total employees, are crucial for managing operational peaks and lows. Notably, 64% of these workers are in our Operations function, often due to legal requirements - or local market practices - at our production sites. Our total employee turnover during 2024 was 1,234 employees, resulting in a turnover rate of 15.2%.

§ Accounting policies

Employee headcount
The cut-off date for reporting on employee headcount is December 31, 2024.

Reporting on gender
Information about gender is recorded in GN's HR management system, Workday, where we host our total global workforce and other employee master data. Employee headcount is disclosed as "Not reported" (see "Employee headcount by gender") when employees do not provide gender information during the onboarding process. Category "Other" refer to employees who identify themselves as non-binary.

Reporting on contract type
Until September 2024, the Workday system did not systematically capture whether employees have employment contracts with guaranteed or non-guaranteed hours. We have estimated the percentage of non-guaranteed hours workers in the four countries with the highest employee count: Denmark, the U.S., China, and Malaysia. Based on the analysis of the general and local market conditions, it was concluded that non-guaranteed hours employees are only relevant for the U.S. where 40% of the workforce is under such employment conditions.

Employee turnover
Employee turnover includes both voluntary and involuntary permanent turnover for both white-collar and blue-collar employees. The rate is calculated using the total headcount of employees as the denominator.

Employee headcount by gender

Gender	Number of employees (headcount)
Male	4,098
Female	3,969
Other	12
Not reported	66
Total employees	**8,145**

Employee headcount in countries where GN has at least 50 employees

Country	Number of employees (headcount)
Denmark	1,841
United States of America	1,608
China	1,427
Malaysia	997
India	338
Spain	193
Germany	172
United Kingdom	169
Japan	161
Australia	156
Poland	166
France	122
Taiwan	92
Brazil	89
Canada	89
Italy	83
Korea, Republic of	73
Netherlands	72
Singapore	64

Employee headcount by contract type and gender

Number of employees	Female	Male	Other (*)	Not disclosed	Total
Employees	3,969	4,098	12	66	**8,145**
Permanent employees	3,023	3,532	8	59	**6,622**
Temporary employees	631	243	-	6	**880**
Non-guaranteed hours employees	315	323	4	1	**643**

(*) Gender as specified by the employees themselves

Health & safety

Manufacturing set-up
We have our own manufacturing facilities for hearing aids, while our other product lines are produced by outsourced manufacturers. Our two main standard assembly hearing aid manufacturing facilities are in Xiamen (China) and Johor Bahru (Malaysia). GN also operates regional hearing aid manufacturing facilities in Bloomington (U.S.), Sydney (Australia), Seoul (South Korea), Præstø (Denmark), Yokohama (Japan), Madrid (Spain), Mumbai (India) and Toronto (Canada).

We are committed to providing a safe and healthy working environment for all of our employees. Our policies, actions and targets address our IRO on health and safety, specifically covering the negative impact as a result of work-related accidents at our main manufacturing sites.

Policies
We do not have a global health and safety policy, however all GN's manufacturing sites have locally anchored health and safety (H&S) groups and/or more global-oriented Health, Safety, & Environment (HSE) committees.

Actions
We have a continuous focus on improving the health and safety environment and ensuring compliance with local regulations across all the facilities. Workplace risk assessments, employee training and audits are conducted regularly to mitigate health and safety risks and minimize work-related incidents. Formal processes for setting actions are currently implemented in the major manufacturing facilities in Xiamen and Johor Bahru which are ISO45001 certified. At our less labor-intensive manufacturing facilities, we currently do not have the same robust processes as in Xiamen and Johor Bahru. In 2025, this will be

strengthened as part of building a global H&S governance, including a global policy.

Local H&S groups in Xiamen and Johor Bahru take actions based on raised concerns, HSE management reviews, and other requirements or risk assessments. The outcome and progress of initiatives is assessed in H&S management meetings.

The following covers some of the determined actions for 2024 and 2025 at the Johor Bahru and Xiamen sites.

- In Johor Bahru, one of the key actions is to continually improve the HSE Management system by conducting internal audits twice a year and monitoring all non-conformance findings in 90 days.
- At the Xiamen facility, local regulations require us to conduct risk assessment and annual hazard identification on a regular basis. We also increased awareness about health and safety risks at this site. As part of this action, June 2024 was “safety month” where various activities such as a safety knowledge questionnaire, newsletter, and drills were in focus.
- In 2025, we will establish a global HSE organization with the objective of defining and implementing Global HSE policies and processes and ensuring that all manufacturing sites become ISO45001 certified. This global HSE function will have the responsibility of implementing global HSE governance of processes with local anchoring and adoption.

Targets

At the Xiamen and Johor Bahru facilities, H&S policies define quarterly reviews of H&S performance, and H&S management system processes include an annual HSE target plan.

We have the following targets for our major manufacturing sites in Xiamen, China, and Johor Bahru, Malaysia:

- To comply with ISO standard requirements and sustain ISO45001 certification, Johor Bahru has set a target to receive zero major non-conformities for the external audit, in line with the 2023 baseline. In 2024, GN has closed external audit with no major non-conformities, and the same target is applicable for 2025.
- Additionally in Johor Bahru, an objective was set to improve HSE awareness via training for local teams and an HSE workshop for all employees. The target is to achieve a 100% completion rate for all the training planned throughout 2024, compared to a 95% completion rate in 2023. In 2024, 100% of the training was completed, and the same target is applicable for 2025.
- For Xiamen, the H&S plan for 2024 included a target of zero fatality or major injury incidents in line with the 2023 baseline. In 2024, there were no major incidents. The same target is applicable for 2025.
- HSE objectives and targets are set by the local HSE organization, reviewed by the HSE Committee with final approval by the local General Manager. In accordance with local HSE Objective Management procedure. Objectives and target performance are reviewed not fewer than once annually in accordance with Xiamen and Johor Bahru HSE Management Review Procedure.

HSE management in Xiamen and Johor Bahru will ensure to include the voices of employees when defining HSE targets. Employees are either directly represented at the sites via employee representatives or have various channels for raising health and safety concerns via for example employee safety representatives, immediate managers, H&S committees, whistleblower hotline, external and internal audits, local HSE representatives, regulatory and legal compliance. Furthermore, in addition to the channels for raising health and safety concerns, local sites also use employee surveys to track companywide employee health targets performance.

Health & safety metrics

As our health and safety processes are currently decentralized, 20% of all the GN employees are covered by a health and safety management system. This includes global manufacturing employees most at risk of being impacted, where 70% of employees based in Xiamen and Johor Bahru are covered by a health and safety management system. In 2024, there were a total of 50 work-related accidents. As a result, the rate of work-related accidents stands at 3.4. There have been no fatalities as a result of work-related injuries and work-related ill health.

§ Accounting policies

Work related accidents and fatalities

Health and safety data is recorded and stored in the systems locally. For the purpose of this disclosure, this was consolidated manually to create a global figure. Data on work-related accidents and fatalities was collected from all the GN locations, and the number of work-related accidents relates to GN’s own employees while the number of fatalities relates to GN’s own employees as well as others working on GN sites.

Rate of work-related accidents

In line with CSRD reporting requirements, the rate of work-related accidents was calculated as the number of accidents per one million hours worked. Employee working hours were collected from local systems and GN’s HR management system, Workday. For the locations where employees do not register hours, contractual hours were used.

Working time

Policies

At GN, we believe that engaged employees who thrive, grow, and perform is a core differentiator in a competitive marketplace, and we are dedicated to foster a great workplace for our people across the globe. One prerequisite for this is to ensure effective resource management and avoid excessive overtime, which we have identified as a material IRO due to the potentially negative impact on the health and well-being of employees of working too many hours.

Accordingly, GN has introduced a new Working Time and Registration Policy for employees globally and a European Union Time Registration Policy for employees working within the EU. These policies are also intended to ensure GN's compliance with local labor laws and international regulations (such as the EU Working Time Directive).

GN's Global Working Time and Registration Policy provides a framework for the management of employees' work hours to ensure effective resource management and the avoidance of excessive overtime.

GN's European Union Time & Registration Policy ensures we comply with the EU Working Time Directive. As the EU Directive has been implemented through local legislation and/or local collective agreements, the rules vary in the different countries. The policy therefore serves as the main guideline, but in case local policies or legislation differs, the local policies and legislation will always prevail.

The Global working time policy is new to GN and processes for establishing adequate monitoring are still pending. This is not considered a major risk as local procedures are in place in the meantime.

Actions

GN has planned to initiate two working time related actions globally commencing in 2025 and running until 2026: The Global Working Time and Registration Policy Implementation initiative and the Policy Access and Awareness initiative.

1. *The Global Working Time and Registration Policy Implementation initiative* covers all employees and activities and is intended to ensure alignment and compliance with objectives stated in GN's Global Working Time & Registration Policy.

2. *The Policy Access & Awareness initiative* will be established and advertised as a central online hub where global and local policies and procedures are easily available for local management, HR, and remote leaders who are responsible for managing and overseeing employee working time in the respective locations.

Targets

GN has not set any additional targets related to working time, but the ambition is to comply with the Global Working Time and Registration Policy standards and to promote a healthy work-life balance. To ensure adherence to GN's globally defined standards and to ensure policy compliance across all locations, regional and/or local policies and/or procedures are reviewed or established as relevant. Local management and HR departments monitor working hours and take corrective actions to prevent breaches of local and international regulations. GN has been attentive to compliance with working time regulations across all locations, but in connection with CSRD, we have introduced a formal framework from 2024.

Adequate wages

Policies

GN is committed to ensure adequate wages for all our employees globally. As GN adheres to country-specific legislation and/or collective agreements, a global policy has not been defined.

Actions

To ensure that GN continues to provide fair and competitive pay, we continuously monitor pay positioning of all GN employees compared to identified pay ranges.

Targets

Besides ensuring that all the GN employees are paid above minimum wage requirement, GN has not set any additional targets related to adequate wages. To ensure that all GN employees are paid adequately, local HR continuously monitor and ensures adherences to local legislation and/or collective agreements. The first year's control on adequate wages has been carried out from a global perspective ensuring that all employees receive at least the country's minimum wage in base salary alone.

Adequate wage metrics

Compared with country-specific legislation and/or collective agreements, all GN employees are paid an adequate wage above minimum wage requirement in all GN locations.

§ Accounting policies

Adequate wages

The adequate wage benchmark used for comparison with the lowest wage is national minimum wage established by legislation or collective bargaining.

Diversity, Equity, and Inclusion

Policies

At GN, our commitment to Diversity, Equity, and Inclusion (DEI) is foundational to our values and operations. Our global DEI policy outlines our beliefs, aspirations, and targets, ensuring accountability at the highest levels, including our Executive Leadership Team (ELT). This policy is aimed at addressing the identified material potential negative impact related to the negative impact on the well-being of employees as a consequence of lack of diversity and applies across all Group companies and is accessible to all employees.

GN is dedicated to regularly reviewing and updating our DEI policies to reflect evolving best practices. We will measure our progress against established targets and ensure accountability at all levels of the organization.

Actions

In 2024 we have made significant strides in our Diversity, Equity, and Inclusion (DEI) initiatives.

- A key achievement is implementation of the new governance model that ensures women are considered in all leadership appointments. As a result, women accounted for 40% of leadership promotions and hires this year
- DEI awareness training was developed and launched for all people leaders
- Inclusive leadership workshops for ELT and their direct reports were held to enhance inclusive leadership capabilities in management. All ELT members and their management teams have completed the workshops
- An inclusive language platform was successfully implemented. The goal is to have an improved and debiased recruitment process with complementary training and tools for Talent Attraction and hiring managers. Hiring managers are continuously trained in the use of the platform
- Ten DEI events and internal multi-channel campaigns were executed, covering different aspects of diversity
- DEI targets and ELT short-term bonus objectives were introduced focusing on increasing share of women in leadership and ELT areas where they are underrepresented, improving the fill rate for Extended Leadership positions and balancing voluntary turnover across genders.

In 2025, we have planned several initiatives to foster continuous improvement and accountability in our DEI efforts.

- The implementation of a global leadership program for 1000+ leaders with a focus on inclusive leadership
- An improved exit interview process to inform drivers of turnover and ensure that voluntary turnover between women and men is balanced
- Continuous implementation of the governance model to ensure that women are shortlisted and considered for leadership positions

Targets

GN has set two targets:

- Ensure that 30% of Extended Leadership positions are filled by women by the end of 2030. The target is intended for leadership positions equivalent to a Mercer IPE score 56 or above. The baseline from 2020 is 20.6% women in Extended Leadership. The percentage of female employees holding Extended Leadership positions on December 31, 2024, is 22.5%
- Ensure that 33% of Senior Leadership positions are filled by women by June 30, 2026. Senior Leadership as defined in section 3(5) of the Danish gender balance act comprises GN's Executive Management, Executive Leadership Team, and others with managerial responsibilities reporting directly to Executive Management. The current share of females in Senior Leadership positions is described in the section below

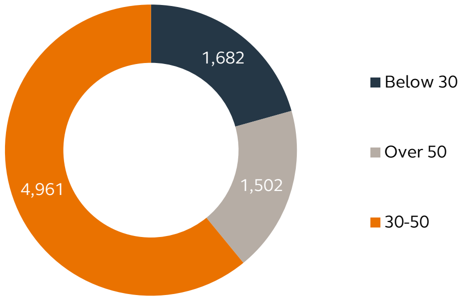
The DEI targets are measured and reported to the ELT on a quarterly basis and to the Board of Directors twice a year.

Gender distribution at senior leadership

In 2024, the share of females in Senior Leadership positions is 26.3% (5 females out of 19 individuals) and share of males is 73.7% (14 males out of 19 individuals). For the accounting policy see "*Reporting on gender*" in the accounting policies for "Employee Characteristics" on pages 88-89.

Distribution of employees by age group

The share of workers per age group is in line with our expectations where 30-50 year olds make up the majority of our workforce – approximately 60%. Younger and older workers make up roughly 20% each.



Equal pay

Fairness in pay is a key element in our ambition towards an even more diverse and inclusive organization. Our ambition is to pay our employees fair and market-aligned salaries supporting the equal pay for equal work principle and taking into account their individual skills, experience and performance. Consequently, we regularly monitor and benchmark employee pay internally and against pay in companies similar to GN in the markets in which we operate to ensure market-aligned and competitive salaries across all GN locations. In addition, bi-annual surveys are conducted to gather employee feedback on compensation where the results indicate that the majority of our employees evaluate that they are rewarded fairly.

Policies

GN's *Remuneration Policy* addresses our material negative impact relating to equal pay covers all employees globally and aims to ensure a consistent approach to pay across GN as well as fair pay for each job.

Actions

During 2024, a number of initiatives were implemented to increase the number of women in senior positions, both in relation to internal talent management and promotions and external recruitment. We expect these efforts to contribute to a decrease of the overall unadjusted gender pay gap in the coming years, where we expect to see the share of women in Senior Leadership positions to be steadily growing due to targeted retention, recruitment, and promotion efforts. We have metrics in place that measure how salaries in GN are positioned in relation to the markets where we operate and whether we can identify any bias in the pay process, especially bias based on gender. We have measured progress in previous years, but in connection with CSRD, we have introduced formal pay gap analysis starting from 2024.

Targets

We have not yet defined targets for measuring the effectiveness of our Remuneration Policy, but it is our ambition to minimize pay gaps and ensure equal pay for equal work across GN.

Compensation metrics (pay gap and total compensation)

If job type, organizational level, and country is not taken into consideration, GN's unadjusted gender pay gap in average salaries for all men and women in GN employed during 2024 was 38.29%.

Several factors significantly impact this unadjusted gender pay gap, notably the organizational structure in question and the balance of men and women across different organizational levels, where GN has more men than women in senior positions that are typically associated with higher pay.

Another factor also heavily impacting our unadjusted gender pay gap is material differences in pay levels across GN locations combined with our employee gender representation in various countries. GN operates globally with around 8,145 employees based in 45 countries. More than 70% of our employees are located in Denmark, the U.S., China, and Malaysia. The pay levels in China and Malaysia are significantly lower compared to the U.S. and Denmark. Furthermore, the majority of our employees in China and Malaysia are blue-collar workers (50% and 89%, respectively) with corresponding lower levels of pay compared to white-collar workers. In both China and Malaysia, more than 70% of our female employees are employed in blue-collar positions, which significantly affects the unadjusted gender pay gap.

§ Accounting policies

Unadjusted gender pay gap

The unadjusted gender pay gap calculation is estimated based on hourly base salary on an aggregated organizational level, as we currently don't have centralized data for all total remuneration components for all employees. The gender pay gap is calculated as the difference between average hourly base pay of male and female employees expressed as a percentage. All active employees during the calendar year are included in the calculation. We will work towards obtaining the data in a centralized system to include employee total remuneration in the calculations for future reporting periods

Adjusted gender pay gap

Adjusted gender pay gap is calculated for each career sub-level applying the general gender pay gap formula. Weighted average is calculated of all the sub levels in all countries. Adjusted gender pay gap is calculated as a weighted average per country as GN operates in many countries with a wide variety of pay levels and significant gender split. All the active employees during the calendar year are included in the calculation.

Total remuneration ratio

To calculate total remuneration ratio the median employee's salary is measured against our highest paid individual. Total remuneration for the median employee is defined on the basis of base salary analysis where an employee with a median base salary across all GN employees is selected and remaining total remuneration components are calculated. All the active employees during the calendar year are included in the calculation. GN will work towards obtaining the data in a centralized system to include employee total remuneration in the calculations for future reporting periods.

Besides the required unadjusted gender pay gap and to comply with the principles of equal pay for equal work, we have in 2024 established an adjusted gender pay gap calculation model to analyze the pay between male and female employees who perform similar work in the same country.

For 2024, we had an overall adjusted gender pay gap of 3.26%. Although this is a relatively small, adjusted gender pay gap, the in-depth analysis does show some areas in the organization where the difference in pay between men and women performing similar work are more material, and thus actions are being taken. This adjusted gender pay gap analysis will be conducted annually.

The ratio of annual total remuneration to GN’s CEO vs the median annual total remuneration of GN employees is 43.47. The total remuneration includes the following components: base salary, allowances, variable pay components, long term incentives, pension, and benefits. The median total remuneration is calculated by identifying the median-paid employee and comparing this employee’s total remuneration with the highest paid individual, the CEO. More information on total remuneration ratio can be found in the Remuneration Report for 2024.

Violence and harassment

Policies

GN has implemented a dedicated “Anti-Harassment Policy” to promote a respectful and inclusive culture. The Policy aims to address the identified material potential negative impact on the health and well-being of employees because of violence and harassment. The policy raises awareness of bullying and harassment and outlines actions to take when such cases are observed. It defines harassment, provides examples of various types, specifies channels for reporting violence and harassment cases, and refers to GN’s Non-Retaliation Policy.

The Policy applies to all GN employees and activities, including interactions with customers, business relationships, visitors, vendor employees, and interns.

Group People & Culture and Group Business Ethics & Compliance department share the responsibility for implementing the Anti-Harassment Policy at GN.

GN's global Anti-Harassment Policy protects individuals from violence, harassment and discrimination. Cases related to sexual or serious harassment reported through the GN Alertline are thoroughly investigated directly by the whistleblower investigation unit. Cases outside of this scope are handled by Group People & Culture with support from the Group Business Ethics & Compliance department. All cases are reported to the Audit Committee on a quarterly basis.

Harassment cases reported through the GN Alertline are handled by Group Business Ethics & Compliance department and Group People & Culture.

Actions

A key initiative in 2024 was the launch of GN’s annual mandatory anti-harassment e-learning program, with the main purpose of educating all employees on identifying, preventing, and responding to harassment in the workplace. In 2025, we will create a strategic roadmap for harassment management which includes a governance model, company protocol, incident reporting system and training.

Targets

Currently, GN does not track the effectiveness of the Anti-Harassment Policy, but does launch an annual mandatory anti-harassment e-learning for all employees. GN also has the GN Alertline, where relevant cases are thoroughly investigated and reported to the Board’s Audit Committee on a quarterly basis.

Incidents, complaints and severe human rights impacts

GN continues its commitment to doing things the right way, complying with relevant international regulations and by implementing policies and procedures to promote ethical business behavior and practices. In 2024, a total of 40 cases were reported through the GN Alertline. Out of the 40 cases reported, 26 cases were related to incidents of discrimination, including harassment. All the cases reported will be properly investigated, and appropriate actions, including disciplinary actions will be taken. For more information on the GN Alertline, see chapter G1 Business Conduct.

There have been no fines, penalties and compensation for damages as a result of the incidents and complaints reported. GN has not identified any cases of severe human rights incidents connected to GN’s workforce.

§ Accounting policies

Incidents, complaints and severe human rights impacts

All cases reported through the GN Alertline are included in this metric. The GN Alertline is a secure and confidential reporting tool hosted by an independent third party. This hotline is available to all employees and external stakeholders and can be accessed on the GN Group website via www.gn.com/whistleblower and for employees also via GN's intranet.

Workers in the value chain

IROs

GN has 9 IROs related to workers in the value chain, which include 8 IROs with negative impacts and one additional IRO with both a negative impact and a risk attached (see pages 52-53). Due to the nature of our products, industry and location of manufacturing sites, 7 of the human rights-related IROs are specific to working conditions across our full upstream value chain. These include negative impacts linked to excessive overtime, inadequate protections of health and safety, lack of secure employment, non-respect of rights such as freedom of association, collective bargaining, and social dialogue, inadequate work-life balance, non-decent wages, and diversity issues in the workplace. In terms of equal treatment and opportunities, one IRO addresses the negative impact of discrimination, harassment, violence, and gender inequality in the workplace. For other work-related rights, such as child labor and other forms of forced labor, one IRO addresses both a negative impact and risk of forced labor in the area of our value chain related to mining, manufacturing, and logistics.

