



# Remuneration report 2024

GN Store Nord A/S



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## Remuneration Report 2024

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### [GN Store Nord A/S Remuneration Report](#)

This Remuneration Report has been prepared in accordance with section 139 (b) of the Danish Companies Act.



# Introduction – 2024 performance

## 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.

## 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 supports and accelerates 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.

#### Management pay related to company performance

With regards to the bonus payouts for Executive Management for 2024, this reflects strong execution for GN as outlined in the previous section, as GN delivered growth in revenue, significant margin expansion as well as very strong cash flow.

Both Hearing and Gaming have gained significant market shares during the year and created solid organic revenue growth as a result. In the Enterprise division, the company's leadership position has been maintained in a contracting market and GN has done well relative to competition.

As explained later in this report, for the current members of Executive Management, it is the assessment of the Board of Directors that Peter Karlstromer (CEO) and Søren Jelert (CFO) have performed very strongly on their objectives related to the implementation of strategic initiatives for GN.

For Peter Karlstromer this leads to a bonus payout of 70% of his maximum bonus and for Søren Jelert it leads to a bonus payout of 70% of his maximum bonus. Further details on the bonus achievements can be found in the section Short-term cash-based incentive plan (STI) on page 16.

With regards to long term incentives, Peter Karlstromer and Søren Jelert received an ordinary LTI Grant of 75% of their annual base salary at the time of grant which is in the middle of the range stipulated in GN's Remuneration Policy, according to which grants for Executive Management are typically targeted between 50-100%.

The bonus for former Executive Management member Gitte Pugholm Aabo, agreed in 2023 as part of her severance agreement, reflects target performance and equals 50% of her maximum bonus. Similarly, in line with the 2023 severance agreement, Gitte Pugholm Aabo received an ordinary LTI grant of 75% of her annual base salary in 2024.



# Remuneration principles and framework

## Purpose of remuneration

GN's Remuneration Policy and structure is aligned with the company's strategy of being an innovation-driven growth company with attractive earnings margins. The various components of the remuneration offered at GN are set to balance the sustainable management of GN's strategy and long-term ambitions with the achievement of short-term results.

It also reflects the practice and benchmarks in the markets in which we operate and from where we recruit. The remuneration structure ensures that the company's Executive Management is rewarded according to market practice and with a clear link between performance, the value generated for shareholders and pay.

At the Annual General Meeting on March 13, 2024, the 2023 Remuneration Report was presented for an advisory vote and approved by over 90% of votes. This report is building on the same principles along with some further alignment on executive remuneration expectations following active engagement with our investors and proxy advisors.

## Remuneration Policy

GN's Remuneration Policy and remuneration structure ensures:

1. that GN is able to attract, motivate and retain qualified members to GN's Board of Directors and Executive Management that possess the right competencies, qualifications, and mindset to drive GN's innovation and growth agenda

2. that the interests of the Board of Directors and the Executive Management are aligned with the interests of the shareholders

GN's full Remuneration Policy is available on [www.gn.com/remunerationpolicy](http://www.gn.com/remunerationpolicy).

## Remuneration Committee

The Remuneration Policy is governed by GN's Remuneration Committee and is approved by the Board of Directors and at the Annual General Meeting.

GN's Remuneration Committee supports the Board of Directors in matters and decisions concerning remuneration of Executive Management and senior employees to ensure that the remuneration is in line with market practice.

The charter of the Committee can be reviewed on [www.gn.com/remunerationcommitteecharter](http://www.gn.com/remunerationcommitteecharter). In 2024, the Remuneration Committee held six meetings.

## Remuneration for the Board of Directors

Members of the Board of Directors receive a fixed remuneration as approved by the shareholders at the Annual General Meeting. According to GN's Remuneration Policy, the annual fee for Board members shall be at the level of remuneration paid in other comparable innovation and high-growth companies with a global focus, including foreign based competitors. This is ensured by regularly consulting market benchmarks for comparable companies.

In accordance with the recommendations by the Danish Committee on Corporate Governance, the members of the Board of Directors do not receive any incentive pay. Employee-elected members of the Board of Directors may in their capacity as employees be covered by general incentive schemes applicable to employees in GN.

## Remuneration for Executive Management

GN uses the Mercer IPE methodology, as well as benchmarks with other large Danish companies, to establish the correct market benchmarks. This applies to Executive Management and salaried employees alike, and remuneration is normally placed within the range of 80 - 120% of the market median.

The remuneration of the members of the Executive Management consists of:

- a fixed annual base salary
- a short-term cash-based incentive plan
- a long-term share option-based incentive plan
- other benefits such as company car, insurances, and in certain circumstances housing and other customary benefits for foreigners relocating to Denmark

GN does not provide any pension benefits to the Executive Management, and as described in further detail on page 7, there is a cap for termination and severance payments.



The remuneration principles for the Executive Management are summarized in the table on page 8 and the actual remuneration of the members of the Executive Management is shown on page 15 and described in more detail in the following paragraphs.

#### *Fixed annual base salary*

The fixed annual base salary level for Executive Management is based on market level compensation for comparable positions in comparable companies and is reviewed annually by the Board of Directors.

In 2024, the members of the Executive Management received remuneration in GN Store Nord and received no other remuneration for positions or directorships held in GN's subsidiaries or associated companies. All Executive Management remuneration is disclosed in this report.

#### *Short-term cash-based incentive plan (STI)*

The purpose of the short-term cash-based incentive plan is to provide Executive Management with an annual variable remuneration dependent on performance against specific short-term objectives in line with the company's strategy and as defined by the Board of Directors. When setting the specific and measurable targets for the incentive plans, GN's Remuneration Committee and Board of Directors factor in expectations of performance such as those that are communicated externally via our financial guidance.

70% of Executive Management's STI was related to financial targets, out of which 30% was tied to cash flow, 30% to revenue targets, and 40% to EBITA targets. The remaining 30% of Executive Management's STI is related to non-financial objectives that are linked to clearly defined and measurable goals tied to the implementation of the company's strategy.

In 2024, the target STI outcome for Executive Management was set at 50% of the fixed base salary with a cap at 100%.

#### *Long-term share option-based incentive plan (LTI)*

A long-term share option-based incentive plan was established by the Board of Directors with the purpose to drive growth, innovation, and performance, leading to sustainable long-term value creation. The LTI is offered to the Executive Management and other employees in key positions. Thus, the LTI aligns the interests of the Executive Management and other key employees with the interests of the shareholders.

The value of the LTI is directly linked to two elements: (i) Financial metrics where GN's organic revenue growth has a weight of 30%, EBITA margin has a weight of 50%, and Total Shareholder Return has a weight of 20%, and (ii) the performance of GN's share price.

#### *Grant of share options*

Ordinary grants of share options are typically made each year after the release of GN's Annual Report.

#### *Vesting and exercise of share options*

The program is based on cliff vesting with a three-year vesting period. If a grant does not meet the vesting criteria at the end of the vesting period, it cannot vest at a later point in time. The 2021 grant did not vest in 2024 as the vesting criteria related to EBITDA improvement in the period 2021-2024 was not met.

The exercise price of the share options (ordinary grants) will be determined as the simple average of the closing price of the GN share on Nasdaq Copenhagen for a period of five trading days following the publication of the annual report.

To avoid excessive pay-outs in case GN's share price increases dramatically, the gross return on the share options for each annual grant is capped at a value equal to four times the annual base salary of the relevant member of the Executive Management at the time of the grant.

GN reserves the right to settle the share options in cash. Further, GN reserves the right to fully or partially substitute the share options by synthetic cash-based financial instruments (phantom share options) subject to such instruments being granted on the same terms and conditions as for the share options as set out in GN's Remuneration Policy with any necessary changes.

#### *Pay mix aligned to shareholders' interest*

The variable pay elements are deliberately in place as part of the total remuneration to ensure that Executive Management are clearly incentivized to drive both short- and long-term performance, creating shareholder value. The chosen pay mix ensures that Executive Management has a large part of their pay at risk: they can lose out on a substantial part of their target pay if performance is not delivered and get a substantial upside for great performance in alignment with our shareholders' interests.

The philosophy of aligning interests of shareholders and Executive Management is also clearly thought into the LTI, as Executive Management will only realize a gain from share options if shareholders have had a return on their investment through an increase in the share price. The pay mix for 2024 can be seen on page 15.

#### *Shareholding Requirement*

Over time, Executive Management is required to hold GN shares corresponding to at least 100% of the annual base salary net of tax at the time of grant to participate in the LTI. The shareholding may be built up over a 5-year period. The shareholding requirement was introduced with the approval of the 2024 remuneration policy on March 13, 2024, and the 5-year build up period started on March 13, 2024. Prior to 2024, Executive Management was subject to share ownership guidelines setting expectations for investing a portion of earnings from the LTI in GN shares.