Policies

GN is committed to ensuring that human rights are safeguarded and that we manage our material sustainability matters related to value chain workers. Our human rights policy commitments cover all value chain workers across all geographies in which we operate to enable identification, assessment, and management, or remediation of our material IROs. GN is committed to the UN's principles of responsible business, having been a signatory of the UN Global Compact since 2010. Over the last reporting period, we have observed no cases of non-respect to these principles involving value chain workers in our upstream or downstream value chain. To address our human rights policy commitments, GN has introduced a number of initiatives and due diligence processes to ensure we are able to engage with value chain workers or their proxies and representatives to take measures in enabling remedy of our negative impacts. Furthermore, we strive to set policy commitments that inform GN's overall strategy and work in this area, ensuring we take into account the interests, views, and rights of workers in the value chain.

GN's Sustainability ESG Policy, most recently updated in February 2024, is the overarching policy document, which applies to GN and all subsidiaries, covering all 9 IROs on this topic. It describes how we consider social sustainability in everything we do across our full value chain. The policy states our human rights policy commitments on value chain workers specifically addressing respect for human rights, including labor rights, of workers and the abolition of child labor, as well as other forms of forced labor. It also covers GN's commitment to prevent child or forced labor in any of our own or our business partners' operations. GN's Board of Directors, which approved this policy, oversees compliance and receives updates on a biannual basis at a minimum.

GN's Supplier Code of Conduct, also covers all 9 IROs identified under this topic. It was updated in 2023 to align with industry best practices set out by the Responsible Business Alliance (RBA) and covers our engagements with all suppliers and business relationships for activities in our upstream, own operations, and downstream. It states that suppliers to all GN companies, including all subsidiaries and affiliates, are expected to operate in accordance with the minimum requirements set out in this code. In addition to these requirements, more detailed standards are set out in several areas in our other policies and contractual clauses. GN considers any actual or potential impacts on value chain workers in decisions to resolve issues with a supplier or, in some instances, cease all business. This is reinforced in the Supplier Code of Conduct, where failure to observe this code will require corrective action by a supplier. Long-term non-compliance may be considered a material breach of the contract and can lead to termination of the business relationship. Our Supplier Code of Conduct is managed by GN's Group Business Ethics and Compliance department, which is responsible

for ensuring that all requirements are implemented in our engagements with suppliers.

To specifically address the IRO on other work-related rights, GN's Modern Slavery Statement seeks to manage potential negative impacts related to links of child labor and other forms of forced labor in our value chain. It was published in accordance with the requirements of the "UK Modern Slavery Act" and further supports our Code of Conduct, requiring our suppliers to adhere to and reflect GN's company values and our dedication to uphold human rights, particularly covering our upstream value chain and activities. These efforts guide our purchasing and supplier selection policies and procedures, which requires potential new suppliers to complete a survey to verify compliance with applicable labor law, including laws that ban slavery and human trafficking. Approval of a supplier is dependent on satisfactory results in the survey. We also encourage all suppliers to be certified or follow the requirements of SA8000, an international Social Accountability Standard, which prohibits any form of forced labor. Our modern slavery policy commitments is managed by senior management and compliance functions, who oversee the overall implementation with suppliers.

GN's Conflict Minerals Policy further directs action related to the IRO on child labor and other forms of forced labor and supports efforts of human rights organizations to end violence and atrocities in Central Africa connected to conflict minerals. This policy covers upstream activities, such as mining and extraction of raw materials in our products, especially considering impacts and risks related to forced and child labor. GN requires its suppliers to exclude conflict minerals originating from the Democratic Republic of the Congo and adjoining countries from GN products. Similarly, GN's policy commitments on conflict minerals are also managed by our senior management and compliance functions.

Actions

Our approach to human rights due diligence is informed by the guidance laid out by OECD for establishing a due diligence process. GN's key actions in this area involve engagement initiatives with suppliers based on our material negative impacts relating to working conditions and equal treatment of value chain workers, where most of our engagement with suppliers occur during audits and site visits with tier 1 and 2 suppliers. For the IRO related to child labor and other forms of forced labor, we dedicate a part of our due diligence initiatives towards our upstream value chain beyond tier 2, where such impacts and risks may occur.

We believe our processes enable us to identify any related negative impacts on value chain workers connected to our actions, but we have also dedicated resources towards understanding which actions are needed and appropriate in response to a particular impact. For each of our actions, we track effectiveness by reviewing any material findings from our due diligence processes and engage with affected stakeholders and suppliers to mitigate the impact.

Key initiatives completed in 2024:

- To manage IROs on working conditions and equal treatment, we have conducted 46 supplier audits across China and Southeast Asia in 2024, where the major human rights-related findings were connected to occupational health and safety, excessive overtime hours, overuse of dispatched workers, and inadequate parental leave. All major findings have either been resolved or are currently subject to mandatory corrective action, ensuring that our suppliers comply with our policy objectives under our Supplier Code of Conduct and other relevant policies. Through these processes, there have been no major findings related to severe human rights issues and incidents, such as forced or child labor.
- In implementing our policy commitments on conflict minerals as well as manage the IRO linked to the negative impact of child and forced labor, GN works with Greensoft Technology who perform due diligence on our behalf focusing on 3TG conflict minerals and cobalt in our upstream value chain, particularly in DRC and surrounding countries. We require suppliers to exclude conflict minerals from GN products, while we encourage suppliers to only use externally certified smelters and refiners. In 2024, GN received the requested information from all relevant suppliers. For cobalt, we received the requested information from all relevant suppliers, using cobalt reporting templates (CRTs).
- Further supporting our work in this area, we have taken an additional action to manage the same IRO on child labor and other forms of forced labor, specifically to address the identified financial risk. This includes setting up a forced labor taskforce to ensure we mitigate the risks of forced labor in our upstream value chain. To support us in this we use the FRDM (Freedom) platform which is a supply chain risk management software powered by data analytics and AI to monitor tier 1 and 2 suppliers who pose a high risk of forced or child labor violations in their supply chains. These suppliers are requested to complete a comprehensive assessment and provide documentary evidence to substantiate the absence of forced or child labor abuses.
- Finally, to aid our efforts in implementing our policy commitments and manage all 9 IROs in this area, we have finalized implementation of the EcoVadis supply chain data platform, where we have onboarded 47 total suppliers across China and Southeast Asia to the platform and requested data on social indicators. This platform allows for additional ways to engage with our suppliers and gain access to insights connected to our policy commitments. Alongside this, we have set up integration between EcoVadis and

our supplier management system tools to enable us to monitor, measure, and manage our impacts and risks in this area.

Planned actions in 2025:

- We recognize the value of further using the FRDM platform as it allows us to track the effectiveness of our actions, such as offering detailed insights into areas for improvement with our suppliers. We therefore expect to expand upon existing initiatives connected to FRDM over the next year so that it also includes more robust supplier screening on modern slavery and conflict minerals. This includes efforts to bolster our due diligence processes by acquiring more documentation from suppliers with identified risks and facilitating further dialogues on improvement plans during site visits and regular audits.

- Over the coming year, we also plan to onboard more of our largest suppliers to EcoVadis and introduce a standardized process for tracking supplier performance related to social indicators. We expect this to allow for additional insights in managing all 9 IROs on this topic, as well as bolstering policy implementation and due diligence initiatives. We also intend to continue developing our data and systems requirements in this area to fully understand which KPIs we wish to measure and track to ensure we make the best use of the platform. Moreover, having recently updated our Supplier Code of Conduct against the best industry practices under RBA, we aim to further refine our work in this area to more accurately understand the negative impacts directly linked to GN in order to be able to take stronger actions in the right areas and build a more robust due diligence process.

- In 2025, we also plan to undertake a human rights impact assessment in line with the UN Guiding Principles to enhance our ability to identify, measure, monitor, and remediate our salient human rights impacts.

Engagement with value chain workers

As part of GN's ongoing due diligence processes, we engage with value chain workers via credible proxies regarding our material impacts that are likely to affect them. All tier 1 contract manufacturers are audited every year, whereas tier 2 suppliers are audited every second year. These audits are based on the UN Global Compact principles of responsible business and the SA8000 standard, which address our material human rights impacts and risks.

During audits, we engage with management functions, such as human resources or operations, by random selection for interviews to gain insights into any work-related issues, hiring practices, and other relevant topics, particularly considering vulnerable or marginalized workers, such as minorities, persons with disabilities, and migrant workers. Following the interview, an assessment is performed to ensure working hours, treatment by superiors, safety, and salary are compliant with our standards and local legislations. Where major audit findings are evident, GN requires these to be addressed through corrective actions. Engagement during supplier audits in our upstream value chain informs our business decisions and ongoing collaboration with suppliers. We also ensure that any major findings from our engagement with value chain workers are incorporated into relevant improvement requirements for our suppliers, as well as to ensure that they comply with our Supplier Code of Conduct.

Remediation and channels to raise concerns

Addressing any relevant concerns and grievances because of our impacts on workers in our value chain is especially important to GN. We are continuously improving our ways of working to be able to appropriately identify situations where our actions may have caused or contributed to a negative impact, and how we can support affected workers with suitable remediation.

As part of our Supplier Code of Conduct, we outline GN's expectations about grievance mechanisms being available to all workers in the value chain. Our due diligence approach seeks to achieve that we can assess suppliers' processes relating to grievance and any limitations in their ability to effectively identify cases where workers are impacted negatively. As part of our ongoing work with suppliers on other human rights issues, we actively cooperate with them to improve their work with instituting effective remedies.

Moreover, GN's whistleblower hotline, which is available to all employees, external parties, and value chain workers, further bolsters our work in this area. All investigations are managed internally by GN employees and the hotline can be used to report concerns and experienced or perceived misconduct. This is an important tool for ensuring that we can identify cases and implement appropriate remedies where workers in the value chain may be harmed or impacted by our actions and negative impacts. All complaints are treated with the required confidentiality, ensuring that value chain workers are aware of and trust these processes to raise their concerns and have them addressed. GN is also 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 to protect individuals against retaliation when raising concerns. For more information on our whistleblower hotline, see sections S1 – Own workforce on page 94 and G1 – Business ethics on page 103.

Targets

To ensure GN is able to track the effectiveness of our initiatives and monitor the overall progress of policy implementation, we strive to set targets that are measurable and relevant for our business. Considering our efforts in implementing the EcoVadis platform, we are making progress in strengthening our human rights due diligence process to cater to all 9 IROs related to working conditions, equal treatment and opportunities, as well as child labor and other forms of forced labor. Using this platform is beneficial to us as it has linkages with our existing policy objectives, especially regarding our Supplier Code of Conduct.

The scope of the targets includes all our business activities and cover our upstream and downstream value chain. We have set two targets in 2024 together with stakeholders from our compliance functions:

- We implemented the EcoVadis supplier platform in 2023 and since then we have onboarded 47 of our suppliers. In 2024, we therefore achieved our ESG target for the Executive Leadership Team (ELT) (see page 44) connected to EcoVadis, where we aimed to acquire scorecards from more than 50% of suppliers, from whom we requested data in 2024 (baseline: 0%). More specifically, we reached out to 26 suppliers in 2024, where 17 of these (65%) are now rated on the platform.
- As part of our overall work to become compliant with the new EU due diligence regulation (CSDDD), we have set a new target for 2025 to onboard at least 80% of our largest and most strategic suppliers (i.e. the largest suppliers in terms of amount of materials supplied) to EcoVadis over the next reporting period. This means onboarding at least 75 out of 93 suppliers in this group, where our current baseline is 0%. We also expect further efforts in this area to include extending our supplier audit processes to account for CSDDD requirements, as well as adjusting supplier contracts and if required updating our Supplier Code of Conduct.

The targets have been set directly relating to value chain workers, such as aiming to reduce negative or advancing positive impacts, or to manage our material risks and opportunities. We have defined a process for setting targets relating to human rights due diligence, but we have not engaged directly with value chain workers, their legitimate representatives, or credible proxies, in setting them, nor in tracking the performance, or in identifying lessons or improvement as a result of our performance.

Moving into 2025, we also plan to undertake a comprehensive review of these policy areas to understand any applicable targets that can be set in relation to workers in the value chain. GN's overall ambition in this sphere reflects our drive to strengthen our due diligence processes and efforts in tracking effectiveness to monitor our progress connected to impacts on value chain workers.

Consumers and end-users

IROs

GN has three IROs related to consumer and end-users (see page 53). The first IRO is a risk, which relates to data privacy both in our own operations and value chain, reflecting the increasing threat of cyber-attacks and the associated financial consequences for GN. The second IRO is also a risk, which relates to product safety of hearing aids reflecting the financial consequences for GN of failing to meet strict product health and safety requirements. The final IRO is an actual positive impact related to the improving hearing health, reflecting the inherent positive impact of our hearing aids on the health and well-being of end-users.

GN has implemented several policies, actions, and targets for managing product safety and data privacy related risks. As data privacy and product safety are strictly regulated by international and local laws, targets are mainly determined based on these regulations. Given the compliance-based nature of IROs, GN has not directly engaged with consumers and end-users when setting targets, tracking performance, or when identifying lessons learnt.

Helping people with hearing loss

As this positive impact is inherent to the core activity in our Hearing division, it is not covered in a policy as such. The core action towards maximizing our positive impact is growing our Hearing business, which is reflected in our expected organic growth of 5-8% annually until 2028. For more information on our growth assumptions, see Unfolding GN's value potential, pages 9-10. Beyond that, we seek to further increase our impact by introducing new product categories, such as over-the-counter hearing aids, as well as efforts to increase broader awareness of the benefits of hearing health provided by our products. For more information on this, see LISTEN TO THIS ™ on page 11.

Finally, we seek to help people with hearing loss without direct access to hearing health due to their circumstances through a variety of product donation efforts globally.

In relation to our positive impact of improving hearing health, we set a target in 2021 to help 10 million people with hearing loss by 2025. We have already reached that milestone, as by the end of 2024, we estimate that we are helping 11.2 million people with hearing loss live healthier and happier lives.

§ Accounting policies

Helping people with hearing loss

This number represents the number of people estimated to be using our products on 31 December 2024. It is calculated using sales volumes of GN hearing aids and assumptions based on EHIMA figures for binaural treatment (i.e. whether users use one or two hearing aids) and estimated replacement rates (where we used five years for users based in high-income countries US, Europe, Japan, Korea and Australia and eight years for other countries).

Data privacy

Policies

To address the material risk related to data privacy, our *Data Privacy Code of Conduct* and *Data Privacy Policy* are created to ensure that all GN employees have the knowledge to mitigate risks and to ensure that GN complies with relevant data protection regulations as the General Data Protection Regulation (GDPR).

Our *Data Privacy Code of Conduct* guides how all employees process and protect the consumer and end-user data that GN handles. The *Data Privacy Code of Conduct* also describes processes for collecting, processing, and protecting consumer and end-user data and applies to all employees in GN.

The *Data Privacy Policy* aims to provide direction to identify and meet the requirements regarding maintenance of privacy as well as the protection of personal identifiable information. This is in accordance with applicable laws, regulations, and contractual agreements. The policy describes rules and restrictions for international transfer of personal data, how to collect, process, store, and inform personal data, etc.

A key ongoing initiative to ensure compliance with our Data Privacy Policy and GDPR regulation is a GDPR risk assessment. As part of this, questionnaires are sent to business process owners via our compliance application. The aim with the initiative is to assess data privacy risks across all business processes including alignment with the EU AI Act, where AI systems and models are used in connection with personal data.

Another ongoing initiative to contribute to compliance with our Data Privacy Policy and work procedures *is 'zero trust technologies'*. It assumes that individuals, devices, and services that are attempting to access company resources, even if inside the network, cannot automatically be trusted. The initiative has resulted in significantly reducing any intruders' ability to breach GN systems and data.

Actions

The following data privacy initiatives are currently being implemented:

- Awareness training is central to making change and GN is implementing a third-party awareness training software for privacy and security. The program will be rolled out and completed in 2025, and the training will contribute to increased employee awareness about data privacy risks, how to report data privacy breaches, and

how to set up GN systems according to data privacy laws. In addition, the software is expected to save time for preparing training and provide a more professional high quality training program.

- Our Product Cyber Security Center of Excellence (CoE) was launched in 2024 and brings together experts from across GN to focus on the cyber security of GN products. This initiative builds on the ongoing work in Cyber Security and ensures compliance with the growing number of cyber security regulations being introduced globally. The new CoE initially supports the Enterprise and Hearing divisions specifically and will run as long as it is required to support meeting our policy objectives related to cyber security.

Targets

Besides compliance with international and local regulations, GN has not set targets related to data privacy. GN's ambition is to ensure that all employees have the proper knowledge of data privacy and that GN protects all personal data. GN complies with privacy regulations such as GDPR, Health Insurance Portability and Accountability Act USA (HIPAA), Personal Information Protection Law (China) (PIPL), and The Personal Information Protection and Electronic Documents Act (Canada)(PIPEDA). GN continuously reviews internal procedures and follows regulations to protect consumer and end-user data and ensure the effectiveness of policies and actions implemented. In connection with CSRD implementation, the process is formalized from 2024.

Data ethics

GN uses data for various purposes, which leads to 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. See GN's Data Ethics Policy: www.gn.com/dataethicspolicy.

Product safety

Policies

GN develops, manufactures, and markets hearing aids, which are classified as medical devices. Ensuring product safety to manage the material risk related to this is fundamental to our business and we adhere to strict regulatory frameworks and safety standards to effectively manage product safety risks.

GN safety policies ensure that our hearing products meet and exceed safety and quality standards, safeguarding user health and well-being. The policies apply to all hearing aids and associated accessories designed and manufactured by the company, covering all aspects from development to post-market monitoring. The policies do not cover third-party accessories or components not designed or manufactured by GN, nor does it apply to non-medical electronics.

Our safety policies outline measures to identify, assess, and mitigate product safety risks throughout the product life cycle. The policies include details on adherence to medical device standards, quality control protocols, and post-market surveillance activities. Furthermore, policies cover risk management approaches focusing on design safety, usability, and compliance with regulations.

We have a continuous improvement process for product safety through feedback, technological innovation, and compliance with evolving standards. According to CSRD Article 2, the 2017/745 Medical Device Regulation defines the specific safety requirement applicable for all hearing aids and associated accessories designed and manufactured by the company, covering all aspects from development to post-market monitoring. Additionally, our devices comply with the 2014/53 Radio Equipment Directive (RED) for wireless communication, including Bluetooth functionality, to ensure the safe and effective use of wireless technology.

Actions

At GN, we utilize robust internal processes to monitor key aspects of product safety, regulatory compliance, and risk management. Our overarching ambition is to maintain compliance with regulatory requirements, while proactively mitigating risks associated with product safety.

Several product safety related initiatives were implemented in GN during 2024:

- GN is exposed to regular audits and inspections to assess compliance with internal and external safety requirements. In 2024, we had a total of 17 external audits, including 8 external audits by our Notified Body.

- GN performs and documents training and have continuous education programs for staff to stay informed of product safety best practices and regulatory changes. During 2024, we conducted training on the updated standard operating procedures in the Quality Management System. Specifically, GN's hearing employees received training in Quality Methods and Cyber Security.

Targets

For our hearing products, as part of our commitment to continuous improvement of quality and compliance practice, we strive to ensure we always comply with country-specific regulation and deadlines in relation to electronic Medical Device Reporting (eMDR) and vigilance reporting, which are both critical in ensuring timely identification of and response to potential safety issues.

We have set a target on deviation response time, which we measure as the time taken to initiate corrective actions if we have three consecutive months of underperformance against our response time KPI. The ongoing target and baseline value was 20 days which was formally defined in 2024. The average response time was 16 days in 2024, which was within the target value.

To set this target, we utilized a combination of quantitative analysis (e.g., incident data trends, KPI metrics) and qualitative assessment (e.g., internal audits, stakeholder feedback). Cross-functional teams including Quality, Regulatory Affairs, Risk Management, and Product Development are involved in defining, monitoring, and refining our KPIs. Feedback from regulatory bodies and industry partners informs our approach, particularly for adjusting compliance timelines and addressing emerging risks.

Regular management review meetings ensure that the target and KPIs are continually aligned with regulatory requirements and industry best practices. Vigilance processes are aligned with national and international regulatory requirements, where specific deadlines dictate the timeline for reporting incidents. We employ a trigger-based monitoring approach for CAPA (Corrective and Preventive Actions), where certain thresholds (e.g., exceeding specific KPI limits) automatically initiate a root cause analysis.