*Malus and claw back*

Malus and claw back provisions apply to both the cash bonus and the long-term share option-based incentive plan if, in the opinion of the Board of Directors, a malus or claw back event has occurred. This would include, but is not limited to (i) a material misstatement in GN’s financial statements or (ii) cases where the relevant member of the Executive Management, or a person in such member of the Executive Management’s organization, is deemed to have caused a material loss to GN. There has been no reason to apply the malus and claw back provisions in 2024.

*Termination, severance, and retention arrangements*

GN may terminate members of the Executive Management by giving 12 months’ notice. Members of the Executive Management may resign by giving six months’ notice. The total remuneration for the notice period, including any severance pay, may not exceed two years’ total remuneration, unless special circumstances warrant otherwise.

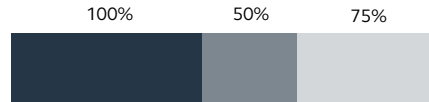
*Deviation from the Remuneration Policy*

In 2024, there have been no deviations from the Remuneration Policy.

**Total reward – pay elements as % annual base salary**

■ Fixed annual base salary ■ STIP ■ LTIP

Performance at target



Performance below threshold

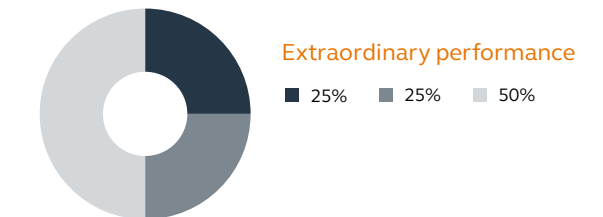
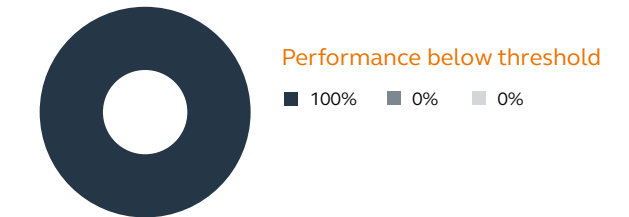
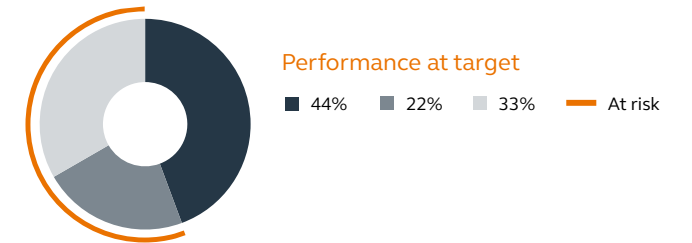


Extraordinary performance



**Pay mix as % total reward**

■ Fixed annual base salary ■ STIP ■ LTIP





## Remuneration principles

Pay element	Purpose	Award level	Performance criteria	Performance period
<i>Fixed annual base salary</i>	Ensure the ability to attract, motivate and retain high-performing executives.	The fixed annual base salary is normally set in the range of 80% - 120% of the market median. This is based on the level for comparable positions in comparable companies using the Mercer IPE methodology and supported further by remuneration benchmarks of larger Danish companies.	The annual review and potential adjustment of the executives' base salaries take the individual's performance and market practice into consideration.	Reviewed once a year.
<i>Short-term cash-based incentive plan</i>	Drive and reward specific short-term objectives for GN Store Nord.	The target payout equals 50% of the executives' annual base salary and the maximum payout cannot exceed 100% of the executives' annual base salary.	Cash flow, revenue, EBITA and specific non-financial business objectives	GN's financial year.
<i>Long-term share option-based incentive plan</i>	Reward executives for achieving and supporting the company's long-term objectives, focusing on long-term shareholder value.	The value of the annual individual grant is set by the Board and is between 50 and 100% of the executives' annual base salary at the time of grant (calculated by using the Black-Scholes method).	Organic revenue growth, EBITA improvement, Total Shareholder Return, and GN's share price.	6-year program with a vesting period of 3 years (ordinary grants).  The 2024 grant can be exercised in 2027 from the day after the release of GN's Annual Report, provided that the vesting criteria are met.
<i>Benefits</i>	Support the attraction, motivation, and retention of executives through offering of benefits that are aligned with market practice.	Benefits are offered according to market practice. Pension contribution is not part of Executive Management's remuneration.	n/a	n/a





## Long-term share option-based plan – 2024 performance criteria

### Measurement

Revenue growth, EBITA improvement and Total Shareholder Return

GN's performance on the financial metrics is measured against the three metrics closely linked to our strategy execution and compare results following the three-year performance/vesting period for the ordinary grants.