Sustainability statement

Governance

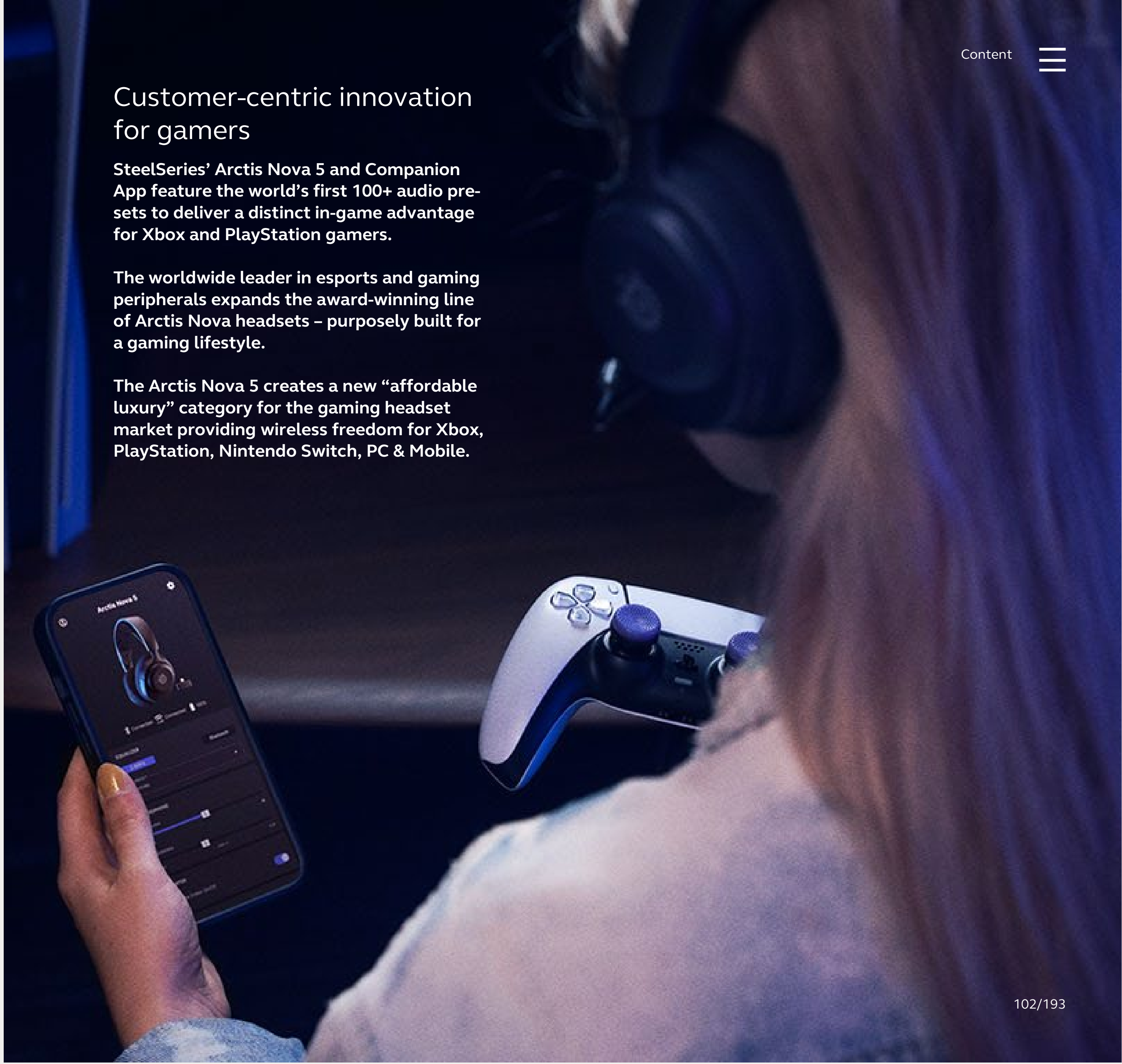
Business conduct 103

Customer-centric innovation for gamers

SteelSeries' Arctis Nova 5 and Companion App feature the world's first 100+ audio pre-sets to deliver a distinct in-game advantage for Xbox and PlayStation gamers.

The worldwide leader in esports and gaming peripherals expands the award-winning line of Arctis Nova headsets – purposely built for a gaming lifestyle.

The Arctis Nova 5 creates a new "affordable luxury" category for the gaming headset market providing wireless freedom for Xbox, PlayStation, Nintendo Switch, PC & Mobile.



Business conduct

IROs

We have four material IROs related to business conduct, all of which are risks (see page 53), reflecting that as a global company we engage in business relationships across a wide variety of geographies. The first IRO is related to culture, reflecting the financial risk of a failure of creating an internal culture of compliance with codes of conduct and business ethics practices. The second IRO is related to the financial risk associated with failing to adequately deal with whistleblower cases. The third IRO is related to third-party relationships, reflecting the financial risk associated with failure in due diligence of third parties we deal with. The final IRO is related to corruption and bribery, reflecting the financial risk associated with failure to prevent these practices. For all IROs, GN has implemented appropriate policies and procedures for managing material risks identified.

Given that this topic is primarily compliance-based, our overarching approach to managing material IROs is to comply with legislation and our policy objectives. We have therefore not set any targets, but will consider on an ongoing basis whether developing targets are required to mitigate any risks resulting from our material IROs.

Business conduct and corporate culture

GN's Group Business Ethics & Compliance department collaborates with the entire organization to mitigate risks of non-compliance with anti-corruption laws and GN policies worldwide. Our commitment to business ethics is anchored in GN's Ethics Guide, which outlines the responsibilities and ethical standards expected of all employees and relevant business partners. Our standards, policies, and training programs play a critical role in preventing potential misconduct across GN.

Additionally, it outlines a decision-making process that supports the resolution of ethical issues and identifies GN departments who are available to help and advice. Case studies are provided to illustrate how ethical responsibilities and guidelines apply in everyday situations. Key content includes the GN Alertline, ethical decision-making, business conduct, employment practices, compliance with laws and regulations, conflict of interest, bribery, and third-party management.

The GN Ethics Guide is managed and updated by the Group Business Ethics & Compliance department and applies to all GN employees, including members of the Board of Directors.

The GN Ethics Guide is aligned with generally accepted standards of ethical business conduct as well as applicable regulations. It is publicly available on GN's website in ten different languages via www.gn.com/documents and for employees also via GN's intranet.

All employees and consultants are required to complete the annual mandatory Ethics Guide e-learning. In-person training is also offered where needed. Additionally, all new employees are asked to read and acknowledge the GN Ethics Guide as part of their onboarding.

The EU Whistleblower Directive has been incorporated into Danish law and GN has established a whistleblower hotline, the GN Alertline, and implemented a Non-Retaliation Policy that ensures the protection of whistleblowers. The GN Alertline is a secure and confidential reporting tool hosted by an independent third party. This hotline is available to all employees and external stakeholders and can be accessed on the GN Group website via www.gn.com/whistleblower and for employees also via GN's intranet.

Concerns can be submitted verbally and in writing. The Group Business Ethics & Compliance department serves as GN's designated investigation unit in compliance with the Danish whistleblower law.

Management of relationships with suppliers

GN has established procedures and policies for managing relationships with suppliers to ensure a structured approach to our procurement processes and fair behavior with business partners. All supplier contracts include stipulations for governing late payments and guidelines to manage relationships with our suppliers, as well as SMEs. These procedures are supported by our various policy commitments, such as GN's Supplier Code of Conduct and Statutory Corporate Governance Reports.

Moreover, we actively engage with our suppliers, considering supply chain risks and sustainability impacts relevant for GN's value chain. Our procurement process, guided by our Supplier Code of Conduct, sets social and environmental criteria for selecting suppliers (see S2 Workers in the value chain, pages 95-98, and E2 Pollution, pages 77-79). GN's Sustainability ESG policy further supports our work on ESG topics with our supplier base.

As part of GN's overall supplier engagement, we maintain strong relationships with suppliers to avoid or minimize impacts of disruptions, engage in training, dialogue, as well as conducting regular site visits and audits. All suppliers are screened accordingly on social and environmental performance to further support insights into potential impacts and risks in our value chain. We also encourage all suppliers to be certified or follow the requirements of relevant standards on various sustainability matters, such as the UN Guiding Principles and the OECD Guidelines.

To ensure better visibility of our supply chain, we have been working on implementing the EcoVadis data platform, as well as taking the steps to integrate data collection with our existing supplier management systems. In 2025, we will continue to develop our use of this platform to both onboard more of our largest suppliers, as well as ensure we use the data collected more strategically to generate valuable insights in our due diligence process (see S2 Workers in the value chain, pages 95-98).

Prevention and detection of corruption and bribery

GN's Anti-Corruption Policy outlines expectations and requirements to prevent bribery and corruption. It also provides guidance for employees on how to report misconduct or seek clarification on concerns. The policy is communicated through internal awareness campaigns, e-learnings and in-person training sessions.

The Policy defines the purpose, scope, ownership, and responsibilities related to the management of anti-corruption. The Policy explains key terminology related to anti-bribery and anti-corruption, among providing guidance on key processes to prevent and detect misconduct. Anti-corruption and anti-bribery training is mandatory for all employees incl. consultants on an annual basis. GN has not registered any convictions and fines related to violation of anti-corruption or anti-bribery laws.

§ Accounting policies

Convictions and fines related to violation of anti-corruption
Fines, penalties and compensation related to violations of anti-corruption or anti-bribery laws are covered by our internal policy and process on mandatory engagement of Group Legal, who therefore have visibility of any such instances.

GN's Ethics & Compliance Program is built on the principles of "Prevent, Detect, and Correct" misconduct. This effort includes compliance policies, training, communication, monitoring, and audits. GN's Group Business Ethics & Compliance department regularly conducts onsite compliance reviews across all levels of GN, with a focus on anti-corruption and anti-bribery. The department also performs broader planned reviews in collaboration with Group Legal and Group Financial Reporting & Controlling.

GN has appointed Group Business Ethics & Compliance department as the designated whistleblower investigation unit, in compliance with Danish law. Oversight of these investigations lies with GN's Audit Committee, which is updated quarterly on findings and recommendations on cases received through the GN Alertline.

Additional financials

Q4 2024 (unaudited)

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Q4 financial highlights

GN Group

Revenue ended at DKK 5,019 million, including an organic revenue growth of 0% (excluding the wind-down the organic revenue growth was 4%). R&D investments ended at DKK -355 million, reflecting a decrease from DKK -474 million in Q4 2023 due to non-recurring items in Q4 2023 partly offset by investments into the 2025 product roadmap. Gross profit increased 9% to DKK 2,672 million, reflecting a gross margin of 53.2% compared to 48.5% in Q4 2023 driven by group-wide synergies and strong pricing discipline. Management and administrative costs ended at DKK -467 million in the quarter compared to DKK -638 million in Q4 2023, reflecting timing of certain costs as well as the non-recurring costs in Q4 2023. Reported EBITA increased 159% to DKK 688 million compared to DKK 266 million in Q4 2023, driven by group-wide synergies and the non-recurring costs in Q4 2023. The development led to an EBITA margin of 13.7% for Q4 2024 compared to 5.2% in Q4 2023. In Q4 2024, amortization of acquired intangible assets amounted to DKK -91 million compared to DKK -90 million in Q4 2023. Financial items were DKK -97 million in Q4 2024 compared to DKK -117 million in Q4 2023, driven by higher run-rate effects from the refinanced debt, off-set by a positive non-cash impact from the implementation of IAS 23. In Q4 2024, free cash flow excl. M&A reached DKK 94 million as a result of the strong profitability and a fairly stable development in working capital.

Hearing division

Revenue in Q4 2024 was DKK 1,850 million compared to DKK 1,808 million in Q4 2023, driven by an organic revenue growth of 7%. Revenue growth was 2% including around -2% impact from the development in foreign exchange rates and around -3% impact from M&A. In North America, Hearing delivered solid performance in the independent market on a very demanding comparison base driven by ReSound Nexia, which was offset by the development in Veterans Affairs and a larger retailer. In Europe, Hearing delivered double-digit organic revenue growth supported by strong performance in the U.K. and Italy. The growth in Rest of World was solid during the quarter with particular strong performance in ANZ and Global Partner Sales, partly off-set by a difficult Chinese market. Hearing's gross profit ended at DKK 1,135 million in Q4 2024 (compared to DKK 1,039 million in Q4 2023). The development reflects group-wide synergies, partly off-set by the disposal of retail activities including Dansk HøreCenter and country mix. Hearing's divisional profit was DKK 667 million corresponding to a divisional profit margin of 36.1%.

Enterprise division

Revenue in Q4 2024 was DKK 1,989 million compared to DKK 1,997 million in Q4 2023, equal to -2% organic revenue growth. Revenue growth was 0% including around 2% impact from the development in foreign exchange rates. The development in the quarter reflects double-digit growth in video, flat development in headsets, while the decline in speakerphones was significant although improving sequentially. The quarter also included positive growth in both North America and Rest of World, while Europe is continuing to stabilize. Enterprise delivered a gross margin of 57.5% in Q4 2024 compared to 52.9% in Q4 2023, driven by group synergies and strong pricing discipline. The divisional profit ended at DKK 745 million in Q4 2024, translating into a divisional profit margin of 37.5%.

Gaming & Consumer division

Gaming & Consumer's revenue in Q4 2024 was DKK 1,180 million compared to DKK 1,264 million in Q4 2023, due to -8% organic revenue growth. Revenue in Gaming was DKK 1,053 million, while revenue in Consumer was DKK 127 million. Revenue growth was -7% including around 1% impact from the development in foreign exchange rates. The development was driven by 16% organic growth in Gaming on top of 17% organic growth realized in Q4 2023, highlighting the success of SteelSeries' premium and innovative product portfolio making it the best quarter ever for SteelSeries. The organic revenue growth for Consumer was -66%, reflecting the wind-down of the Elite and Talk product lines. Gaming & Consumer delivered a gross margin of 33.4% in Q4 2024 compared to 28.7% in Q4 2023, driven by the strong performance in Gaming and group synergies while also impacted significantly by promotional activities in Consumer due to the wind-down (Gross margin in Gaming was 34.5%, while gross margin in Consumer was 24.4%). The divisional profit ended at DKK 109 million in Q4 2024 (including DKK -24 million in extraordinary costs related to the wind-down), translating into a divisional profit margin of 9.2%, compared to 14.2% in Q4 2023 reflecting the Consumer wind-down.

Financial overview Q4 2024

	GN Store Nord			Hearing division			Enterprise division			Gaming & Consumer division		
DKK million	Q4 2024	Q4 2023	Growth	Q4 2024	Q4 2023	Growth	Q4 2024	Q4 2023	Growth	Q4 2024	Q4 2023	Growth
Revenue	**5,019**	**5,069**	**-1%**	**1,850**	**1,808**	**2%**	**1,989**	**1,997**	**0%**	**1,180**	**1,264**	**-7%**
Organic growth	0%	0%		7%	7%		-2%	-9%		-8%	6%	
Gross profit	**2,672**	**2,458**	**9%**	**1,135**	**1,039**	**9%**	**1,143**	**1,056**	**8%**	**394**	**363**	**9%**
Gross profit margin	53.2%	48.5%	4.7%p	61.4%	57.5%	3.9%p	57.5%	52.9%	4.6%p	33.4%	28.7%	4.7%p
Divisional profit	**1,521**	**1,371**	**11%**	**667**	**522**	**28%**	**745**	**669**	**11%**	**109**	**180**	**-39%**
Divisional profit margin	30.3%	27.0%	3.3%p	36.1%	28.9%	7.2%p	37.5%	33.5%	4.0%p	9.2%	14.2%	-5.0%p
EBITA	**688**	**266**	**159%**									
EBITA margin	13.7%	5.2%	8.5%p									
Free cash flow excl. M&A	94	769	-675									

Quarterly financial highlights

DKK million	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Full year 2024 (aud.)	Full year 2023 (aud.)
GN Store Nord				
Revenue	5,019	5,069	17,985	18,120
Revenue growth	-1%	-4%	-1%	-3%
Organic growth	0%	0%	1%	-1%
Gross profit margin	53.2%	48.5%	53.2%	49.4%
EBITA*	688	266	2,153	1,200
EBITA margin*	13.7%	5.2%	12.0%	6.6%
Profit (loss) before tax	503	48	1,361	343
Effective tax rate	22.1%	18.8%	22.2%	22.4%
EBITDA	780	487	2,541	1,751
ROIC (EBITA*/Average invested capital)	10%	5%	10%	5%
Earnings per share, basic (EPS)	2.52	0.25	6.79	1.64
Earnings per share, fully diluted (EPS diluted)	2.52	0.25	6.78	1.64
Free cash flow excl. M&A	94	769	1,081	1,092
Cash conversion (Free cash flow excl. M&A/EBITA*)	14%	289%	50%	91%
Equity ratio	35.4%	31.3%	35.4%	31.3%
Net interest-bearing debt	9,699	10,567	9,699	10,567
Net interest-bearing debt (period-end)/EBITDA	3.8	6.0	3.8	6.0
Outstanding shares, end of period (thousand)	145,613	145,613	145,613	145,613
Average number of outstanding shares (thousand)	145,613	145,562	145,613	138,883
Average number of outstanding shares, fully diluted (thousand)	145,712	145,579	145,712	138,991
Treasury shares, end of period (thousand)	5,300	5,300	5,300	5,300
Share price at the end of the period	133.8	171.8	133.8	171.8
Market capitalization	19,476	25,016	19,476	25,016

ROIC and NIBD/EBITDA are calculated based on EBITA and EBITDA for the latest four quarters
* Excluding gain (loss) on divestments of operations etc. and amortization of acquired intangible assets but including amortization of development projects and software developed in-house.

DKK million	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Full year 2024 (aud.)	Full year 2023 (aud.)
Hearing division				
Revenue	1,850	1,808	7,104	6,802
Revenue growth	2%	0%	4%	9%
Organic growth	7%	7%	10%	13%
Gross profit margin	61.4%	57.5%	62.8%	59.9%
Divisional profit	667	522	2,464	1,874
Divisional margin	36.1%	28.9%	34.7%	27.6%
Enterprise division				
Revenue	1,989	1,997	7,205	7,463
Revenue growth	0%	-11%	-3%	-14%
Organic growth	-2%	-9%	-3%	-13%
Gross profit margin	57.5%	52.9%	55.7%	52.3%
Divisional profit	745	669	2,544	2,442
Divisional margin	37.5%	33.5%	35.3%	32.7%
Gaming & Consumer division				
Revenue	1,180	1,264	3,676	3,855
Revenue growth	-7%	3%	-5%	2%
Organic growth	-8%	6%	-5%	5%
Gross profit margin	33.4%	28.7%	29.8%	25.1%
Divisional profit	109	180	199	232
Divisional margin	9.2%	14.2%	5.4%	6.0%

Quarterly reporting by segment

DKK million	Q1 2023 (unaud.)	Q2 2023 (unaud.)	Q3 2023 (unaud.)	Q4 2023 (unaud.)	Q1 2024 (unaud.)	Q2 2024 (unaud.)	Q3 2024 (unaud.)	Q4 2024 (unaud.)	Full year 2023 (aud.)	Full year 2024 (aud.)
Income statement										
Revenue										
Hearing	1,622	1,719	1,653	1,808	1,737	1,792	1,725	1,850	6,802	7,104
Enterprise	1,767	1,861	1,838	1,997	1,751	1,785	1,680	1,989	7,463	7,205
Gaming & Consumer	825	814	952	1,264	815	922	759	1,180	3,855	3,676
Total	**4,214**	**4,394**	**4,443**	**5,069**	**4,303**	**4,499**	**4,164**	**5,019**	**18,120**	**17,985**
Organic growth										
Hearing	15%	15%	15%	7%	14%	10%	10%	7%	13%	10%
Enterprise	-3%	-23%	-13%	-9%	0%	-3%	-7%	-2%	-13%	-3%
Gaming & Consumer	17%	-4%	3%	6%	0%	12%	-20%	-8%	5%	-5%
Total	**7%**	**-8%**	**0%**	**0%**	**5%**	**5%**	**-4%**	**0%**	**-1%**	**1%**
Gross profit										
Hearing	979	1,039	1,019	1,039	1,089	1,131	1,103	1,135	4,076	4,458
Enterprise	883	986	976	1,056	963	977	927	1,143	3,901	4,010
Gaming & Consumer	179	197	229	363	223	226	253	394	968	1,096
Total	**2,041**	**2,222**	**2,224**	**2,458**	**2,275**	**2,334**	**2,283**	**2,672**	**8,945**	**9,564**
Gross profit margin										
Hearing	60.4%	60.4%	61.6%	57.5%	62.7%	63.1%	64.0%	61.4%	59.9%	62.8%
Enterprise	50.0%	53.0%	53.1%	52.9%	55.0%	54.7%	55.2%	57.5%	52.3%	55.7%
Gaming & Consumer	21.7%	24.2%	24.1%	28.7%	27.4%	24.5%	33.3%	33.4%	25.1%	29.8%
Total	**48.4%**	**50.6%**	**50.1%**	**48.5%**	**52.9%**	**51.9%**	**54.8%**	**53.2%**	**49.4%**	**53.2%**
Divisional profit										
Hearing	392	483	477	522	599	598	600	667	1,874	2,464
Enterprise	518	620	635	669	613	618	568	745	2,442	2,544
Gaming & Consumer	6	25	21	180	37	23	30	109	232	199
Total	**916**	**1,128**	**1,133**	**1,371**	**1,249**	**1,239**	**1,198**	**1,521**	**4,548**	**5,207**
Divisional margin										
Hearing	24.2%	28.1%	28.9%	28.9%	34.5%	33.4%	34.8%	36.1%	27.6%	34.7%
Enterprise	29.3%	33.3%	34.5%	33.5%	35.0%	34.6%	33.8%	37.5%	32.7%	35.3%
Gaming & Consumer	0.7%	3.1%	2.2%	14.2%	4.5%	2.5%	4.0%	9.2%	6.0%	5.4%
Total	**21.7%**	**25.7%**	**25.5%**	**27.0%**	**29.0%**	**27.5%**	**28.8%**	**30.3%**	**25.1%**	**29.0%**