GN's performance results in a multiplier of the allocated share options.

### Performance criteria for the 2024 plan

The long-term incentive program includes a performance multiplier. 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.

GN's Board of Directors sets the performance that consist of a minimum, an on-target, and a maximum level of performance, which can be achieved over the three-year vesting period.

In 2024, GN's Remuneration Committee approved the change in performance criteria to ensure that the LTI plan continues to deliver on the intended design principles of simplicity, performance, and retention. A particular point of concern was the complexity and lack of transparency for participants of the peer group aspect, which had a negative impact on the perceived value of the LTI. Therefore, it was agreed that from 2024, the LTI plan is no longer measured relative to peer group which was approved by the Annual General Meeting in 2024 in connection with adoption of the Remuneration Policy.

The Performance multiplier is a combination of the performance on the three metrics that have the following weight: Organic revenue growth: 30%; EBITA improvement: 50%; Total Shareholder Return growth measured relative to the OMX Copenhagen 25 index: 20%. The performance multiplier is set as follows:

- Performance below the minimum performance levels = *Share options will not vest*
- The minimum performance level = Initial share option grant x 0
- The target performance level = Initial share option grant x 1
- The maximum performance level = Initial share option grant x 2

GN's share price development

The exercise price for the ordinary yearly grant is set at the simple average of the closing price of the GN share on Nasdaq Copenhagen for a period of five trading days following the publication of the annual report of GN. For extraordinary grants, the exercise price is the simple average of the closing price of the GN share on Nasdaq Copenhagen for a period of five trading days prior to the date of the extraordinary grant.

Potential value of the GN share options

The value of the share options will be a result of 1) the development in the GN share price where the share price has to increase relative to the share price at the time of grant for the share options to have any value, and 2) GN's performance on the three metrics and thereby the performance multiplier as described above.

The value of the share options granted can be calculated as follows:  
Number of share options granted \* the multiplier \* (GN share price at the time of exercise minus the exercise price).



## Conditions and terms for exercising share options from current program

	2024	2023	2022	2021****	2020****
Exercise price (ordinary grant)	179	164	368	550	381
Vesting period (February)	3 years	3 years	3 years	3 years	3 years
Life of option	6 years	6 years	6 years	6 years	6 years
Volatility*	45%	43%	34%	32%	29%
Expected dividend	0.4%	0.4%	0.3%	0.3%	0.4%
Risk-free interest rate**	2.37%	2.52%	0.12%	0.00%	0.00%
Fair value per option at ordinary grant (DKK)	45***	46	81	127	83
Total market value at grant (DKK million)	9	17	12	12	13
Amortization period of the program	2024 - 2027	2023 - 2026	2022 - 2025	2021 - 2024	2020 - 2023

From 2019, the grants are based on share options. The fair value includes any market vesting conditions.

\* Volatility is estimated by external experts and is calculated based on data from a historical period matching the expected time to expiry of the share 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 share options.

\*\*\* Weighted average of the fair value of options granted to executive management adjusted for the cap.

\*\*\*\* For 2020 and 2021, the share options did not vest.



# Remuneration of the Board of Directors

The 2024 base fee for serving on the Board of Directors of GN was DKK 545,000, with two times the base fee to the Deputy Chair and three times the base fee to the Chair. The base fee for serving on the Audit Committee is DKK 185,000, with two times the base fee to the Chair. The base fee for serving on the Remuneration Committee, the Nomination Committee, and the Technology & Innovation Committee amounts to DKK 137,500 with two times the base fee to the Chair. The Technology & Innovation Committee replaced the Board's previous Strategy Committee.

A member of the Board of Directors may in exceptional circumstances receive additional pay/compensation on market terms for extraordinary ad hoc work going beyond the normal scope of the Board of Director's responsibility areas.

In addition to reimbursement of travel expenses, a member of the Board of Directors is entitled to receive a fixed allowance per journey to a board meeting and/or per committee related meeting, if such meeting takes place outside the member's country of residence. The allowance is EUR 3,000 (DKK 22,500) per journey to meetings held on the same continent as the Board member resides, and EUR 6,000 (DKK 45,000) per journey to meetings held on a continent other than the continent on which the Board member resides.

In addition to the above-mentioned fees, GN pays statutory contributions to social security and similar taxes and charges within the EU/EEA that GN is obligated to pay according to applicable law in relation to some members of the Board of Directors' directorship with GN.

## Total remuneration of the Board of Directors

GN Store Nord A/S	DKK thousand
Chair	1,635
Deputy Chair	1,090
Other Board members	545
Remuneration Committee, Chair	275
Remuneration Committee, other members	138
Audit Committee, Chair	370
Audit Committee, other members	185
Technology & Innovation Committee, Chair	275
Technology & Innovation Committee, other members	138
Nomination Committee, Chair	275
Nomination Committee, other members	138



## Remuneration to the Board of Directors split by Board and Committee memberships

The remuneration to the Board of Directors comprises all remuneration received by the Board of Directors, including travel allowances, social security, and similar taxes and charges. For 2020-2023, the overview includes the remuneration from GN Store Nord as well as from GN Audio and GN Hearing. 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.

DKK thousand	2024	2023	2022	2021	2020
<b>Board of Directors</b>					
Jukka Pertola (Chair from Q2 2023)	1,635	1,135	-	-	-
Jukka Pertola (Deputy Chair from Q2 2020 until Q1 2023)	-	258	1,030	983	688
Klaus Holse (Deputy Chair from Q2 2023)	1,090	772	-	-	-
Hélène Barnekow	545	545	545	520	494
Anette Weber (from Q2 2020)	545	545	545	520	364
Jørgen Bundgaard Hansen (from Q2 2024)	409	-	-	-	-
Kim Vejlbj Hansen (from Q2 2024)	409	-	-	-	-
Leo Larsen*	545	305	305	290	276
Cathrine Inge Hansen (from Q2 2022)*	545	305	259	-	-
Claus Holmbeck-Madsen (from Q2 2022)*	545	305	229	-	-
Per Wold-Olsen (Chair until Q1 2023)	-	379	1,515	1,445	1,373
Ronica Wang (until Q4 2023)	-	545	545	520	494
Montserrat Pascual (from Q2 2020 until Q1 2023)	-	137	545	520	364
Wolfgang Reim (until Q1 2022)	-	-	136	520	494
Morten Andersen (until Q1 2022)*	-	-	76	290	276
Marcus Stuhr Perathoner (until Q1 2022)*	-	-	76	290	276
<b>Audit Committee</b>					
Anette Weber (Chair from Q2 2020)	370	370	370	350	245
Klaus Holse (from Q2 2023)	185	139	-	-	-
Jørgen Bundgaard Hansen (from Q2 2024)	139	-	-	-	-
Wolfgang Reim (Chair from Q4 2019 until Q1 2020, member until Q1 2022)	-	-	46	175	210
Hélène Barnekow (from Q4 2019 until Q1 2020 and from Q2 2022)	-	185	139	-	44
Ronica Wang (only in Q1 in 2023)	-	46	185	175	166

\*Employee elected members

DKK thousand	2024	2023	2022	2021	2020
<b>Technology &amp; Innovation Committee (previously Strategy Committee)</b>					
Jukka Pertola (Chair from Q2 2022, member from Q2 2020)	275	370	324	175	122
Klaus Holse (from Q2 2023)	137	139	-	-	-
Kim Vejlbj Hansen (from Q2 2024)	103	-	-	-	-
Leo Larsen (from Q2 2023)*	137	139	-	-	-
Wolfgang Reim (Chair until Q1 2022)	-	-	93	350	333
Per Wold-Olsen (until Q1 2023)	-	46	185	175	166
Montserrat Pascual (from Q2 2020 until Q1 2023)	-	46	185	175	122
Ronica Wang (from Q2 2023 until Q4 2023)	-	139	-	-	-
<b>Remuneration Committee</b>					
Hélène Barnekow (Chair from Q2 2023, member until Q1 2020)	275	278	-	-	44
Jukka Pertola (from Q2 2020)	137	185	185	175	122
Anette Weber (from Q2 2024)	103	-	-	-	-
Per Wold-Olsen (Chair until Q1 2023)	-	92	370	350	333
Ronica Wang (from Q2 2023 until Q4 2023)	-	139	-	-	-
Montserrat Pascual (from Q2 2020 until Q1 2023)	-	46	185	175	122
<b>Nomination Committee</b>					
Hélène Barnekow (Chair from Q2 2023, member from Q2 2020 until Q1 2023)	275	157	90	85	59
Jukka Pertola (Chair from Q2 2022 until Q1 2023, member from Q2 2023)	138	113	157	85	59
Klaus Holse (from Q2 2023)	138	68	-	-	-
Anette Weber (from Q2 2023 until Q1 2024)	34	68	-	-	-
Per Wold-Olsen (Chair until Q1 2022, member until Q1 2023)	-	23	113	170	162
<b>Total Board of Directors remuneration**</b>	<b>8,714</b>	<b>8,019</b>	<b>8,433</b>	<b>NA</b>	<b>NA</b>