Quarterly reporting

DKK million	Q1 2023 (unaud.)	Q2 2023 (unaud.)	Q3 2023 (unaud.)	Q4 2023 (unaud.)	Q1 2024 (unaud.)	Q2 2024 (unaud.)	Q3 2024 (unaud.)	Q4 2024 (unaud.)	Full year 2023 (aud.)	Full year 2024 (aud.)
Other Group information										
Depreciation and software amortization	-109	-113	-108	-221	-101	-99	-96	-92	-551	-388
EBITDA	282	444	538	487	639	473	649	780	1,751	2,541
EBITA	173	331	430	266	538	374	553	688	1,200	2,153
Amortization and impairment of acquired intangible assets	-102	-101	-99	-90	-91	-89	-94	-91	-392	-365
Profit (loss)	-43	43	227	39	266	112	289	392	266	1,059
Free cash flow excl. M&A	-578	622	279	769	46	155	786	94	1,092	1,081
Acquisitions and divestments of companies	-36	-	441	-	-35	-	106	29	405	100
Free cash flow	-614	622	720	769	11	155	892	123	1,497	1,181

Q4 segment disclosures

Income statement	Hearing		Enterprise		Gaming & Consumer		Group	
(DKK million)	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Q4 2024 (unaud.)	Q4 2023 (unaud.)
Revenue	1,850	1,808	1,989	1,997	1,180	1,264	5,019	5,069
Production costs	-715	-769	-846	-941	-786	-901	-2,347	-2,611
Gross profit	**1,135**	**1,039**	**1,143**	**1,056**	**394**	**363**	**2,672**	**2,458**
Selling and distribution costs	-468	-517	-398	-387	-285	-183	-1,151	-1,087
Divisional profit	**667**	**522**	**745**	**669**	**109**	**180**	**1,521**	**1,371**
Development costs							-355	-474
Management and administrative expenses							-467	-638
Other operating income and costs, net							-11	7
EBITA*							**688**	**266**
Amortization and impairment of acquired intangible assets							-91	-90
Gain (loss) on divestment of operations etc.							4	1
Operating profit (loss)							**601**	**177**
Share of profit (loss) in associates							-1	-12
Financial items							-97	-117
Profit (loss) before tax							**503**	**48**
Tax on profit (loss)							-111	-9
Profit (loss) for the period							**392**	**39**

Additional information	Hearing		Enterprise		Gaming & Consumer		Group	
(DKK million)	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Q4 2024 (unaud.)	Q4 2023 (unaud.)	Q4 2024 (unaud.)	Q4 2023 (unaud.)
Revenue distributed geographically								
Europe	485	451	1,118	1,085	420	540	2,023	2,076
North America	901	996	443	460	652	559	1,996	2,015
Rest of World	464	361	428	452	108	165	1,000	978
Revenue	**1,850**	**1,808**	**1,989**	**1,997**	**1,180**	**1,264**	**5,019**	**5,069**
Revenue growth composition								
Organic growth	7%	7%	-2%	-9%	-8%	6%	0%	0%
FX growth	-2%	-3%	2%	-2%	1%	-3%	0%	-3%
M&A growth	-3%	-4%	0%	0%	0%	0%	-1%	-1%
Revenue growth	**2%**	**0%**	**0%**	**-11%**	**-7%**	**3%**	**-1%**	**-4%**
Incurred development costs							-690	-394
Capitalized development costs							432	208
Amortization, impairment and depreciation of development projects**							-97	-232
Expensed development costs							**-355**	**-418**
EBITDA							780	487
Depreciation and software amortization							-92	-221
EBITA*							**688**	**266**
EBITA margin							13.7%	5.2%
Number of full-time employees, end of period							7,347	7,165

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

2024 segment disclosures

Income statement	Hearing		Enterprise		Gaming & Consumer		Group	
(DKK million)	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	7,104	6,802	7,205	7,463	3,676	3,855	17,985	18,120
Production costs	-2,646	-2,726	-3,195	-3,562	-2,580	-2,887	-8,421	-9,175
Gross profit	**4,458**	**4,076**	**4,010**	**3,901**	**1,096**	**968**	**9,564**	**8,945**
Selling and distribution costs	-1,994	-2,202	-1,466	-1,459	-897	-736	-4,357	-4,397
Divisional profit	**2,464**	**1,874**	**2,544**	**2,442**	**199**	**232**	**5,207**	**4,548**
Development costs							-1,491	-1,546
Management and administrative expenses							-1,543	-1,810
Other operating income and costs, net							-20	8
EBITA*							**2,153**	**1,200**
Amortization and impairment of acquired intangible assets							-365	-392
Gain (loss) on divestment of operations etc.							72	61
Operating profit (loss)							**1,860**	**869**
Share of profit (loss) in associates							-7	-64
Financial items							-492	-462
Profit (loss) before tax							**1,361**	**343**
Tax on profit (loss)							-302	-77
Profit (loss) for the period							**1,059**	**266**

Additional information	Hearing		Enterprise		Gaming & Consumer		Group	
(DKK million)	2024	2023	2024	2023	2024	2023	2024	2023
Revenue distributed geographically								
Europe	1,847	1,887	3,938	4,167	1,292	1,430	7,077	7,484
North America	3,616	3,407	1,648	1,679	1,846	1,753	7,110	6,839
Rest of World	1,641	1,508	1,619	1,617	538	672	3,798	3,797
Revenue	**7,104**	**6,802**	**7,205**	**7,463**	**3,676**	**3,855**	**17,985**	**18,120**
Revenue growth composition								
Organic growth	10%	13%	-3%	-13%	-5%	5%	1%	-1%
FX growth	-2%	-3%	0%	-1%	0%	-3%	0%	-2%
M&A growth	-4%	-1%	0%	0%	0%	0%	-2%	0%
Revenue growth	**4%**	**9%**	**-3%**	**-14%**	**-5%**	**2%**	**-1%**	**-3%**
Incurred development costs							-1,909	-1,722
Capitalized development costs							1,015	951
Amortization, impairment and depreciation of development projects**							-597	-775
Expensed development costs							**-1,491**	**-1,546**
EBITDA							2,541	1,751
Depreciation and software amortization							-388	-551
EBITA*							**2,153**	**1,200**
EBITA margin							12.0%	6.6%
Number of full-time employees, end of period							7,347	7,165

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

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Consolidated income statement

DKK million	Note	2024	2023
Revenue	2.2	17,985	18,120
Production costs	2.3, 3.4, 3.6	-8,421	-9,175
Gross profit		**9,564**	**8,945**
Development costs	2.3, 3.4	-1,491	-1,546
Selling and distribution costs	2.3, 3.4	-4,357	-4,397
Management and administrative expenses	2.3, 3.4, 5.6	-1,543	-1,810
Other operating income and costs, net		-20	8
EBITA*		**2,153**	**1,200**
Amortization and impairment of acquired intangible assets	2.5, 3.4	-365	-392
Gain (loss) on divestment of operations etc.	5.1	72	61
Operating profit (loss)		**1,860**	**869**
Share of profit (loss) in associates	5.4	-7	-64
Financial income	4.6	358	164
Financial expenses	4.6	-850	-626
Profit (loss) before tax		**1,361**	**343**
Tax on profit (loss)	2.4	-302	-77
Profit (loss) for the year		**1,059**	**266**
Attributable to:			
Non-controlling interests		71	38
Shareholders in GN Store Nord A/S	4.1	988	228
Earnings per share (EPS)			
Earnings per share (EPS)	4.1	6.79	1.64
Earnings per share fully diluted (EPS diluted)	4.1	6.78	1.64

* Please refer to Key Ratio Definitions on page 167 for definition of EBITA

Consolidated statement of comprehensive income

DKK million	Note	2024	2023
Profit (loss) for the year		**1,059**	**266**
Other comprehensive income			
Items that will not be reclassified to the income statement			
Actuarial gains (losses)		-52	-2
Tax relating to actuarial gains (losses)	2.4	13	-2
Items that may be reclassified subsequently to the income statement			
Adjustment of cash flow hedges	4.3	105	51
Foreign exchange adjustments, etc.		269	-216
Tax relating to other comprehensive income	2.4	-23	-11
Other comprehensive income for the year, net of tax		**312**	**-180**
Total comprehensive income for the year		**1,371**	**86**
Attributable to:			
Non-controlling interests		71	38
Shareholders in GN Store Nord A/S		1,300	48

Consolidated balance sheet at December 31

DKK million	Note	2024	2023
Assets			
Intangible assets	3.1, 3.4	17,318	16,925
Property, plant and equipment	3.2, 3.3, 3.4	1,088	1,036
Investments in associates	5.4	296	276
Receivables from associates	4.4	211	168
Deferred tax assets	2.4	566	494
Other non-current assets	3.5, 4.4, 5.4	1,804	1,559
Total non-current assets		**21,283**	**20,458**
Inventories	3.6	2,585	2,657
Trade receivables	3.7, 4.4	4,673	4,442
Tax receivables		289	69
Other receivables	4.4	801	854
Cash and cash equivalents		980	2,162
Total current assets		**9,328**	**10,184**
Total assets		**30,611**	**30,642**

DKK million	Note	2024	2023
Equity and Liabilities			
Share capital		604	604
Other reserves		-3,440	-3,798
Retained earnings		13,660	12,781
Total equity		**10,824**	**9,587**
Bank loans and issued bonds, non-current	4.2, 4.4, 4.5	9,036	3,527
Lease liabilities, non-current	3.3, 4.4, 4.5	362	211
Pension obligations		30	9
Provisions, non-current	3.8	218	144
Deferred tax liabilities	2.4	1,036	745
Other non-current liabilities	4.3, 4.4, 4.5	954	777
Total non-current liabilities		**11,636**	**5,413**
Bank loans and issued bonds, current	4.2, 4.4, 4.5	1,746	9,674
Overdraft facilities	4.2, 4.4, 4.5	258	-
Lease liabilities, current	3.3, 4.4, 4.5	85	87
Trade payables		1,627	1,719
Tax payables		280	229
Provisions, current	3.8	305	340
Other current liabilities	4.3, 4.4	3,850	3,593
Total current liabilities		**8,151**	**15,642**
Total equity and liabilities		**30,611**	**30,642**

Consolidated statement of cash flows

DKK million	Note	2024	2023
Operating activities			
Operating profit (loss)		1,860	869
Depreciation, amortization and impairment	3.4	1,379	1,729
Other non-cash adjustments	5.5	-113	124
Cash flow from operating activities before changes in working capital		**3,126**	**2,722**
Change in inventories		85	756
Change in receivables		-163	-490
Change in trade payables and other payables		254	172
Total changes in working capital		**176**	**438**
Cash flow from operating activities before financial items and tax		**3,302**	**3,160**
Interest received		92	81
Interest etc. paid		-434	-428
Tax paid, net	2.4	-235	-175
Cash flow from operating activities		**2,725**	**2,638**
Investing activities			
Development projects	3.1	-1,015	-951
Investments in intangible assets, excluding development projects	3.1	-269	-388
Investments in property, plant and equipment	3.2	-120	-93
Investments in other non-current assets		-189	-131
Disposal of intangible assets and property, plant and equipment		-	17
Contingent consideration paid		-51	-
Acquisition of companies/operations	5.1	-35	-36
Divestment of companies/operations	5.1	135	441
Cash flow from investing activities		**-1,544**	**-1,141**
Cash flow from operating and investing activities (free cash flow)		**1,181**	**1,497**

DKK million	Note	2024	2023
Financing activities			
Proceeds from borrowings	4.5	-	254
Repayment of bank loans	4.5	-1,086	-3,273
Repayment of issued bonds	4.5	-1,406	-
Repayment of lease liabilities	4.5	-99	-
Repayment of other non-current liabilities	4.5	-32	-
Paid dividends		-	-32
Share-based payment (exercised)		-	47
Proceeds from share placement, net of costs		-	2,621
Drawn/(repaid) on credit facilities	4.5	258	-
Other adjustments		-	71
Cash flow from financing activities		**-2,365**	**-312**
Net cash flow		**-1,184**	**1,185**
Cash and cash equivalents, beginning of period		2,162	990
Adjustment foreign currency, cash and cash equivalents		2	-13
Cash and cash equivalents, end of period		**980**	**2,162**

Consolidated statement of changes in equity

	2024								
		Other reserves							
DKK million	Share capital	Foreign exchange adjustments	Hedging reserve	Treasury shares	Proposed dividends for the year	Retained earnings	Equity, shareholders in GN Store Nord A/S	Non-controlling interests	Total equity
Balance at January 1, 2024	**604**	**-1,062**	**-11**	**-2,725**	**-**	**12,781**	**9,587**	**-**	**9,587**
Profit (loss) for the period	-	-	-	-	-	988	988	71	1,059
Actuarial gains (losses)	-	-	-	-	-	-52	-52	-	-52
Tax relating to actuarial gains (losses)	-	-	-	-	-	13	13	-	13
Adjustment of cash flow hedges	-	-	105	-	-	-	105	-	105
Tax relating to cash flow hedges	-	-	-23	-	-	-	-23	-	-23
Foreign exchange adjustments, etc.	-	276	-	-	-	-7	269	-	269
Other comprehensive income for the year	-	276	82	-	-	-46	312	-	312
Total comprehensive income for the year	-	276	82	-	-	942	1,300	71	1,371
Share-based payment (granted)	-	-	-	-	-	-36	-36	-	-36
Fair value adjustment of put option liability	-	-	-	-	-	-27	-27	-71	-98
Balance at December 31, 2024	**604**	**-786**	**71**	**-2,725**	**-**	**13,660**	**10,824**	**-**	**10,824**

Consolidated statement of changes in equity (continued)

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

Consolidated notes

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Section 1 - Basis of preparation

1.1 Material accounting policies

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

The notes to the annual report have been updated compared to prior year in certain instances to provide a more accurate representation. In such cases, comparative figures have been adjusted accordingly.

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's accounting policies.

Defining materiality

The annual report is based on the concept of materiality, to ensure that the content is material and relevant to the users. GN provides the specific disclosures required by IFRS unless the information is considered immaterial.

Consolidated Financial Statements

The consolidated financial statements comprise the financial statements of the parent company, GN Store Nord A/S, and its controlled subsidiaries in accordance with the Group's accounting policies. Intra-group transactions, -shareholdings, -balances, -dividends, and realized and unrealized gains and losses on intra-group transactions are eliminated.

Control is achieved when GN 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 has less than a majority of the voting or similar rights of an investee, GN considers all relevant facts and circumstances in assessing whether it has power over an investee.

Group companies are listed on pages 165-166. Enterprises that are not subsidiaries, but where GN exercises significant influence, but where it does not have power to govern the financial and operating policies, are considered associates. When assessing whether GN exercises control or significant influence, potential voting rights that are substantive and options on acquisition of additional ownership interests are taken into account.

Foreign Currency Translation

Functional Currency and Presentation Currency

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

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 the Group'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 inventories, receivables and other operating assets, as well as trade payables and other operating liabilities.

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.

Where a financial statement line item is not defined in the ESEF taxonomy, an extension to the taxonomy has been created.

The annual report submitted to the Danish Financial Supervisory Authority consists of the XHTML document together with certain technical files, all included in a file named GNStoreNord-2024-12-31-en.zip.

New standards, interpretations and amendments adopted by GN

GN has adopted all relevant new or revised International Financial Reporting Standards and IFRIC Interpretations with effective date January 1, 2024, with the following being the most relevant for GN:

Presentation of Financial Statements – amendments to IAS 1

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, 2025 and have not been applied in preparing this annual report. GN will adopt new standards and interpretations as of the effective dates:

- The Effects of Changes in Foreign Exchange Rates – amendments to IAS 21 (effective date January 1, 2025)
- Amendments to the Classification and Measurement of Financial Instruments – amendments to IFRS 9 and IFRS 7 (effective January 1, 2026)
- Annual Improvements Volume 11 (effective January 1, 2026)
- IFRS 18, Presentation and Disclosure in Financial Statements (effective January 1, 2027)

IFRS 18, Presentation and Disclosure in Financial Statements

IFRS 18 includes requirements for the presentation and disclosure of information in financial statements.

The Statement of Profit or Loss will be presented into five categories, operating, investing, financing, income tax and discontinued operations categories based on an assessment of GN's business activities. The standard also includes requirements related to aggregation and disaggregation of information in the primary financial statements and notes. Further, IFRS 18 requires GN to identify its management-defined performance measures (MPM) as detailed disclosures need to be included in the notes for them. This should enable user of financial statements to understand the aspect of financial performance that in management's view is communicated by a MPM and how the MPM compares with measures defined by IFRS Accounting Standards.

The Group is assessing the impact of IFRS 18.

None of the other new standards, amendments to standards and interpretations are expected to have material impact on the financial statements of GN.

1.2 Key accounting estimates and judgements

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 judgements.

Key accounting estimate

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 Group is subject to risks and uncertainties that may lead to a situation where actual results differ from estimates. We believe that our estimates are the most likely outcome of future events.

Key accounting judgement

Key accounting judgements are made when applying accounting policies. The application of the Group's accounting policies may require Management to make judgements that can have a significant impact on the amounts recognized in the consolidated financial statements.

The impact assessment is based on a combination of quantitative and qualitative measures, such as outcome expectations, complexity and subjectivity to indicating the impact to the consolidated financial statements.

No new areas have been categorized as key accounting estimates and judgements, compared to last year, but a few areas are no longer considered key accounting estimates and judgements.

A description of key accounting estimates and judgements is included in the relevant notes:

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

1.3 Non-IFRS measures

This Annual Report includes financial measures which are not defined by IFRS Accounting Standards. These measures are included because they are used by 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 167 for a definition of these measures.

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2.1 Segment disclosures

The segments are aligned with the internal reporting structure of the Group.

Effective January 1, 2024, the Group's segment reporting will now occur on the following three divisions:

- Hearing;
- Enterprise; and
- Gaming & Consumer

Management has identified Hearing, Enterprise, and Gaming & Consumer as key markets and therefore the reportable segments in the Group, as this reflects the management of activities, results and the use of resources.

Prior to January 1, 2024, GN Hearing and GN Audio were the reportable segments in the Group. The comparative segment results have been restated for comparison purposes as required by IFRS 8 Operating Segments. Segment performance is now evaluated on Divisional profit. Divisional profit is calculated as gross profit less selling and distribution costs.

§ Accounting policies

Segment Information

GN Store Nord's Management has identified Hearing, Enterprise and Gaming & Consumer as the reportable segments in the Group. Hearing is operating within the hearing instrument industry, primarily producing and selling hearing instruments and products related hereto. Enterprise is a leading supplier in the market for audio and video devices for professional use. Gaming & Consumer is operating to produce gaming devices, peripherals and consumer audio devices.

Segment information is based on the Group's accounting policies. In the Group, segment performance is evaluated on the basis of gross profit and divisional profit. Segment revenue and expenses comprise items directly attributable to a segment and items that can be allocated to a segment on a reasonable basis. Non-attributable costs are not allocated.

Income statement

	Hearing		Enterprise		Gaming & Consumer		Group	
DKK million	2024	2023	2024	2023	2024	2023	2024	2023
Revenue	7,104	6,802	7,205	7,463	3,676	3,855	17,985	18,120
Production costs	-2,646	-2,726	-3,195	-3,562	-2,580	-2,887	-8,421	-9,175
Gross profit	**4,458**	**4,076**	**4,010**	**3,901**	**1,096**	**968**	**9,564**	**8,945**
Selling and distribution costs	-1,994	-2,202	-1,466	-1,459	-897	-736	-4,357	-4,397
Divisional profit	**2,464**	**1,874**	**2,544**	**2,442**	**199**	**232**	**5,207**	**4,548**
Development costs							-1,491	-1,546
Management and administrative expenses							-1,543	-1,810
Other operating income and costs, net							-20	8
EBITA*							**2,153**	**1,200**
Amortization and impairment of acquired intangible assets							-365	-392
Gain (loss) on divestment of operations etc.							72	61
Operating profit (loss)							**1,860**	**869**
Share of profit (loss) in associates							-7	-64
Financial items							-492	-462
Profit (loss) before tax							**1,361**	**343**
Tax on profit (loss)							-302	-77
Profit (loss) for the period							**1,059**	**266**

2.2 Revenue and geographical information

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 7,104 million (2023: DKK 6,802 million), audio and collaboration solutions, DKK 7,205 million (2023: DKK 7,463 million), and gaming gear and consumer products, DKK 3,676 million (2023: 3,855 million). Revenue is attributed to countries on the basis of the customer's location. The US represent a material single country and constitutes the vast majority of revenue in North America. Germany, also represent a material single country. One distributor, mainly in Enterprise, comprises more than 10% of the Group's total revenue amounting to DKK 2,485 million (2023: DKK 2,328 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.

	Revenue from contracts with customers								Intangible assets and property, plant and equipment	
	Hearing		Enterprise		Gaming & Consumer		Consolidated total		Consolidated total	
DKK million	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Europe	1,847	1,887	3,938	4,167	1,292	1,430	7,077	7,484	12,491	12,487
North America	3,616	3,407	1,648	1,679	1,846	1,753	7,110	6,839	5,492	5,130
Rest of World	1,641	1,508	1,619	1,617	538	672	3,798	3,797	423	344
Total	**7,104**	**6,802**	**7,205**	**7,463**	**3,676**	**3,855**	**17,985**	**18,120**	**18,406**	**17,961**

Contract liabilities

GN has recognized the following revenue-related contract liabilities:

DKK million	2024	2023
Deferred revenue related to pre-paid extended warranties (Other current liabilities and Other non-current liabilities)	256	203
Accrued rights of return (Other current liabilities)	124	193
Contract liabilities at December 31	**380**	**396**
Revenue recognized, included in contract liabilities at the beginning of the year	295	265

As of December 31, 2024, customer rebates amounted to DKK 1,032 million (2023: DKK 965 million).