DKK thousand	2024	2023	2022	2021	2020
<b>Fixed travel allowance &amp; social security</b>					
Jukka Pertola (Chair from Q2 2023)	45	-	-	-	-
Klaus Holse (Deputy Chair from Q2 2023)	45	-	-	-	-
Hélène Barnekow	378	392	434	206	175
Anette Weber	113	158	113	45	-
Jørgen Bundgaard Hansen (from Q2 2024)	113	-	-	-	-
Leo Larsen*	45	-	-	-	-
Cathrine Inge Hansen (from Q2 2022)*	45	-	-	-	-
Claus Holmbeck-Madsen (from Q2 2022)*	45	-	-	-	-
Ronica Wang (until Q4 2023)	-	315	315	135	45
Per Wold-Olsen (until Q1 2023)	-	68	158	113	112
Montserrat Pascual (until Q1 2023)	-	99	476	285	152
Wolfgang Reim (until Q1 2022)	-	-	45	90	89
<b>Total Board of Directors travel allowance and social security</b>	<b>829</b>	<b>1,032</b>	<b>1,541</b>	<b>874</b>	<b>573</b>

Note: The base fee for the Board of Directors remained unchanged from 2020 to 2021. The increase in 2021 was due to the fact that the Board in April 2020 decided to temporarily reduce their fee by 10% from May onwards (reinstated in October 2020) because of the negative financial impact on the company of the COVID-19 pandemic.

\*\*The total Board of Directors remuneration from 2020-2021 are available in prior reports.

## Total Remuneration to the Board of Directors

DKK thousand	2024	2023	2022	2021	2020
<b>Board of Directors</b>					
Jukka Pertola (Chair from Q2 2023, Deputy Chair from Q2 2020)	2,230	2,061	1,696	1,418	992
Klaus Holse (Deputy Chair from Q2 2023)	1,595	1,118	-	-	-
Hélène Barnekow	1,473	1,557	1,208	811	816
Anette Weber (from Q2 2020)	1,165	1,141	1,028	915	609
Jørgen Bundgaard Hansen (from Q2 2024)	661	-	-	-	-
Kim Vejlbj Hansen (from Q2 2024)	512	-	-	-	-
Leo Larsen*	727	444	305	290	276
Cathrin Inge Hansen (from Q2 2022)*	590	305	259	-	-
Claus Holmbeck-Madsen (from Q2 2022)*	590	305	229	-	-
Per Wold-Olsen (Chair until Q1 2023)	-	608	2,341	2,253	2,145
Ronica Wang (until Q4 2023)	-	1,184	1,045	830	705
Montserrat Pascual (from Q2 2020 until Q1 2023)	-	328	1,391	1,155	761
Wolfgang Reim (until Q1 2022)	-	-	320	1,135	1,147
Morten Andersen (until Q1 2022)*	-	-	76	290	276
Marcus Stuhr Perathoner (until Q1 2022)*	-	-	76	290	276
<b>Total Board of Directors remuneration**</b>	<b>9,543</b>	<b>9,051</b>	<b>9,974</b>	<b>NA</b>	<b>NA</b>

\* Employee elected members

\*\*The total Board of Directors remuneration from 2020-2021 are available in prior reports.



## Shares held by members of the Board of Directors

Members of GN's Board of Directors are encouraged to hold shares in GN. According to GN's internal rules, persons recorded in the permanent section of GN's Insider List, which includes the Board of Directors, may (subject to applicable rules and regulations in relation to trading in financial instruments) purchase and sell company shares at any time except during the black-out period which starts three trading days prior to the end of a quarter and ends the day after the publication of the financial report.