! Key accounting estimates

Estimating variable consideration

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. .

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

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

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

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

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

Production Costs

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

Development Costs

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

Selling and Distribution Costs

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

Management and Administrative Expenses

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

Other Operating Income and Costs, net

Other operating income and costs comprise items secondary to the principal activities of the enterprises.

2.3 Staff costs and management remuneration

Staff costs

DKK million	2024	2023
Wages, salaries and remuneration	3,665	4,238
Pensions, defined benefit plans	-	2
Pensions, defined contribution plans	213	194
Other social security costs	419	438
Share-based incentives	-35	22
Total	**4,262**	**4,894**
Included in:		
Production costs and change in payroll costs included in inventories	269	627
Development costs	683	676
Selling and distribution costs	2,567	2,630
Management and administrative expenses	743	961
Total	**4,262**	**4,894**
Average number of FTEs	7,201	7,435
Number of FTEs, year-end	7,347	7,165

Share-based incentive plans

The Group's long-term equity-settled incentive program is specified and described in note 5.2 share-based incentive plans.

Remuneration of the Board of Directors and Executive Management

DKK million	2024	2023
Fixed pay*	15	33
Short-term incentives	12	25
Share-based incentives	7	-13
Total Executive Management remuneration	**34**	**45**
Executive Management termination benefits	4	10
Board of Directors remuneration	10	9
Total remuneration to Executive Management and Board of Directors	**48**	**64**

* 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.

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’s option-based long-term incentive programs. Furthermore, the remuneration includes a yearly bonus plan (short-term incentives) with a target payout of 50% of the annual base salary and the maximum payout cannot exceed 100% of the executive’s annual base salary.

The Group does not make pension contributions for members of the Executive Management. Executive Management has usual severance agreements and change-of-control agreements.

Members of the Board of Directors receive a fixed remuneration as approved by the shareholders at the Annual General Meeting on March 13, 2024. The base fee for the Board of Directors did not change from 2023 to 2024. The fixed remuneration is based on GN´s corporate governance structure in which an audit committee, a technology & innovation committee, a remuneration committee and a nomination committee have been established. On October 1, 2023, the GN Group transitioned into a “one-company” governance structure with GN Store Nord A/S’ Board of Directors overseeing the Group and its three divisions.

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 details related to the remuneration of the Board of Directors and Executive Management, refer to the Remuneration Report 2024.

2.4 Tax

Tax on profit (loss)

DKK million	2024	2023
Tax on profit (loss)		
Current tax for the year	-106	-219
Deferred tax for the year	-221	158
Effect of change in income tax rates	-1	1
Withholding tax	-1	-15
Adjustment to current tax with respect to prior years	42	-6
Adjustment to deferred tax with respect to prior years	-15	4
Total	**-302**	**-77**
Reconciliation of effective tax rate		
Danish tax rate	22.0%	22.0%
Effect of tax rates in foreign jurisdictions	1.1%	1.0%
Non-taxable income	-1.0%	-4.3%
Non-deductible expenses	3.2%	3.3%
Other, including provisions for uncertain tax positions*	-3.1%	0.4%
Effective tax rate	**22.2%**	**22.4%**
Tax relating to other comprehensive income		
Actuarial gains (losses)	13	-2
Adjustment of cash flow hedges	-23	-11
Total	**-10**	**-13**

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

Deferred Tax

DKK million	2024	2023
Deferred tax, net		
Deferred tax at January 1, net	-251	-424
Adjustment with respect to prior years	-16	4
Effect of change in income tax rates	-1	1
Deferred tax for the year recognized in profit (loss) for the year	-221	158
Deferred tax for the year recognized in other comprehensive income for the year	10	-14
Tax related to share-based incentive plans	13	-14
Foreign exchange adjustments	-4	38
Deferred tax at December 31, net	**-470**	**-251**
Deferred tax is recognized in the balance sheet as follows:		
Deferred tax assets	566	494
Deferred tax liabilities	-1,036	-745
Deferred tax at December 31, net	**-470**	**-251**
Deferred tax, net relates to:		
Intangible assets	-1,150	-999
Property, plant and equipment	23	28
Other securities	5	6
Current assets	175	179
Current liabilities	4	7
Intercompany liabilities	-2	-3
Tax loss carryforwards	96	138
Provisions	339	344
Other	40	49
Total	**-470**	**-251**
Tax value of unrecognized tax assets		
Tax loss carryforwards	137	64
Other tax assets	83	173
Unrecognized tax assets at December 31	**220**	**237**

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 62 million expected to be utilized within 12 months (2023: DKK 65 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.

2.4 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 2024, our estimated corporate tax payment amounts to DKK 235 million (2023: DKK 175 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.

GN is subject to the Pillar Two rules and has had no material top-up tax in 2024. GN has applied the mandatory exception and has therefore not recognized any Pillar Two related deferred taxes in 2024.

Regions	Nature of Activity	Number of employees, end of period	EBT IFRS (DKK million)	Effective tax rate	Tax paid (DKK million)	Accrued tax (DKK million)
Denmark	Principal	1,740	541	21.0%	85	41
Europe	R&D, Production, distribution and sales	887	269	29.0%	48	20
North America	R&D, Production, distribution and sales	1,785	276	16.0%	30	18
Rest of World	R&D, Production, distribution and sales	2,935	275	24.0%	72	27
Total	**Total GN Group**	**7,347**	**1,361**	**22.2%**	**235**	**106**
Eliminations and other adjustments						
IFRS annual report 2024	**Total GN Group**	**7,347**	**1,361**	22.2%	**235**	**106**

§ 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.

! Key accounting judgement

Deferred tax assets valuation

Management has made judgements in determining the extent to which deferred tax assets are recognized. GN 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.

2.5 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	2024	2023
Revenue	17,985	18,120
Production costs	-8,421	-9,175
Gross profit	**9,564**	**8,945**
Development costs	-1,634	-1,666
Selling and distribution costs	-4,579	-4,613
Management and administrative expenses	-1,543	-1,786
Other operating income and costs, net	-20	-72
Gain (loss) on divestment of operations etc.	72	61
Operating profit (loss)	**1,860**	**869**
In the above income statement amortization and impairment of acquired intangible assets has been allocated to functions as follows:		
Development costs	-143	-176
Selling and distribution costs	-222	-216
Amortization and impairment of acquired intangible assets	**-365**	**-392**

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.

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3.1 Intangible assets

DKK million	Goodwill	In-house development projects	Acquired development projects and software	Customer relationships	Software	Patents and rights	Other	Total
Cost at January 1	11,154	6,981	903	1,223	2,090	958	1,421	24,730
Additions	-	1,015	-	-	269	-	-	1,284
Disposals	-	-1	-	-50	-58	-	-	-109
Disposal on company divestments	-37	-	-	-32	-	-	-5	-74
Transfers	-	-	-	-	-	-	-	-
Foreign exchange adjustments	241	-	-	-	1	-	1	243
Cost at December 31	11,358	7,995	903	1,141	2,302	958	1,417	26,074
Amortization and impairment at January 1	-	-4,684	-226	-530	-984	-729	-652	-7,805
Amortization	-	-597	-41	-82	-95	-83	-76	-974
Disposals	-	-	10	50	31	-	-	91
Disposal on company divestments	-	-	-	32	-	-	4	36
Impairment	-	-104	-	-	-	-	-	-104
Transfers	-	-	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	-	-	-	-	-
Amortization and impairment at December 31	-	-5,385	-257	-530	-1,048	-812	-724	-8,756
Carrying amount at December 31, 2024	**11,358**	**2,610**	**646**	**611**	**1,254**	**146**	**693**	**17,318**
Cost at January 1	11,570	6,030	903	1,449	1,734	965	1,401	24,052
Additions	-	951	-	-	361	-	27	1,339
Disposals	-246	-	-	-212	-	-	-	-458
Transfers	-	-	-	-	-	-	-	-
Foreign exchange adjustments	-170	-	-	-14	-5	-7	-7	-203
Cost at December 31	11,154	6,981	903	1,223	2,090	958	1,421	24,730
Amortization and impairment at January 1	-	-3,922	-139	-466	-774	-647	-558	-6,506
Amortization	-	-582	-87	-114	-80	-89	-102	-1,054
Disposals	-	-	-	36	-	-		36
Impairment	-	-180	-	-	-135	-	-	-315
Transfers	-	-	-	-	-	-	-	-
Foreign exchange adjustments	-	-	-	14	5	7	8	34
Amortization and impairment at December 31	-	-4,684	-226	-530	-984	-729	-652	-7,805
Carrying amount at December 31, 2023	**11,154**	**2,297**	**677**	**693**	**1,106**	**229**	**769**	**16,925**

The carrying amount of In-house development projects and software include development in progress of DKK 1,625 million and DKK 815 million respectively (2023: DKK 1,322 million and DKK 641 million).

Goodwill

Goodwill arising from business acquisitions is recognized in the consolidated financial statements. There were no additions during the year (2023: no additions).

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)

During 2024, the Group reorganized its operations, resulting in the creation of three new divisions: Hearing, Enterprise, and Gaming & Consumer. Consequently, GN Audio's goodwill of DKK 6,825 million on 31 December 2023 was reallocated to the new divisions – Enterprise, and Gaming & Consumer, based on their relative values as of the reorganization date. Hearing was not included in the reallocation as the division remain unchanged.

Goodwill at 31 December 2024 with restated 2023 comparatives are as follows:

	Carrying amount of goodwill DKK million		Pre-tax discount rate %		Weighted average cost of capital %	
	2024	2023	2024	2023	2024	2023
CGUs						
Hearing	4,483	4,329	7.8	8.7	7.5	8.3
Enterprise	4,503	4,453	8.0	9.3	7.8	8.8
Gaming & Consumer	2,372	2,372	8.2	9.3	8.0	8.8
Total	**11,358**	**11,154**				

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 2025, market forecasts for 2025 - 2028, strategy financial models, etc. approved by the Board of Directors. Budgets and strategy financial models 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 all CGUs (2023: 2.0% p.a.). Assumptions regarding sales and operating profit is based on marked assumption and growth, the WACC is based on peers, working capital and investments in non-current assets is based on historical data and strategy plan.

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

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

Enterprise:
- Increased penetration rates as more people with a hearing loss will use hearing aids in the future, and
- 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
- 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

Gaming & Consumer:
- Continued growth in gaming, time spent and players
- Growing appetite for premium features, driving higher ASPs

The expected revenue growth across the three divisions 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, 2024. 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 104 million (2023: DKK 180 million) related to projects were recognized, mainly attributable to the wind-down of the Elite and Talk product lines. In Management's assessments, the recoverable amount exceeds the carrying amount at December 31, 2024.

Software comprises development, design and test of production, planning software and reporting systems, business intelligence etc. Implementation of these systems is expected to optimize internal procedures and processes. During the year, impairments of DKK 0 million (2023: DKK 135 million) related to software were recognized. In 2024, Management assessed that the expected useful lives were reflected in the carrying amounts at December 31, 2024.

The Group's move to one company geared towards capturing company-wide synergies which will support and accelerate margin improvements across the Group. In order to capture these synergies, the group has stream-lined processes including refined product and software focus resulting in the aforementioned development projects impairments recognized in the 2024 financial year.

Customer relationships

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

3.1 Intangible assets (Continued)

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 Hearing and rights to the use of certain technologies for development of headsets and video communications solutions.

Other

The Group's other intangible assets mainly comprise of DKK 627 million (2023: DKK 693 million) related to trademarks, DKK 21 million (2023: DKK 66 million) related to supply agreements and DKK 0 million (2023: DKK 2 million) related to know-how. In Management's assessments, the recoverable amount exceeds the carrying amount at December 31, 2024.

§ 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: Hearing, Enterprise and Gaming & Consumer.

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)

! Key accounting estimates

Valuation of intangible assets - 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.

! Key accounting estimates

Valuation of intangible assets - 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.

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	679	210	935	773	14	2,611
Reclassification	-4	-15	-7	26	-	-
Additions	28	39	30	13	10	120
Disposals	-	-13	-2	-18	-	-33
Disposals on company divestments	-	-12	-	-17	-	-29
Foreign exchange adjustments	-	-	-	-9	-	-9
Cost at December 31	703	209	956	768	24	2,660
Depreciation and impairment at January 1	-281	-157	-782	-644	-	-1,864
Depreciation	-27	-18	-66	-74	-	-185
Impairment	-	-	-6	-	-	-6
Disposals	-	13	1	16	-	30
Disposals on company divestments	-	12	-	16	-	28
Transfers	-13	3	-15	25	-	-
Foreign exchange adjustments	1	-2	-2	-1	-	-4
Depreciation and impairment at December 31	-320	-149	-870	-662	-	-2,001
Carrying amount at December 31, 2024	**383**	**60**	**86**	**106**	**24**	**659**
Leased assets, c.f. note 3.3	383	-	-	46	-	429
Total carrying amount at December 31, 2024	**766**	**60**	**86**	**152**	**24**	**1,088**
Cost at January 1	671	236	958	798	14	2,677
Additions	11	8	31	41	2	93
Disposals	-	-29	-48	-60	-	-137
Reclassification	-	-	2	-	-2	-
Foreign exchange adjustments	-3	-5	-8	-6	-	-22
Cost at December 31	679	210	935	773	14	2,611
Depreciation and impairment at January 1	-256	-170	-716	-636	-	-1,778
Depreciation	-27	-18	-115	-61	-	-221
Impairment	-	-	-	-	-	-
Disposals	-	29	48	48	-	125
Foreign exchange adjustments	2	2	1	5	-	10
Depreciation and impairment at December 31	-281	-157	-782	-644	-	-1,864
Carrying amount at December 31, 2023	**398**	**53**	**153**	**129**	**14**	**747**
Leased assets, c.f. note 3.3	272			17		289
Total carrying amount at December 31, 2023	**670**	**53**	**153**	**146**	**14**	**1,036**

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

When determining the useful lives impact of climate-related risks have been assessed. Such risks include new climate-related legislation restricting or changing the use of certain assets.

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	2024 Factory and office buildings	2024 Operating assets and equipment	2024 Total	2023 Factory and office buildings	2023 Operating assets and equipment	2023 Total
Carrying amount at January 1	272	17	289	324	32	356
Reclassification	-33	33	-	-	-	-
Additions	250	28	278	51	45	96
Disposals	-32	-1	-33	-	-30	-30
Remeasurements	8	-	8	14	-	14
Depreciation	-84	-26	-110	-103	-30	-133
Impairment	-	-	-	-6	-	-6
Foreign exchange adjustments	2	-5	-3	-8	-	-8
Carrying amount at December 31	**383**	**46**	**429**	**272**	**17**	**289**

GN'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. In 2023, GN entered into a sale and leaseback transaction for the headquarters building which based upon the terms and conditions of the agreement was deemed to be a failed sale. Consequently, such transaction is treated similar to a financing transaction from external bank (i.e., no derecognition of assets and no recognition of lease liabilities.)

For information regarding contractual maturity analysis for lease liabilities please refer to note 4.4 Financial instruments.

Lease liabilities

DKK million	2024	2023
Contractual maturity analysis of lease liabilities:		
Less than one year	113	112
Between one and three years	153	140
More than three years	301	69
Total	**567**	**321**

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

Amounts expensed in the income statement and total cash outflow

DKK million	2024	2023
Interest expense on lease liabilities	10	8
Expenses for low-value assets and short-term leases	53	7
Total cash outflow regarding lease liabilities	99	144

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	2024	2023
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	-113	-154
Development costs	-682	-776
Selling and distribution costs	-89	-86
Management and administrative expenses	-130	-321
Amortization and impairment of acquired intangible assets	-365	-392
Total	**-1,379**	**-1,729**
Depreciation and impairment of property, plant and equipment (inc. leased assets) are recognized in the income statement as follows:		
Production costs	-113	-154
Development costs	-21	-12
Selling and distribution costs	-59	-83
Management and administrative expenses	-108	-111
Total	**-301**	**-360**
Amortization of intangible assets is recognized in the income statement as follows:		
Development costs	-558	-584
Selling and distribution costs	-30	-3
Management and administrative expenses	-21	-78
Amortization and impairment of acquired intangible assets	-365	-389
Total	**-974**	**-1,054**
Impairment of intangible assets is recognized in the income statement as follows:		
Development costs	-104	-180
Management and administrative expenses	-	-132
Amortization and impairment of acquired intangible assets	-	-3
Total	**-104**	**-315**

3.5 Other non-current assets

DKK million	2024	2023
Loans to dispensers of Hearing products	808	770
Pre-paid discounts	316	246
Ownership interests	157	136
RAP, SIP and DCP	473	349
Pension assets	-	33
Other	50	25
Total	**1,804**	**1,559**

RAP (Retirement Advantage Plan) and SIP (Savings and Investment Plan) are programs in which customers earn funds based on purchases. 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 346 million (2023: DKK 265 million).

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

Dispenser loans are provided to dispensers of Hearing products in order to support their future growth. The majority of dispenser loans is related to dispensers in the US. 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 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's internal credit rating.

		2024			2023		
GN Store Nord internal credit rating		Expected credit loss rate %	Gross carrying amount at default DKK million	Carrying amount (net of loss allowance) DKK million	Expected credit loss rate %	Gross carrying amount at default DKK million	Carrying amount (net of loss allowance) DKK million
Performing	12-month expected credit loss	3%	829	808	3%	790	770
Underperforming	Lifetime expected credit losses	100%	107	-	100%	112	-
Total dispenser loans at December 31			**936**	**808**		**902**	**770**

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, 2024	-20	-112	-132
Transferred to underperforming (lifetime ECL)	-		-
New dispenser loans, net	-1	-19	-20
Write-off Assets derecognized through the income statement	-	23	23
Changes in model/risk parameters	-	-	-
Foreign exchange adjustments and other changes	-	1	1
Closing loss allowance as at December 31, 2024	**-21**	**-107**	**-128**
Opening loss allowance as at January 1, 2023	-18	-124	-142
Transferred to underperforming (lifetime ECL)		3	3
New dispenser loans	-3	-	-3
Write-off Assets derecognized through the income statement	-	12	12
Changes in model/risk parameters	-	-	-
Foreign exchange adjustments and other changes	1	-3	-2
Closing loss allowance as at December 31, 2023	**-20**	**-112**	**-132**

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 recorded under financial items in the income statement.

Changes in the fair value of ownership interests at fair value though profit or loss are recognized in financial items in the income statement.

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

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

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

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

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

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

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

! Key accounting judgments

Financial support arrangements
Hearing 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 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	2024	2023
Raw materials and consumables	561	622
Work in progress	24	27
Finished goods and merchandise	2,000	2,008
Total	**2,585**	**2,657**
The above includes write-downs amounting to	-281	-295
Costs of goods sold included in Production Costs	-8,155	-8,519

The write-down of inventories were amongst others related to the wind-down of the Elite and Talk product lines.

§ Accounting policies

Inventories

Inventories are measured at cost in accordance with the FIFO-principle 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	4,008	406	90	75	63	217	4,859
Loss allowance at December 31	-14	-6	-4	-6	-14	-142	-186
Trade receivables at December 31, 2024	**3,994**	**400**	**86**	**69**	**49**	**75**	**4,673**
Expected loss rate	0%	1%	4%	8%	22%	65%	4%
Gross carrying amount - Trade receivables	3,797	479	64	37	58	189	4,624
Loss allowance at December 31	-8	-1	-8	-3	-8	-154	-182
Trade receivables at December 31, 2023	**3,789**	**478**	**56**	**34**	**50**	**35**	**4,442**
Expected loss rate	0%	0%	13%	8%	14%	81%	4%

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

DKK million	2024	2023
Loss allowance at January 1	-185	-174
Increase in loss allowance during the year	-34	-38
Trade receivables written off as uncollectible	12	10
Reversal of unused loss allowance	20	16
Disposal on company divestments	1	-
Foreign exchange adjustments	-	4
Loss allowance at December 31	**-186**	**-182**

The total loss allowance of DKK 186 million is included in trade receivables at December 31, 2024 (2023: DKK 182 million). GN'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 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 Hearing , Enterprise, or Gaming & Consumer 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	331	153	484
Additions	41	39	80
Consumed	-3	-6	-9
Reversed	-6	-36	-42
Disposal on company divestments	-1	-3	-4
Foreign exchange adjustments	11	3	14
Provisions at December 31, 2024	**373**	**150**	**523**
Which is presented in the consolidated balance sheet as:			
Non-current liabilities	156	62	218
Current liabilities	217	88	305
Provisions at December 31, 2024	**373**	**150**	**523**

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.

§ 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.

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4.1 Share capital and capital structure

Capital structure
The Board of Directors regularly assess the capital structure. GN's current capital structure is as follows:

Adjusted leverage 3.5x NIBD/EBITDA

Dividend payout of 15-25% of the annual net profit

GN's overall target is to deliver a competitive shareholder return through a combination of dividend payments and share price appreciation. GN aims to distribute any excess cash to shareholders through share buyback programs, subject to amongst others, requirements to support the ongoing operations, strategic opportunities, and the capital structure.

GN remain focused on delivering shareholder value and will consider doing shareholder distribution again, once the leverage is closer to the long-term target of 2.0x.

Cash distributions
For the years ended December 31, 2024 and 2023, there has been no dividend paid related to prior years nor there has been proposed dividend for the year.

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

Treasury shares
The treasury shares had a market value of DKK 709 million at December 31, 2024 (2023: DKK 911 million). In 2023, an accelerated bookbuild of a directed issue and private placing of 17 million new shares and 3.6 million existing treasury shares was executed on May 24, 2023, which generated DKK 2.6 billion net of costs.

Treasury shares have been acquired under share buyback program in prior years 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.

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, 2024	145,613	5,300	150,913	582,450	21,202	603,652	3.5%
Purchase of ownership interest in subsidiaries	-	-	-	-	-	-	
Share capital increase	-	-	-	-	-	-	
Number/value of shares at December 31, 2024	**145,613**	**5,300**	**150,913**	**582,450**	**21,202**	**603,652**	**3.5%**

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

Weighted average number of shares

Shares, thousands	2024	2023
Weighted average number of outstanding shares	145,613	138,883
Dilutive effect of share-based payment with positive intrinsic value – average for the period	99	108
Diluted weighted average number of shares	**145,712**	**138,991**

Result used for calculating EPS

DKK million	2024	2023
Profit (loss) for the year attributable to shareholders in GN Store Nord A/S used for the calculation of earnings per share	988	228

4.1 Share capital and capital structure (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 is exposed to several financial risks arising from its operating, investing and financing activities, comprising foreign currency risk, interest rate risk, liquidity risk and credit risk. Financial risks are to the extent possible managed centrally by Group Treasury. Commercial credit risk, arising primarily from trade and other receivables, is managed decentralized through the divisions (Hearing, Enterprise and Gaming & Consumer).

The Treasury Policy is revised on a continuous basis to adapt to the changing financial risk situation, and the Treasury Policy has been reviewed by the Audit Committee and approved by the Board of Directors.

The Treasury Policy, including the Limits of Authority for Group Treasury, sets the overall requirements and limits for the treasury activities within the Group including GN's hedging policy. It is GN's policy only to enter into financial transactions to mitigate risks arising from business activities, thus no transactions are made purely on speculative basis.

GN's objectives, policies and process for measuring and managing the risk exposure related to foreign currency risk, interest rate risk, liquidity risk and credit risk are summarized in the table and further explained in the notes below.

4.2 Financial risks (Continued)

Financial risk	Exposure	Risk Management Policy	Mitigating actions
Foreign currency risk	Entities within the Group transact in currencies other than their functional currency, thus are exposed to fluctuations in foreign currencies. The foreign currency exposures arise primarily from purchases of materials, sales of products, and loans. Based on the current revenue, cost and loan composition, the primary foreign currency exposures for the Group in 2024 arise from USD and GBP. The EUR foreign currency risk is regarded as low in Danish entities due to Denmark's fixed exchange rate policy towards EUR.	The Treasury Policy aims to minimize the foreign currency exposure on operating profit, net income and free cash flow. The general policy is to manage currency risks through natural matching of inflows and outflows or through hedging activities using commonly used derivatives such as FX spots and FX forwards. The Treasury Policy sets forth thresholds and requirements for the hedging strategy to be applied; a minimum of 75% and not more than 100% of the net currency exposure on EBITA level in each operating business to maintain this hedging level at any point in time. All hedging is conducted at Group level.	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. The hedges have been designated with revenue and production cost, respectively as the hedged items.
Interest rate risk	Interest rate risks arise from interest-bearing assets and liabilities. Interest-bearing items consist primarily of cash and cash equivalents and bank loans and issued bonds.	The Treasury Policy aims to minimize the interest rate exposure on operating profit, net income and free cash flow. At least 50% of all interest-bearing debt should be fixed-rate, either through fixed-rate agreements or through derivatives, such as interest forwards or interest swaps.	Due to the interest rate risk composition up until November 2024, GN has, in accordance with the Treasury Policy, not been required to hedge the interest rate risk position. Following the redemption of EMTN bond due in November 2024, the Group has exceeded the 50% floating interest rate exposure. The deviation to the Treasury Policy has been waived and approved by the Board of Directors.
Liquidity risk	GN's loans and EMTN notes are primarily long-term with maturities extended until 2036 with mixture of fixed and floating interest rates.	The Treasury Policy aims to ensure that sufficient funding is available to enable GN to fulfil its financial obligations at any point in time for the next 12 months. Main funding arrangements are managed or approved by Group Treasury, structuring the funding facilities with committed and uncommitted facilities mainly with a group of relationship banks. Liquidity is managed centrally through cash pools and cash- and working capital management practice.	To mitigate potential liquidity or refinancing risks, GN has EUR 520 million Revolving Credit Facility with maturity in 2027. On December 31, 2024, the Revolving Credit Facilities were unutilized.
Credit risk	GN's exposure to credit risk arises primarily from trade receivables, other receivables, dispenser loans and cash and cash equivalents.	GN has established policies for credit risk management related to customers including the use of credit rating agencies. The financial institutes applied by GN must be highly rated by Moody's or S&P.	GN has decentralized the credit risk management relating to customer including the use of credit rating agencies to the divisions (Hearing, Enterprise and Gaming & Consumer).

4.2 Financial risks (Continued)

Foreign currency risk

GN has exposure towards foreign currencies, mainly arising from the fluctuations in USD and GBP. The general policy is to minimize GN'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. Foreign currency risk is reduced by hedging the foreign currency exposures in accordance with the Treasury Policy. Foreign currency exposures are hedged through FX forwards and FX Swaps. GN's hedging setup aims to centralize foreign currency exposure in GN Store Nord A/S through internal contracts and trade the net foreign currency exposures in the market.

The Group has in 2024 discontinued the practice of hedging long-term loans denominated in EUR due to the EUR exchange rate risk is regarded as low in Danish entities due to Denmark's fixed exchange rate policy towards EUR.

Sensitivity analysis for foreign currency risk

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

	USD		GBP	
DKK million	2024	2023	2024	2023
Profit or loss after tax	225	-33	-1	2
Equity after tax	51	88	-23	-20

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 derivatives 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 derivatives used for hedging would be included in Other comprehensive income if hedge accounting is applied.

Interest rate risk

GN's non-current debt have fixed and floating interest rates: listed instruments of EUR 50 million private placement with fixed coupon of 1.97% per annum and GBP 40 million private placement with fixed coupon of 3.2% per annum as well as bilateral R&D loans with fixed interest rates, EUR 800 million Term loan drawdown with floating interest rates.

GN has in 2024 successfully redeemed its EUR 330 million Bond-with-Warrant-Units 0% and notes issued under the EMTN program including EUR 600 million notes with fixed coupon of 0.875% per annum.

An increase of floating interest rates of 1 percentage point would result in a decrease in the annual profit of DKK 60 million (2023: DKK 9 million).

Liquidity risks

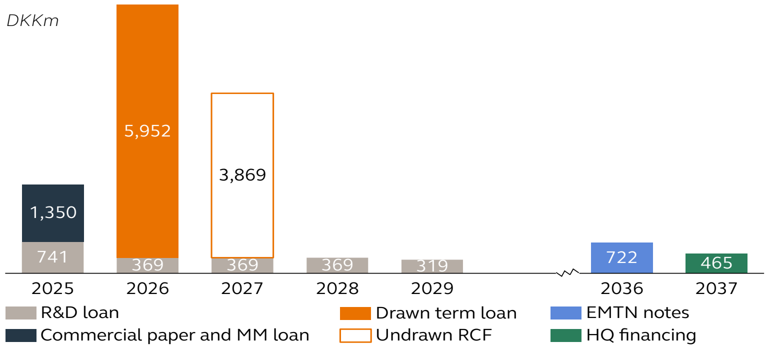
The Group's capital structure includes interest bearing long-term debt with maturities between 2026 and 2036, including bank loans, notes under the Euro Medium Term Note (EMTN) program, and two drawing rights attached to a EUR 520 million committed revolving credit facility and a EUR 800 million committed term loan facility. EUR 520 million committed revolving credit facility was unutilized on December 31, 2024, and EUR 800 million committed term loan facility was fully utilized as of December 31, 2024. (2023: EUR 520 million committed revolving credit facility unutilized and EUR 120 million utilization out of a EUR 800 million committed term loan facility).

In addition, the Group has EUR 442 million short-term, uncommitted Money Market lines and Overdraft facilities from its main relationship banks to diversify its borrowing instruments and manage its net working capital movement. Money Market lines and Overdraft facilities was utilized EUR 169 million on December 31, 2024 (2023: EUR 214 million utilized).

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 47 million on December 31, 2024 (2023: EUR 32 million utilized).

4.2 Financial risks (Continued)

Maturity profile



GN does not operate in restricted countries, thus the Group does not have restricted cash constraints.

Covenants

The Group's loan portfolio is subject to financial covenants that are common and expected for a company the size of GN Store Nord. The Group regularly monitors that compliance with the covenants is met.

Credit risk

Credit risk arises from the possibility that transactional counterparties may default on their obligations, causing financial losses for the Group. Credit loss refers to the impairment of financial assets due to credit losses. When financial assets are impaired by credit losses, GN discloses a reconciliation of changes in that account during the period for each class of financial assets, such as bad debt provisions.

GN's exposure to various risks associated with the financial instruments is discussed in Note 4.4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned below.

Trade receivables and other non-current assets
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 (Hearing, Enterprise and Gaming & Consumer). Assessment of credit risks related to customers is further described in note 3.7 Trade receivables and note 3.5 Other non-current assets.

Financial instruments and cash deposits
Surplus cash positions in GN is mainly held in current accounts or as short-term money market deposits. Cash positions are primarily held with financial institutions through which GN conducts its day-to-day banking transactions and which are highly rated with Moody's and Standard & Poor's.

It is GN Treasury policy that counterparties for all financial transactions (whether on-balance sheet or derivatives) must be highly rated financial institutions (i.e. banks with at least an external investment grade rating by Moody's or S&P). No bank accounts may be opened without prior approval by Group Treasury.

GN has entered into ISDA agreements with all financial institution counterparties used for trading derivative financial instruments under which GN has a right to set-off should certain credit event occur, which means that GN's actual credit risk is limited to the net assets per counterparty.

4.3 Derivatives

Foreign currency risk

The risks relating to purchase and sales in foreign currencies are hedged using FX forwards and FX spots related to highly probable forecasted sales and purchase transactions and are designated as cash flow hedges. Derivatives used to hedge other than highly probable forecasted transactions are considered economic hedges.

The primary sources of ineffectiveness are changes to planned purchases, sales or payments. No material ineffectiveness was detected during the year (2023: No material ineffectiveness).

Fair value adjustments of cash flow and economic hedges

DKK million	2024	2023
Fair value adjustment for the year recognized in Other comprehensive income	100	-27
Reclassified from equity to revenue during the year	15	-58
Reclassified from equity to production costs during the year	-21	136
Adjustment of cash flow hedges in Other comprehensive income	**94**	**51**
Fair value adjustment of economic hedges recognized in Other operating income and costs, net	2	-
Fair value adjustment of economic hedges recognized in financial items	-123	96

All exchange rate instruments mature within 12 months from the balance sheet date.

Exchange rate instruments

	2024				2023			
DKK million	Average rate (DKK)	Contract amount, net*	Fair value, assets	Fair value, liabilities	Average rate (DKK)	Contract amount, net*	Fair value, assets	Fair value, liabilities
Cash flow hedges								
AUD / DKK	450	323	7	-	449	211	-	-3
GBP**	869	568	-	-11	846	515	-	-2
INR / DKK	8	81	-	-3	8	255	4	-1
USD / DKK	675	-621	30	-	676	-1,136	2	-15
Other currency pairs		199	9	-1		230	5	-5
Total			**46**	**-15**			**11**	**-26**
Economic hedges								
USD / DKK	710	-391	4	-	688	-309	54	-60
USD / EUR	704	-3,109	-	-56	689	-2,860	65	-
Other currency pairs		-359	-	-		-7,761	-3	-5
Total			**4**	**-56**			**116**	**-65**

* Positive contract amounts indicate sale of currencies vs. DKK or EUR

** Includes exchange rate instruments vs. DKK and EUR

§ 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.

4.4 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	2024	2023
Financial assets		
Trade receivables	4,673	4,442
Other receivables	751	744
Receivables from associates	211	168
Other non-current assets	1,174	1,065
Financial assets at amortized cost	**6,809**	**6,419**
Derivative financial instruments included in Other receivables	4	117
RAP, SIP, DCP and Ownership interests, etc. included in Other non-current assets	630	494
Financial assets at fair value through profit or loss	**634**	**611**
Derivative financial instruments included in Other receivables	46	11
Financial assets at fair value through Other comprehensive income	**46**	**11**
Financial liabilities		
Issued bonds (bond-with-warrant units), non-current	8,199	3,189
Issued EMTN bonds, non-current	371	335
Bank loans, non-current	466	3
Bank loans and issued bonds, current	1,746	9,674
Overdraft facilities	258	-
Lease liabilities	447	299
Other non-current liabilities	-	4
Trade payables	1,627	1,719
Financial liabilities at amortized cost	**13,114**	**15,223**
Derivative financial instruments included in Other liabilities	56	65
RAP, SIP and DCP included in Other non-current liabilities	346	265
Contingent consideration included in Other liabilities	59	90
Financial liabilities at fair value through profit or loss	**461**	**420**
Derivative financial instruments included in Other liabilities	16	26
Financial liabilities at fair value through Other comprehensive income	**16**	**26**

§ 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.

4.4 Financial instruments (Continued)

Contractual maturity analysis for financial liabilities

	2024				2023			
DKK million	Less than one year	Between one and three years	More than three years	Total	Less than one year	Between one and three years	More than three years	Total
Issued bonds	26	38	895	959	7,053	37	892	7,982
Bank loans	1,862	6,039	1,850	9,751	2,048	452	2,529	5,029
Lease liabilities	113	153	301	567	112	140	69	321
Other liabilities	-	346	1	347	-	54	215	269
Trade payables	1,627	-	-	1,627	1,719	-	-	1,719
Contingent consideration	-	36	23	59	35	55	-	90
Total non-derivative financial liabilities	3,628	6,612	3,070	13,310	10,967	738	3,705	15,410
Derivative financial liabilities	72	-	-	72	91	-	-	91
Total	**3,700**	**6,612**	**3,070**	**13,382**	**11,058**	**738**	**3,705**	**15,501**

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

4.4 Financial instruments (Continued)

	2024				2023			
DKK million	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**
Financial assets								
Derivative financial instruments included in Other receivables	-	4	-	4	-	117	-	117
RAP, SIP, DCP included in Other non-current assets	-	473	-	473	-	349	-	349
Ownership interests etc. included in Other non-current assets	-	-	157	157	-	-	145	145
Financial assets at fair value through profit or loss	**-**	**477**	**157**	**634**	**-**	**466**	**145**	**611**
Derivative financial instruments included in Other receivables	-	46	-	46	-	11	-	11
Financial assets at fair value through Other comprehensive income	**-**	**46**	**-**	**46**	**-**	**11**	**-**	**11**
Financial liabilities								
Derivative financial instruments included in Other liabilities	-	56	-	56	-	65	-	65
RAP, SIP and DCP included in Other non-current liabilities	-	346	-	346	-	265	-	265
Contingent consideration included in Other liabilities	-	-	59	59	-	-	90	90
Financial liabilities at fair value through profit or loss	**-**	**402**	**59**	**461**	**-**	**330**	**90**	**420**
Derivative financial instruments included in Other liabilities	-	16	-	16	-	26	-	26
Financial liabilities at fair value through Other comprehensive income	**-**	**16**	**-**	**16**	**-**	**26**	**-**	**26**

4.4 Financial instruments (Continued)

DKK million	2024	2023
Fair value net gains (losses) recognized in the income statement:		
Net fair value gains (losses) on RAP, SIP and DCP	35	13
Net fair value gains (losses) on ownership interests and derivatives re. ownership interests	14	1
Net fair value gains (losses) on contingent consideration	-1	7

Fair value hierarchy

Financial instruments measured at fair value are categorized into the following levels of the fair value hierarchy.

Level 1: Observable market prices for identical instruments.

Level 2: Generally accepted valuation techniques primarily based on observable data or traded prices for comparable instruments. Derivatives are not traded in an active market and fair value is determined using market-based data input.

Level 3: Valuation techniques primarily based on unobservable prices.

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 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 EMTN bonds amounted to DKK 546 million (2023: DKK 4,726 million). For other financial assets and liabilities, the fair value is approximately equal to the carrying amount.

4.5 Liabilities from financing activities

DKK million	2024 Bank loans, non-current	2024 Issued bonds, non-current	2024 Other non-current liabilities	2024 Lease liabilities	2024 Bank loans and issued bonds, current	2024 Overdraft facilities	2024 Total	2023 Bank loans, non-current	2023 Issued bonds, non-current	2023 Other non-current liabilities	2023 Lease liabilities	2023 Bank loans and issued bonds, current	2023 Total
Liabilities at January 1	503	3,024	777	298	9,674	-	14,276	2,318	7,548	867	371	6,016	17,120
Cash flows	-18	-1,406	-32	-99	-1,068	258	-2,365	-1,834	2,290	-98	-104	-3,273	-3,019
Foreign exchange adjustments	-	-	18	2	-	-	20	-2	29	28	-7	-	48
New leases	-	-	-	268	-	-	268	-	-	-	38	-	38
Non-cash interest expenses	-	-	-	10	-	-	10	-	30	-	-	-	30
Disposal on companies sold	-	-	-	-16	-	-	-16	-	-	-	-	-	-
Disposal, leases	-	-	-	-9	-	-	-9	-	-	-	-	-	-
Reclassified to current/non-current	-20	6,931	-	-	-6,911	-	-	-	-6,931	-	-	6,931	-
Reclassified to working capital	-	-	-168	-	-	-	-168	-	-	-	-	-	-
Other non-cash adjustments	-	22	172	-7	51	-	238	21	58	-20	-	-	59
Liabilities at December 31	**465**	**8,571**	**767**	**447**	**1,746**	**258**	**12,254**	**503**	**3,024**	**777**	**298**	**9,674**	**14,276**

4.6 Financial income and expenses

DKK million	2024	2023
Financial income		
Gains and fair value adjustments on ownership interests	14	1
Interest income*	92	63
Financial income, other	156	4
Fair value adjustments of derivative financial instruments, net	-	96
Foreign exchange gain, net	96	-
Total	**358**	**164**
Financial expenses		
Interest expenses*	-379	-326
Financial expenses, other	-326	-166
Fair value adjustments of derivative financial instruments, net	-106	-
Foreign exchange loss, net	-	-100
Impairments on loans to dispensers	-39	-34
Total	**-850**	**-626**

*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.

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5.1 Acquisition and divestment of companies and operations

Acquisitions

During 2024, there were no material business acquisitions except for the purchase of remaining shares in Lively now GN Consumer Hearing Cooperation. (2023: no material business acquisitions).

Divestments etc.

GN has entered into an agreement to divest Dansk HøreCenter (DHC) to Demant. DHC was acquired by GN's Hearing division in 2013 in connection with a generational transition and is a well-reputed hearing aid retail chain operating 36 stores across Denmark. In 2023, DHC's retail revenue accounted for approximately 1% of the Hearing division's revenue, while the wholesale value for GN was insignificant.

The transaction was completed on September 2, 2024, and demonstrates GN's commitment to its successful strategy of not owning retail and focus on being a key partner to strong independent hearing aid dispensers. In line with this, GN has over the past couple of years divested the vast majority of its retail stores to focus its investments on synergetic assets that are accretive to growth and margins.

Moreover, in 2024, Hearing made minor divestments in the US.

On September 14, 2023, Hearing disposed BelAudição Lda. Moreover, in 2023, Hearing divested a minor hearing instrument distributor primarily in the US.

DKK million	2024	2023
Non-current assets	-55	-461
Current assets	-28	-101
Non-current liabilities	14	67
Current liabilities	6	41
Disposed net assets	**-63**	**-454**
Cash consideration received	138	485
Directly attributable cost	-3	-7
Fair value of assets received	-	37
Net proceeds	**135**	**515**
Gain on divestment of operations etc.	**72**	**61**

5.1 Acquisition and divestment of companies and operations (Continued)

§ Accounting policies

Business Combinations

Enterprises acquired or formed during the year are recognized in the consolidated financial statements from the date of acquisition or formation. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises dis-posed of are recognized in the consolidated income statement until the disposal date. The comparative figures are not restated for acquisitions.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprises' identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognized if they are separable or arise from a contractual right. Deferred tax on revaluations is recognized.

Any excess of the cost over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognized as goodwill under intangible assets. Goodwill is not amortized but is tested at least annually for impairment. The first impairment test is performed within the end of the acquisition year. Upon acquisition, goodwill is allocated to the cash-generating units, which subsequently form the basis for the impairment test. Goodwill and fair value adjustments in connection with the acquisition of a foreign entity with another functional currency than the presentation currency used by GN Store Nord are treated as assets and liabilities belonging to the foreign entity and translated into the foreign entity's functional currency at the exchange rate at the transaction date.

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognized in the income statement. If uncertainties regarding measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have different fair value at the acquisition date than first assumed, goodwill is adjusted up until twelve months after the acquisition. The effect of the adjustments is recognized in the opening balance of equity and the comparative figures are restated accordingly.

When acquiring a controlling interest in steps, GN Store Nord assesses the fair value of the acquired net assets at the time control is obtained. At such time, interests acquired previously are also adjusted to fair value. The difference between the fair value and the carrying amount is recognized in the income statement.