	2024	2023	2022	2021	2020
Jukka Pertola (Chair from Q2 2023, Deputy Chair from Q2 2020)	10,000	8,500	3,000	3,000	2,000
Klaus Holse (Deputy Chair from Q2 2023)	39,126	39,126	-	-	-
Hélène Barnekow	10,000	10,000	10,000	10,000	10,000
Anette Weber (from Q2 2020)	4,110	4,110	2,250	1,450	600
Jørgen Bundgaard Hansen (from Q2 2024)	7,000	-	-	-	-
Kim Vejlbj Hansen (from Q2 2024)	-	-	-	-	-
Leo Larsen*	1,387	1,387	1,387	1,137	1,137
Cathrin Inge Hansen (from Q2 2022)*	-	-	-	-	-
Claus Holmbeck-Madsen (from Q2 2022)*	-	-	-	-	-
<b>Total, Board of Directors**</b>	<b>71,623</b>	<b>63,123</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

\* Employee elected members

\*\*The total shares held by Board of Directors for 2020-2022 are available in prior reports.



# Remuneration of Executive Management

Remuneration of members of Executive Management for 2024 totals DKK 33.7 million (2023: 30.4 million).

DKK million	2024			Total
	Fixed pay*	Short-term incentives**	Long-term incentives***	
Peter Karlstromer, CEO	9.7	6.6	5.2	21.5
Søren Jelert, CFO	5.1	3.4	3.7****	12.2
<b>Total, Executive Management</b>	<b>14.8</b>	<b>10.0</b>	<b>8.9</b>	<b>33.7</b>
<b>Total expensed in the Annual Report 2024 re. Executive Management</b>				<b>34.1</b>

\* Fixed pay includes base salary and other benefits. Other benefits include car allowances and company paid telephone & internet.

The members of Executive Management received no Base salary increases in 2024 and following their appointment as Group CEO and Group CFO within one-company setup as of October 1, 2023.

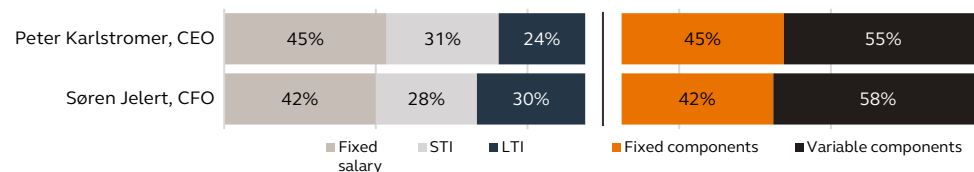
\*\* Comprises the STI earned in 2024 that is for payout in 2025.

\*\*\* Comprises the fair value of share options at the time of grant awarded in the current financial year. The fair value includes any market vesting conditions and assumes a performance multiplier of 1.

\*\*\*\* This includes the second portion of the share option grant, awarded as compensation for forfeited equity from a previous employer and agreed upon in 2023.

Note: In accordance with the severance agreement, 2024 remuneration to the former member of Executive Management Gitte Aabo equaled to DKK 16.6 million in 2024.

Proportion of fixed and variable remuneration of Executive Management by category – 2024



Historical remuneration to members of Executive Management for the past 4 years

DKK million	2023			
	Fixed pay	Short-term incentives	Long-term incentives	Total
Peter Karlstromer, CEO of GN Audio (until Oct 1, 2023), CEO of GN Store Nord (from Oct. 1, 2023)	8.3	8.8	4.2	21.3
Gitte Pugholm Aabo, CEO, GN Hearing and GN Store Nord (until Oct. 1, 2023)	8.1	6.9	4.3	19.3
Søren Jelert, CFO of GN Store Nord (from Jun. 1, 2023)	2.8	2.3	4.0	9.1
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio (until Jun. 1, 2023)	4.1	2.1	-	6.2

DKK million	2022			
	Fixed pay	Short-term incentives	Long-term incentives	Total
René Svendsen-Tune, CEO, GN Store Nord & GN Audio (until Jan. 2, 2023)	9.1	3.6	5.1	17.8
Gitte Pugholm Aabo, CEO, GN Hearing	7.8	6.2	4.6	18.6
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio (until Jun. 1, 2023)	4.1	1.1	2.1	7.3

DKK million	2021			
	Fixed pay	Short-term incentives	Long-term incentives	Total
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	8.3	7.5	5.1	20.9
Gitte Pugholm Aabo, CEO, GN Hearing	7.7	2.1	4.9	14.7
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio	3.8	3.2	2.3	9.3

DKK million	2020			
	Fixed pay	Short-term incentives	Long-term incentives	Total
René Svendsen-Tune, CEO, GN Store Nord & GN Audio	7.2	7.3	4.9	19.4
Gitte Pugholm Aabo, CEO, GN Hearing	7.1	4.1	5.0	16.2



## Short-term cash-based incentive plan (STI)

The purpose of the short-term cash-based incentive plan is to provide Executive Management with an annual variable remuneration dependent on performance towards specific short-term objectives as defined by the Board of Directors.