Acquisition of additional equity interest after a business combination is not accounted for using the acquisition method, but rather as equity transactions. Disposals of equity interest while retaining control are also accounted for as equity transactions. Transactions resulting in a loss of control result in a gain or loss being recognized in the income statement.

When acquiring less than 100% of the shares in a company, GN Store Nord recognizes the goodwill on a transaction-by-transaction basis or as a proportion of goodwill in accordance with GN Store Nord's ownership interest.

In business combinations where put options have been issued regarding shares held by non-controlling interests the non-controlling interests are recognized initially. As long as the put options remain unexercised the non-controlling interests are updated at the end of each reporting period, including its share of allocations of profit or loss. The non-controlling interests are thereafter derecognized by recognizing a financial liability for the put options and the difference is included as an equity transaction. If the put options are exercised, the same treatment is applied up to the date of exercise. The amount recognized as the financial liability at that date, is extinguished by the payment of the exercise price. If the put option expires unexercised, the position is unwound so the non-controlling interest is recognized at the amount it would have been, had the put options never been issued. The financial liability is derecognized in equity.

! Key accounting estimates

Purchase price allocation in business combinations

The application of the acquisition method for business combinations involves the use of significant estimates as the identifiable net assets of the acquiree are recognized at their fair value for which observable market prices are typically not available. This is particularly relevant for intangible assets which require use of valuation techniques. Accordingly, management makes estimates of the fair value of acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, the determined fair value of an item may be associated with uncertainty and possibly adjusted subsequently.

5.2 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.

The warrant program, which was granted from 2015-2018, was structured around the previous segments of the Group. It involved calculating the allocation of GN Store Nord A/S's share price among GN Hearing, GN Audio, and Other. All vested warrants from this program expired in 2023. In contrast, the option programs granted from 2019-2024 are based on shares of GN Store Nord A/S.

Calculation of share price for GN Hearing A/S and GN Audio A/S for the warrant program

The old warrant program was based on a quarterly calculation of the share price for GN Hearing A/S and GN Audio A/S, 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 2019-2024 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.

In 2024, the 2021 grant did not vest as the vesting criteria related to EBITDA improvement in the period 2021-2024 was not met.

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	
	2024	2023	2024	2023
Number of options granted in the year	200,360	296,139	1,333,958	1,514,675
Share price of GN Store Nord A/S at ordinary grant date	183	167	183	167
Vesting period	3 years	3 years	3 years	3 years
Life of option	6 years	6 years	6 years	6 years
Volatility*	45%	43%	45%	42%
Expected dividend	0.4%	0.4%	0.4%	0.5%
Risk-free interest rate**	2.37%	2.52%	2.37%	2.72%
Fair value per option at ordinary grant (DKK)***	45****	46	70	61
Total fair value at grant (DKK million)	9	17	93	93
Amortization period of the program	2024 - 2027	2023 - 2026	2024 - 2027	2023 - 2026

* 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
**** Weighted average of the fair value of options granted to executive management adjusted for the cap

5.2 Share-based incentive plans (Continued)

	GN Store Nord A/S DKK	Number of options*			GN Hearing A/S** DKK	Number of warrants		
	Average exercise price	Executive Manage-ment	Other employees	Total	Average exercise price	Executive Manage-ment	Other employees	Total
Outstanding at January 1, 2023	**366**	**724,487**	**2,328,740**	**3,053,227**	**32,982**	**656**	**979**	**1,635**
Granted during the year	164	296,139	1,514,675	1,810,814	-			
Exercised during the year	-	-	-	-	33,913	-656	-148	-804
Forfeited during the year	362	-168,762	-650,421	-819,183	32,082	-	-831	-831
Outstanding at December 31, 2023	**279**	**851,864**	**3,192,994**	**4,044,858**	**-**	**-**	**-**	**-**
Granted during the year	179	200,360	1,333,958	1,534,318	-	-	-	-
Exercised during the year	-	-	-	-	-	-	-	-
Forfeited during the year	507	-96,500	-379,297	-475,797	-	-	-	-
Outstanding at December 31, 2024	**225**	**955,724**	**4,147,655**	**5,103,379**	**-**	**-**	**-**	**-**
Weighted average term to maturity (Years)		2.9	3.7	3.5		-	-	-
Exercisable at December 31, 2023		313,725	701,869	1,015,594		-	-	-
Exercisable at December 31, 2024		313,725	687,352	1,001,077		-	-	-

* Recognition of expenses on options granted are accelerated for participants not forfeiting the vesting conditions in connection with terminations (good leavers) unless a service is provided in the remaining vesting period. The recognised expenses in 2024 include acceleration of 164,654 options granted to Other employees of the Group.
** In 2024, GN Audio A/S was legally merged with GN Hearing A/S as part of the OneGN transformation initiative. The reconciliation of the outstanding number of warrants for 2023 reflects the combined totals for both entities.

Exercise of warrants and options

In 2023, the average exercise price for the remaining vested warrants that were exercised was DKK 33,913. This price was determined based on the allocated share price of GN Audio A/S on the date of exercise. When employees choose to exercise their warrants, these are converted into shares of GN Store Nord A/S, based on the relationship between the value of the warrant and the share price of GN Store Nord A/S at the time of exercise. Hereafter, employees have the option to either retain the GN Store Nord A/S shares or sell them on the open market.

In 2024, there has been no exercise of vested share options.

5.2 Share-based incentive plans (Continued)

Outstanding warrants and options at December 31, 2024 by grant date are shown below:

	GN Store Nord A/S			
	DKK	Number of options*		
Grant date	Exercise price	Executive Management	Other employees	Total
April 2019**	313	237,812	678,353	916,165
June 2019**	325	-	8,999	8,999
September 2019**	282	75,913	-	75,913
February 2022	368	145,500	476,447	621,947
March 2022	307	-	36,121	36,121
May 2022	224	-	208,861	208,861
September 2022	209	-	8,855	8,855
February 2023	164	94,000	1,394,008	1,488,008
March 2023	151	97,300	-	97,300
April 2023	149	-	4,215	4,215
June 2023	170	104,839	-	104,839
October 2023	125	-	4,387	4,387
February 2024	179	200,360	1,315,461	1,515,821
April 2024	184	-	4,754	4,754
August 2024	176	-	7,194	7,194
Outstanding at December 31		**955,724**	**4,147,655**	**5,103,379**

* 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.

5.3 Contingent liabilities

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 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. To the extent that GN's sales estimates exceed actual purchases from suppliers, GN 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 recognizes a provision for onerous purchase contracts.

Pending litigations and disputes

The GN Group is party 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 does not expect the pending litigations and claims to have a material impact on GN’s financial position, operating profit or cash flows in addition to the amounts recognized as provisions for legal disputes.

5.4 Investments in associates

DKK million	2024	2023
Aggregated financial information for associates:		
Total share of profit (loss) in associates, including impairments	-7	-64
Total share of net assets in associates	296	276
Carrying amount of associates	296	276

Transactions with associates comprise sale of goods of DKK 138 million (2023: DKK 101 million). At year end GN has DKK 211 million (2023: DKK 168 million) in receivables from associates and DKK 43 million (2023: DKK 41 million) of payables to associates in other non-current liabilities. There were no profit of dividend received in excess of carrying value of the associates to be included in Share of profit (loss) in associates in 2024 and 2023.

§ 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).

5.5 Other non-cash adjustments

DKK million	2024	2023
Share-based payment (granted)	-36	18
(Gain) loss on divestment of operations	-72	-61
Loss allowance on trade receivables, inventory write-downs, etc.	-20	80
(Gain) or loss on sale of assets	9	-5
Adjustment of provisions	38	92
Other adjustments	-32	-
Total	**-113**	**124**

5.6 Fees to statutory auditors

DKK million	2024	2023
Statutory audit	-11	-11
Tax advice services	-1	-1
Other assurance engagements	-3	-
Other services	-3	-5
Total	**-18**	**-17**

Note: PwC's global non-audit service fees amount to 22% when considering decimals.

Fees for services other than statutory audit of the financial statements and other assurance engagements amounts to DKK 4 million (2023: DKK 6 million).

Services other than statutory audit of the financial statements provided by PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab (PricewaterhouseCoopers Denmark) mainly consist of tax related advice, transaction/project support, technical accounting advisory services, other advisory services and other assurance assessments and opinions.

5.7 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 2.3 Staff costs and management remuneration and 5.2 Share-based incentive plans, and transactions with associates are disclosed in note 5.4 Investments in associates.

5.8 Events after the reporting period

No material subsequent events have occurred.

Companies in GN Group

	Domicile	Currency	Ownership %	Share capital
GN Store Nord A/S	Denmark	DKK		603,650,860
GN Financing A/S	Denmark	DKK	100	400,001
Falcom A/S	Denmark	DKK	100	88,504,000
GN Audio DK Sales A/S	Denmark	DKK	100	400,000
GN Audio Australia Pty Ltd.	Australia	AUD	100	2,500,000
GN Áudio Brasil Importacão & Comércio Ltda.	Brazil	BRL	100	407,821
GN Audio Canada Inc.	Canada	CAD	100	409,800
GN Audio (China) Ltd.	China	CNY	100	65,252,600
GN Audio (Shanghai) Co., Ltd.	China	CNY	100	15,481,000
GN Audio Logistic (Xiamen) Ltd.	China	CNY	100	4,133,738
GN Audio France SA	France	EUR	100	80,000
GN Audio Germany GmbH	Germany	EUR	100	51,100
GN Audio Hong Kong Limited	Hong Kong	HKD	100	33,500,000
GN Audio India Private Limited	India	INR	100	40,000,000
Jabra Connect India Private Limited	India	INR	51	20,000,000
GN Audio Italy s.r.l.	Italy	EUR	100	10,200
GN Audio Japan Ltd.	Japan	JPY	100	10,000,000
GN Audio Benelux B.V.	Netherlands	EUR	100	18,000
GN Audio Philippines, Inc.	Philippines	PHP	100	10,000,000
GN Audio Poland Sp. Z.o.o.	Poland	PLN	100	50,000
GN SDC 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
Falcom US, LLC*	USA	USD	100	-
SteelSeries France S.A.S	France	EUR	100	2,363,600
Nahimic Singapore Pte. Ltd.	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 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
GN Hearing Finland Oy/Ab	Finland	EUR	100	55,502
GN Hearing SAS	France	EUR	100	2,300,000
GN Hearing GmbH	Germany	EUR	100	296,549
GN ReSound GmbH Hörtechnologie	Germany	EUR	100	2,162,253
GN Hearing India Private Limited	India	INR	100	20,983,210
GN Hearing S.r.l.	Italy	EUR	100	181,190
GN Hearing Japan K.K.	Japan	JPY	100	499,000,000
GN Hearing Korea Co., Ltd.	Korea	KRW	100	136,700,000
GN Hearing (Malaysia) Sdn Bhd	Malaysia	MYR	100	2,500,000
GN Hearing Benelux B.V.	Netherlands	EUR	100	680,670
GN Hearing New Zealand Limited	New Zealand	NZD	100	2,000,000
GN Hearing Norway AS	Norway	NOK	100	2,000,000
GN Hearing Care S.A.	Spain	EUR	100	66,110
GN Hearing Sverige AB	Sweden	SEK	100	100,000
GN Hearing Switzerland AG	Switzerland	CHF	100	500,000
GN Hearing UK Ltd.	United Kingdom	GBP	100	7,376,000
GN Consumer Hearing Cooperation	USA	USD	100	35,232,370
GN US Holdings Inc.	USA	USD	100	36,000,000
Great Hearing Benefits, LLC*	USA	USD	100	-
Beltone Holdings US, LLC	USA	USD	100	3,000
Beltone Hearing Care Foundation*	USA	USD	100	-
GN Hearing Care Corporation	USA	USD	100	190,000
Audigy Group, LLC*	USA	USD	100	-
Audigy Venture, LLC*	USA	USD	100	-

Companies in the GN Group (Continued)

	Domicile	Currency	Ownership %	Share capital
Associates				
Audio Nova S.R.L.	Romania	ROL	49	1,000
Himpp A/S	Denmark	DKK	9	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
BelMart LLC	USA	USD	30	3,556,822
Bold North Beltone, LLC*	USA	USD	30	-
AXE Audiology, LLC*	USA	USD	30	-
Statewide Hearing, LLC*	USA	USD	30	-
Beltopia LLC	USA	USD	25	1,734,500
HearX Group (pty) LTD	South Africa	USD	27	31,000,000
Louqe AB Corporation	Sweden	SEK	26	-

* Without par value

Note: Minor companies have been omitted from the list.

In this annual report the following financial terms and 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 redeemed in 2024 with detachable unsecured warrant units (refer to note 4.2 Financial risks)

Key Ratio Definitions

Organic growth	=	Absolute organic revenue growth / Revenue in comparative period. Organic growth is a measure of growth excluding the impact of acquisitions, divestments and foreign exchange adjustments from year-on-year comparisons
Net working capital (NWC)	=	Inventories + receivables + other operating assets - trade payables - other operating liabilities
Net interest bearing debt (NIBD)	=	Bank loans and issued bonds + Overdraft facilities + Lease liabilities - Cash and cash equivalents - Loans to dispensers
Dividend payout ratio	=	Total dividend / Profit (loss) for the year
Gross margin	=	Gross profit / Revenue
EBITA margin	=	EBITA / Revenue
ROIC (Return on invested capital including goodwill)	=	EBITA / Average invested capital including goodwill
Invested capital	=	NWC + property, plant and equipment and intangible assets + loans to dispensers of Hearing products + pre-paid discounts + ownership interests – provisions
Cash conversion	=	Free cash flow excl. company acquisitions and divestments / EBITA
Return on equity (ROE)	=	Profit (loss) for the year / Average equity of the Group
Equity ratio	=	Equity of the Group / Total assets
Earnings per share, basic (EPS)	=	Profit (loss) for the year attributable to shareholders in GN Store Nord A/S / Average number of shares outstanding
Earnings per share, fully diluted (EPS diluted)	=	Profit (loss) for the year attributable to shareholders in GN Store Nord A/S / Average number of shares outstanding, fully diluted
Market capitalization		Number of shares outstanding x share price at the end of the period
Outstanding shares		Number of shares listed - treasury shares

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Income statement

DKK million	Note	2024	2023
Revenue		898	738
Gross profit		**898**	**738**
Development costs		-194	-66
Management and administrative expenses	1,2,3,4	-1,059	-1,021
Other operating income and costs, net		-12	-23
Operating profit (loss)		**-367**	**-372**
Share of profit after tax in subsidiaries	10	1,712	670
Share of profit (loss) in associates	11	-	-33
Financial income	5	224	432
Financial expenses	5	-690	-418
Profit (loss) before tax		**879**	**279**
Tax on profit (loss)	6	109	-51
Profit (loss) for the year		**988**	**228**
Proposed profit appropriation/distribution of loss			
Transferred to reserve for net revaluation according to the equity method		1,712	670
Transferred to reserve for development projects		139	95
Retained earnings		-863	-537
		988	**228**

Statement of comprehensive income

DKK million	2024	2023
Profit (loss) for the year	**988**	**228**
Other comprehensive income		
Items that may be reclassified subsequently to the income statement		
Foreign exchange adjustments, etc.	269	-279
Other changes in equity in subsidiaries	53	60
Tax relating to other comprehensive income	-10	-11
Other comprehensive income for the year	**312**	**-230**
Total comprehensive income for the year	**1,300**	**-2**

Balance sheet at December 31

DKK million	Note	2024	2023
Assets			
Intangible assets	7	1,809	1,694
Property, plant and equipment	8, 9	30	43
Investments in subsidiaries	10	18,549	16,587
Amounts owed by subsidiaries	14	214	289
Other non-current assets		4	4
Total non-current assets		**20,606**	**18,617**
Tax receivables		59	61
Other receivables	14	327	339
Cash and cash equivalents		688	4,537
Total current assets		**1,074**	**4,937**
Total assets		**21,680**	**23,554**
Equity and liabilities			
Share capital	15	604	604
Other reserves		4,446	2,345
Retained earnings		5,774	6,638
Total equity		**10,824**	**9,587**
Bank loans and issued bonds, non-current	14, 17	8,571	3,024
Lease liabilities, non-current	9, 14	8	18
Provisions, non-current		26	-
Deferred tax liabilities	12	44	86
Total non-current liabilities		**8,649**	**3,128**
Bank loans and issued bonds, current	14, 17	1,725	9,674
Lease liabilities, current	9, 14	8	8
Trade payables	14	116	125
Amounts owed to subsidiaries	14, 17	57	749
Provisions, current		-	49
Other current liabilities		301	234
Total current liabilities		**2,207**	**10,839**
Total equity and liabilities		**21,680**	**23,554**

Statement of cash flows

DKK million	Note	2024	2023
Operating activities			
Operating profit (loss)		-367	-372
Depreciation, amortization and impairment	3	152	205
Other non-cash adjustments		2	43
Cash flow from operating activities before changes in working capital		**-213**	**-124**
Change in receivables		117	-89
Change in trade payables and other payables		-663	7
Total changes in working capital		**-546**	**-82**
Cash flow from operating activities before financial items and tax		**-759**	**-206**
Interest and dividends, etc. received		219	405
Interest paid		-635	-332
Tax paid, net		71	187
Cash flow from operating activities		**-1,104**	**54**
Investing activities			
Investments in intangible assets	7	-264	-980
Investments in property, plant and equipment	8	-	-1
Investments in other non-current assets		-	-4
Amounts owed by subsidiaries		-	-5,074
Cash flow from investing activities		**-264**	**-6,059**
Cash flow from operating and investing activities (free cash flow)		**-1,368**	**-6,005**

DKK million	Note	2024	2023
Financing activities			
Proceeds from issuance of bonds		-	2,290
Repayment of borrowings	3	-1,068	-5,574
Repayment of issued bonds		-1,406	-
Repayment of lease liabilities		-7	-8
Proceeds from share placement, net of costs		-	2,621
Share-based payment (exercised)		-	19
Cash flow from financing activities		**-2,481**	**-652**
Net cash flow		**-3,849**	**-6,657**
Cash and cash equivalents, beginning of period		4,537	11,194
Cash and cash equivalents, end of period		**688**	**4,537**

Statement of changes in equity

	2024							
		Other reserves						
DKK million	Share capital*	Hedging reserve	Treasury shares	Reserve according to the equity method	Reserve for devel-opment projects	Proposed dividends for the year	Retained earnings	Total equity
Balance at January 1, 2024	**604**	**-**	**-2,725**	**4,269**	**801**	**-**	**6,638**	**9,587**
Profit (loss) for the period	-	-	-	1,712	139	-	-863	988
Other changes in equity in subsidiaries	-	-	-	53	-	-	-	53
Foreign currency translation adjust-ments of investments in subsidiaries etc.	-	-	-	269	-	-	-	269
Tax relating to other comprehensive income	-	-	-	-10		-	-	-10
Other comprehensive income for the year	-	-	-	312	-	-	-	312
Total comprehensive income for the year	-	-	-	2,024	139	-	-863	1,300
Share-based payment (granted)	-	-	-	-	-	-	-1	-1
Other changes in equity in subsidiaries	-	-	-	-62	-	-	-	-62
Balance at December 31, 2024	**604**	**-**	**-2,725**	**6,231**	**940**	**-**	**5,774**	**10,824**

	2023							
		Other reserves						
DKK million	Share capital*	Hedging reserve	Treasury shares	Reserve according to the equity method	Reserve for devel-opment projects	Proposed dividends for the year	Retained earnings	Total equity
Balance at January 1, 2023	**549**	**-**	**-3,366**	**3,684**	**706**	**-**	**5,227**	**6,800**
Profit (loss) for the period	-	-	-	670	95	-	-537	228
Other changes in equity in subsidiaries	-	-	-	60	-	-	-	60
Foreign currency translation adjust-ments of investments in subsidiaries etc.	-	-	-	-279	-	-	-	-279
Tax relating to other comprehensive income	-	-	-	-13		-	2	-11
Other comprehensive income for the year	-	-	-	-232	-	-	2	-230
Total comprehensive income for the year	-	-	-	438	95	-	-535	-2
Increase in share capital	55	-	-	-	-	-	2,021	2,076
Other changes in equity in subsidiaries	-	-	-	147	-	-	-	147
Purchase of ownership interests in subsidiaries by payment in treasury shares	-	-	96	-	-	-	-69	27
Share-based payment (granted)	-	-	-	-	-	-	-6	-6
Purchase of treasury shares	-	-	545	-	-	-	-	545
Balance at December 31, 2023	**604**	**-**	**-2,725**	**4,269**	**801**	**-**	**6,638**	**9,587**

The reserve according to the equity method includes foreign exchange adjustments of DKK -786 million (2023: DKK -1,062 million). Retained earnings, which are available for distribution from the Parent Company amounts to DKK 3,049 million (2023: DKK 3,913 million).

Parent Company notes

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1 Staff costs and management remuneration

DKK million	2024	2023
Wages, salaries and remuneration	296	316
Pensions	30	27
Share-based incentives	-1	6
Other social security costs	2	2
Total	**327**	**351**
Executive Management remuneration can be specified as follows:		
Fixed pay*	15	15
Short term incentives	12	13
Share-based incentives	7	-
Total	**34**	**28**
Board of Directors remuneration	10	6
Total remuneration	**44**	**34**
Staff costs are included in Management and administrative expenses.		
Average number of FTEs	372	359
Number of FTEs at year-end	397	354

* 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 2.3 Staff cost and management remuneration in the consolidated financial statements.

2 Share-based incentive plans

For 2019-2024 a share-based incentive plan has been implemented in GN Store Nord. For a description of this, see note 5.2 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:

Recognition of expenses on options granted are accelerated for participants not forfeiting the vesting conditions in connection with terminations (good leavers) unless a service is provided in the remaining vesting period. The recognized expenses in 2024 include acceleration of 83,271 options granted to Other employees of GN Store Nord A/S (2023: 27,537 options accelerated).

	Executive Management		Other employees	
	2024	2023	2024	2023
Number of options awarded in the year	200,360	202,139	119,709	118,820
Share price of GN Store Nord A/S at ordinary grant date	183	167	183	167
Vesting period	3 years	3 years	3 years	3 years
Life of option	6 years	6 years	6 years	6 years
Volatility*	45%	43%	45%	42%
Expected dividend	0.4%	0.4%	0.4%	0.5%
Risk-free interest rate**	2.37%	2.43%	2.36%	2.72%
Fair Value per option at ordinary grant (DKK)***	45****	46	70	61
Total market value at grant (DKK million)	9	12	8	7
Amortization period of the program	2024 - 2027	2023 - 2026	2024 - 2027	2023 - 2026

* 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

**** Weighted average of the fair value of options granted to executive management adjusted for the cap

2 Share-based incentive plans (Continued)

	DKK	Number		
	Average exercise price	Executive Management	Other employees	Total
Outstanding options at January 1, 2023	**375**	**202,994**	**231,746**	**434,740**
Options granted during the year	167	202,139	118,820	320,959
Options forfeited during the year/corrections	378	-49,585	-84,621	-134,206
Outstanding options at December 31, 2023	**284**	**355,548**	**265,945**	**621,493**
Options granted during the year	179	200,360	119,709	320,069
Option increase from multiplier at vesting	-	-	-	-
Options exercised during the year	-	-	-	-
Options forfeited during the year/corrections	502	-18,250	-41,474	-59,724
Outstanding options at December 31, 2024	**217**	**537,658**	**344,180**	**881,838**
Weighted average term to maturity (Years)		3.7	3.4	3.6
Number of exercisable options at December 31, 2023		108,659	84,319	192,978
Number of exercisable options at December 31, 2024		108,659	85,004	193,663

*The performance multiplier can decrease the number of options to 0 or as maximum effect increase the number of options by a factor of 2

	DKK	Number		
Grant date	Exercise price	Executive Management	Other employees	Total
April 2019**	313	108,659	85,004	193,663
February 2022	368	26,500	37,893	64,393
March 2022	307	-	3,158	3,158
February 2023	164	-	101,398	101,398
March 2023	151	97,300	-	97,300
June 2023	170	104,839	-	104,839
February 2024	179	200,360	104,779	305,139
April 2024	184	-	7,194	7,194
August 2024	176	-	4,754	4,754
Outstanding options at December 31, 2024		**537,658**	**344,180**	**881,838**

* The performance multiplier can decrease the number of non-vested options to 0 or as maximum effect increase the number 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 150 million (2023: DKK 208 million), is recognized in the income statement as management and administrative expenses.

4 Fees to statutory auditors

DKK million	2024	2023
Statutory audit	-2	-3
Tax advice services	-1	-1
Other assurance engagements	-3	-
Other services	-1	-4
Total	**-7**	**-8**

Services other than statutory audit are described in note 5.6 Fees to statutory auditors in the consolidated financial statements.

5 Financial income and expenses

DKK million	2024	2023
Financial income		
Interest income from subsidiaries*	164	354
Interest income from bank balances*	20	14
Financial income, other	-	1
Fair value adjustment of derivative financial instruments, net	40	63
Total	**224**	**432**
Financial expenses		
Interest expense to subsidiaries*	-139	-8
Interest expenses on bank loans and issued bonds*	-313	-310
Financial expenses, other	-183	-89
Foreign exchange loss, net	-55	-11
Total	**-690**	**-418**

*Interest income and expenses from financial assets and liabilities at amortized cost

6 Tax

DKK million	2024	2023
Tax on profit (loss)		
Current tax for the year	149	119
Deferred tax for the year	-31	-45
Adjustment to current tax in respect of prior years	-82	7
Adjustment to deferred tax in respect of prior years	73	-7
Total	**109**	**74**
Reconciliation of effective tax rate		
Danish tax rate	22.0%	22.0%
Non-taxable income	-0.4%	0.9%
Non-deductible expenses	7.7%	-2.5%
Adjustment of tax with respect of prior years	1.1%	0.0%
Share of profit (loss) in subsidiaries	-42.7%	6.2%
Other, including provisions for uncertain tax positions	-0.1%	0.0%
Effective tax rate	**-12.4%**	**26.6%**

In 2024, the company paid preliminary taxes of DKK 85 million in Danish corporate income tax for the year on behalf of the joint Group taxation (2023: DKK 0 million was paid in final tax for the year in Danish corporate income tax).

7 Intangible assets

	2024			2023		
DKK million	Software	Patents & License	Total	Software	Patents & License	Total
Cost at January 1	1,687	667	2,354	1,374	-	1,374
Additions	264	-	264	313	667	980
Disposals	-66	-	-66	-	-	-
Cost at December 31	1,885	667	2,552	1,687	667	2,354
Amortization and impairment at January 1	-660	-	-660	-469	-	-469
Amortization	-76	-62	-138	-58	-	-58
Disposals	55	-	55	-	-	-
Impairment	-	-	-	-133	-	-133
Amortization and impairment at December 31	-681	-62	-743	-660	-	-660
Carrying amount at December 31	**1,204**	**605**	**1,809**	**1,027**	**667**	**1,694**
Amortized over	3-10 years	3-10 years		3-10 years	3-10 years	

The carrying amount includes software in progress of DKK 813 million (2023: DKK 642 million).

8 Property, plant and equipment

	2024			2023		
DKK million	Factory and office buildings	Operating assets and equip-ment	Total	Factory and office buildings	Operating assets and equip-ment	Total
Cost at January 1	-	64	64	-	63	63
Additions				-	1	1
Cost at December 31	-	64	64	-	64	64
Depreciation and impairment at January 1	-	-43	-43	-	-36	-36
Depreciation	-	-6	-6	-	-6	-6
Depreciation and impairment at December 31	-	-49	-49	-	-42	-42
Carrying amount at December 31	**-**	**15**	**15**	**-**	**22**	**22**
Leased assets, c.f. note 9	13	2	15	19	2	21
Total carrying amount at December 31	**13**	**17**	**30**	**19**	**24**	**43**

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	2024 Factory and office buildings	2024 Operating assets and equipment	2024 Total	2023 Factory and office buildings	2023 Operating assets and equipment	2023 Total
Carrying amount at January 1	19	2	21	49	1	50
Additions	-	-	-	-	2	2
Remeasurements	-	-	-	-	-	-
Disposal	-	-	-	-20	-	-20
Depreciation	-5	-1	-6	-10	-1	-11
Carrying amount at December 31	**14**	**1**	**15**	**19**	**2**	**21**

Lease liabilities

DKK million	2024	2023
Contractual maturity analysis of lease liabilities:		
Less than one year	9	8
Between one and three years	10	15
More than three years	-	3
Total	**19**	**26**

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

Amounts expensed in the income statement and total cash outflow

DKK million	2024	2023
Interest expense on lease liabilities	-	1
Expense relating to low-value assets and short-term leases	5	2
Total cash outflow regarding lease liabilities	7	6

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	2024	2023
Cost at January 1	12,318	6,771
Additions, capital contribution	-	5,547
Other adjustments	-	-
Cost at December 31	**12,318**	**12,318**
Value adjustment at January 1	4,269	3,684
Share of profit after tax in subsidiaries	1,712	670
Foreign currency translation adjustments	269	-279
Direct equity postings in subsidiaries	-19	194
Value adjustments at December 31	**6,231**	**4,269**
Carrying amount at December 31	**18,549**	**16,587**

Group companies are listed on page 165-166.

11 Investments in associates

DKK million	2024	2023
Aggregated financial information for associates is provided below:		
Total share of loss in associates for the year	-	-33

12 Deferred tax

DKK million	2024	2023
Deferred tax, net		
Deferred tax at January 1, net	-86	-34
Adjustment in respect of prior years	73	-7
Deferred tax for the year recognized in profit (loss) for the year	-31	-45
Deferred tax at December 31, net	**-44**	**-86**
Deferred tax, net relates to		
Intangible assets	-228	-220
Other	184	134
Total	**-44**	**-86**

13 Contingent assets and liabilities

The parent company has not issued any guarantees on behalf of subsidiaries in 2024 (2023: DKK 0 million).

The company is jointly taxed with all Danish subsidiaries. The company is jointly and severally liable with the other companies in the joint taxation for Danish corporate taxes and withholding taxes on dividend, interests and royalties within the joint taxation.

14 Financial instruments

Categories of financial assets and liabilities

DKK million	2024	2023
Financial assets		
Other receivables	181	220
Amounts owed by subsidiaries	214	289
Financial assets at amortized cost	**395**	**509**
Derivative financial instruments included in Other receivables	146	119
Financial assets at fair value through profit or loss	**146**	**119**
Financial liabilities		
Issued bonds (bond-with-warrant units), non-current	8,199	2,689
Issued EMTN bonds, non-current	372	335
Bank loans and issued bonds, current	1,725	9,674
Lease liabilities	16	23
Trade payables	116	125
Amounts owed to subsidiaries	57	749
Financial liabilities at amortized cost	**10,485**	**13,595**
Derivative financial instruments included in Other payables	141	119
Financial liabilities at fair value through profit or loss	**141**	**119**

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
2024				
Issued bonds	26	38	895	959
Bank loans	1,862	6,039	1,850	9,751
Lease liabilities	9	10	-	19
Trade payables	116	-	-	116
Amounts owed to subsidiaries	57	-	-	57
Total non-derivative financial liabilities	2,070	6,087	2,745	10,902
Derivative financial liabilities	141	-	-	141
Total financial liabilities	**2,211**	**6,087**	**2,745**	**11,043**
2023				
Issued Bonds	7,053	37	892	7,982
Bank loans	2,548	449	2,029	5,026
Lease liabilities	8	15	3	26
Trade payables	125	-	-	125
Amounts owed to subsidiaries	749	-	-	749
Total non-derivative financial liabilities	10,483	501	2,924	13,908
Derivative financial liabilities	119	-	-	119
Total financial liabilities	**10,602**	**501**	**2,924**	**14,027**

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

Economic hedges

	2024				2023			
DKK million	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	705	-3,453	114	-53	688	-2,588	35	-94
USD / EUR	704	-3,109	-	-56	689	-2,767	65	-
Other currency pairs		-350	32	-31		-7,754	21	-25
Total			**146**	**-140**			**121**	**-119**

* Positive contract amounts indicate sale of currencies vs. DKK or EUR

Fair value disclosures re. financial instruments at amortized cost

Based on observable inputs (fair value hierarchy level 2), the fair value of EMTN bonds amounted to DKK 546 million (2023: DKK 4,726 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 2024 the FX derivatives had a fair value of DKK 5 million (2023: DKK 1 million), of which DKK 4.6 million (2023: DKK 5 million) are related to derivatives of USD vs EUR or DKK and DKK 0.2 million (2023: 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.

15 Share capital and capital structure

For information regarding share capital, capital structure and treasury shares please refer to note 4.1 Share capital and capital structure to the consolidated financial statements.

For information regarding financial risk management, please refer to note 4.2 Financial risks in the consolidated financial statements.

16 Related party transactions

In addition to disclosures given in note 5.7 Related parties to the consolidated financial statements, 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 165-166. Trade with Group enterprises comprised:

DKK million	2024	2023
Sale of services to group enterprises	933	796
Lease income from group enterprises	20	31
Purchase of services from group enterprises	-191	-839
Lease costs paid to group enterprises	-30	-40

The parent company's balances with group enterprises at December 31, 2024 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 2.3 Staff costs and management remuneration and 5.2 Share-based incentive plans in the consolidated financial statements.

17 Liabilities from financing activities

DKK million	Bank loans, non-current	Issued bonds*)	Lease liabilities	Bank loans and issued bonds, current	Amounts owed to subsidiaries	Total
Liabilities at January 1	-	3,024	29	9,674	749	13,476
Cash flows	-	-1,406	-7	-1,068	-	-2,481
Foreign exchange adjustments	-	-	-	-	-	-
New leases	-	-	-	-	-	-
Reclassified to current/non-current		6,931	-	-6,931	-	-
Reclassified to working capital	-	-	-	-	-749	-749
Non-cash interest expenses		-	-	-	-	-
Other non-cash adjustments	-	22	-6	50	-	66
Liabilities at December 31, 2024	**-**	**8,571**	**16**	**1,725**	**-**	**10,312**
Liabilities at January 1	2,312	7,548	53	6,005	1,411	17,329
Cash flows	-2,312	2,290	-8	-3,262	8	-3,284
Foreign exchange adjustments	-	57	-4	-	-670	-617
New leases and remeasurements	-	-	-15	-	-	-15
Bonds reclassified to current	-	-6,931	-	6,931	-	-
Non-cash interest expenses	-	60	-	-	-	60
Liabilities at December 31, 2023	**-**	**3,024**	**26**	**9,674**	**749**	**13,473**

18 Accounting policies

The financial statements of the parent company, GN Store Nord A/S have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and Danish disclosure requirements for annual reports of listed companies. The financial statements have been prepared in accordance with the historical cost convention, as modified by the revaluation of certain financial instruments (including derivative financial instruments) at fair value.

The accounting policies for the financial statements of the parent company have been changed in line with the changes to accounting policies described in note 1.1 in the consolidated financial statements. These changes have not had any material impact on recognition and measurement in the parent company. Apart from the above-mentioned changes the accounting policies for the financial statements of the parent company are unchanged from the last financial year and are the same as for the consolidated financial statements with the following additions:

Supplementary accounting policies for the parent company

Investments in subsidiaries

Revenue in the parent company primarily relates to services rendered to GN Group companies during the year.

Investments in subsidiaries are accounted for using the equity method whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the share of the subsidiaries net assets. The share of the subsidiaries profit or loss, less unrealized intra-Group profits, is included in the income statement of the parent company and the share of the subsidiaries other comprehensive income is included in other comprehensive income of the parent company. Received dividends reduce the carrying amount of the investments in subsidiaries.

To the extent net profit in subsidiaries exceeds declared or proposed dividends from such companies, net revaluation of investments in subsidiaries is transferred to Net revaluation reserve under Equity according to the equity method.

Management's report for the Parent company

The Parent Company reports corporate level activities and investments into subsidiaries. Revenue in 2024 grew to DKK 898 million (2023: DKK 738 million), primarily due to changes in the Group Functions. The 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 2024, cash flow from operating activities was positively impacted by interests received in the total amount of DKK 219 million (2023: DKK 405 million).

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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 for the financial year 1 January - 31 December 2024.

The Consolidated Financial Statements and the Parent Company Financial Statements have been prepared in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act. Management's report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31 December 2024 of the Group and the Parent Company and of the results of the Group and Parent Company operations and cash flows for 2024.

In our opinion, Management's report includes a fair review of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty, which the Group and the Parent Company are facing.

Additionally, the sustainability statement, which is part of Management's report, has been prepared, in all material respects, in accordance with paragraph 99 a of the Danish Financial Statements Act. This includes compliance with the European Sustainability Reporting Standards (ESRS) including that the process undertaken by Management to identify the reported information (the “Process”) is in accordance with the description set out in the section titled “Double materiality assessment”. Furthermore, disclosures within “EU Taxonomy Regulation disclosure” of the sustainability statement are, in all material respects, in accordance with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

The year 2024 marks the initial implementation of paragraph 99 a of the Danish Financial Statements Act concerning compliance with ESRS. As such, more clear guidance and practice are anticipated in various areas, which are expected to be issued in the coming years. Furthermore, the sustainability statement includes forward-looking statements based on disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

In our opinion, the annual report of GN Store Nord A/S for the financial year 1 January to 31 December 2024 with the file name GNStoreNord-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Ballerup, February 6, 2025

Executive Management

Peter Karlstromer
Group CEO

Søren Jelert
Group CFO

Board of Directors

Jukka Pekka Pertola
Chair

Klaus Holse
Deputy Chair

Hélène Barnekow

Anette Weber

Jørgen Bundgaard Hansen

Kim Vejlby Hansen

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 2024 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 2024 in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Our opinion is consistent with our Auditor's Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Consolidated Financial Statements and Parent Company Financial Statements of GN Store Nord A/S for the financial year 1 January to 31 December 2024, pp 113-183 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, statement of cash flows and notes, including material accounting policy information for the Group as well as for the Parent Company. Collectively referred to as the "Financial Statements".

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of GN Store Nord A/S on 21 March 2019 for the financial year 2019. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of six years including the financial year 2024.

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 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Capitalisation and valuation of development costs The Group capitalises development costs within the Enterprise, Hearing and Gaming & Consumer segment when certain criteria according to IFRS Accounting Standards are met. The criterias for recognition and measurement of development costs are subject to Management's estimates and judgments, which are uncertain by nature. Completed development projects are assessed for impairment indications during the year. For in-progress development projects impairment tests are performed at least yearly. The impairment tests are based on a strategy plan approved by Management and value-in-use calculations based on expected future cash flows. We focused on this area because the criterias for recognition and measurement of development projects are subject to Management estimates and judgments. Refer to note 3.1 in the Financial Statements.	We assessed whether the Group's material accounting policies related to capitalisation and valuation of development costs are in accordance with IFRS Accounting Standards. We updated our understanding of relevant controls, including Group controlling procedures, IT systems and business processes regarding development costs. For the controls, we assessed whether they were designed and implemented to effectively address the risk to material information. For selected controls which we planned to rely upon, we tested the operating effectiveness. We selected a sample of in-progress development projects and considered whether all criterias described in IFRS Accounting Standards were met as a basis for capitalisation. We performed substantive audit procedures to verify capitalised amounts. We evaluated and challenged Management's assessment of impairment indicators of completed development projects based on the commercial prospects of the projects. For in-progress development projects and completed projects where there are indications of impairment, we challenged the significant assumptions applied in the value-in-use calculations. Our work was based on our understanding of the business cases and key assumptions applied. We challenged whether the intend to finalise the projects remain and whether the projects are expected to generate future economic benefits exceeding the carrying values. We assessed the completeness and accuracy of the disclosures of development projects and related impairment tests against the disclosure requirements in IAS 36 and IAS 38.

Statement on Management's report

Management is responsible for Management's report.

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. This does not include the requirements in paragraph 99 a related to the sustainability statement covered by the separate auditor's limited assurance report hereon.

Based on the work we have performed, in our view, Management's report is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act, except for the requirements in paragraph 99 a related to the sustainability statement, cf. above. We did not identify any material misstatement in Management's report.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional skepticism 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Consolidated Financial Statements and the Parent Company Financial Statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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 2024 with the filename GNStoreNord-2024-12-31-en.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 2024 with the file name GNStoreNord-2024-12-31-en.zip is prepared, in all material respects, in compliance with the ESEF Regulation.

Hellerup, 6 February 2025

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Mads Melgaard
State Authorised Public Accountant
mne34354

Søren Ørjan Jensen
State Authorised Public Accountant
mne33226

Independent auditor's limited assurance report on the Sustainability Statement

To the stakeholders of GN Store Nord A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of GN Store Nord A/S (the "Group") included in the Management's report (the "Sustainability Statement"), page 40-104, for the financial year 1 January – 31 December 2024.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in the section "Double materiality assessment"; and
- compliance of the disclosures in section "EU Taxonomy Regulation disclosures" of the Sustainability Statement with Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation").

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. 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.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

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.

Our firm applies International Standard on Quality Management 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.

Management's responsibilities for the Sustainability Statement

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this Process as included in section "Double materiality assessment" of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, which includes the information identified by the Process, in accordance with the Danish Financial Statements Act paragraph 99 a, including:

- compliance with the ESRS;

- preparing the disclosures as included in the section "EU Taxonomy Regulation disclosures" of the Sustainability Statement, in compliance with Article 8 of the Taxonomy Regulation;

- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and

- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Inherent limitations in preparing the Sustainability Statement
In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Auditor's responsibilities for the assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process, but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;

- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and

- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the section "Double materiality assessment".

Our other responsibilities in respect of the Sustainability Statement include:

- Identifying where material misstatements are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. 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.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement. The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and

- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group was consistent with the description of the Process set out in the "Double materiality assessment".

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Evaluated whether the information identified by the Process is included in the Sustainability Statement;

- Evaluated whether the structure and the presentation of the Sustainability Statement are in accordance with the ESRS;

- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;

- Performed limited substantive assurance procedures on selected information in the Sustainability Statement;
- Where applicable, compared disclosures in the Sustainability Statement with the corresponding disclosures in the financial statements and Management's report;
- Evaluated the methods, assumptions and data for developing estimates and forward-looking information; and
- Obtained an understanding of the Group's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Statement.

Hellerup, 6 February 2025

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Forward-looking statements
The forward-looking statements in this report reflect the management's current expectations of certain future events and financial results. Statements regarding the future are, naturally, subject to risks and uncertainties, which may result in considerable deviations from the outlook set forth. Furthermore, some of these expectations are based on assumptions regarding future events, which may prove incorrect. Changes to such expectation and assumptions will not be disclosed on an ongoing basis, unless required pursuant to general disclosure obligations to which GN is subject.

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

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

GN

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