The specific metrics for 2024 are shown in the table on page 17 together with the relative weights for each metric, and with the achieved score relative to the targets that were set for 2024 for financial and non-financial metrics, respectively.

When setting the specific and measurable targets for the incentive plans, GN's Remuneration Committee and Board of Directors factor in expectations of performance such as those that are communicated externally via our financial guidance at the start of the financial year. The targets for the bonus plans are set based on objective and verifiable criteria.

Further, consideration is also given to other expectations such as the effect that our strategic plans could have on performance, both financial and non-financial (e.g. factoring in any acquisitions or divestments, new product launches and similar that are known before the beginning of the financial year), which the Board has assessed as commercially sensitive.

### Comments to company performance 2024

As mentioned in the introduction, the company delivered strong financial results despite challenging market conditions.

The financial objectives account for 70% in the STI plan, EBITA represents 28% whereas revenue and cash flow represent 21% each.

### Achievement on the financial element of the bonus plans

In June 2024, it was announced to wind-down the Elite and Talk product lines to further increase focus and resources on more attractive parts of GN's business. We adjusted the STI targets in the same way we normally adjust for major acquisitions or divestments to account for this strategic decision. Besides that, we have made no "in-flight" changes to the STI targets. Excluding the wind-down impact, GN achieved 4% organic revenue growth, while the EBITA margin, excluding the extraordinary costs, reached 13%. Strong execution drove GN's free cash flow (excluding M&A) to DKK 1.1 billion. This performance related in maximum payout of 186% for cash flow, 61% for revenue, and 152% for EBITA, corresponding to overall payout of 135% across the three metrics.

### Non-financial element of the bonus plans

The non-financial performance criteria include the following shared measures:

**One GN** transformation is measured through deliveries on cost synergies following the transition to a one-company setup as well as the development of a three year strategic plan for GN which was communicated at our Capital Market day in May 2024.

**Leadership** in GN is considered a strategic differentiator that will help GN gain a competitive edge as a company by bringing out the best in all our people. Development of shared leadership commitments further supported our transformation project enabling us to align across divisions, functions, and countries on what great leadership looks like and what we can expect of each other. This objective is assessed both through successful design of the leadership commitments and role-modelling strong leadership in line with established commitments.

**Diversity** target supports GN's work in establishing better gender balance across the company with special focus on share of women in senior leadership roles.

**ESG** measures progress towards GN's sustainability and climate ambitions, including the overall objective related to reducing carbon emissions across all scopes versus 2023, and 10 key actions.

Furthermore, the non-financial performance is measured on the achievement of individual strategic priorities assessed through progress on initiatives contributing to the success of GN's overall strategy. For the CEO the focus area was external reputation and for the CFO the focus area was working capital reduction.

The Remuneration Committee has assessed that disclosing further details of the non-financial performance criteria could potentially harm the competitive position of the GN Group. Therefore, the achieved score relative to target is shown for non-financial criteria as a group and not each objective individually.





### Short-term cash-based incentives criteria and score for Executive Management 2024

Executive Management member	Performance criteria	Metric(s)	Weight	Performance (0 - 200%)	Achieved bonus, % of base salary (0 - 100%)		
<b>Peter Karlstromer, CEO</b>	Financial	Cash flow	21%	186%	<b>70%</b>		
		Revenue	21%	61%			
		EBITA	28%	152%			
	Non-financial	One GN Leadership Diversity ESG Individual strategic priorities	30%	150%			
		<b>Total</b>		<b>139%</b>			
		<b>Søren Jelert, CFO</b>	Financial	Cash flow		21%	186%
				Revenue		21%	61%
EBITA	28%			152%			
Non-financial	One GN Leadership Diversity ESG Individual strategic priorities		30%	150%			
	<b>Total</b>			<b>139%</b>	<b>70%</b>		



### Share options held by current members of Executive Management

Each grant under GN's current long-term share option-based incentive program has been made within a range of 50% to 100% of the annual base salary calculated in accordance with the Black-Scholes method at the time of grant.

In 2024, Peter Karlstromer and Søren Jelert were awarded a grant of 75% of their annual base salary at the time of grant.

In addition to the ordinary grant, Søren Jelert received a second portion of an additional share option grant in 2024 to compensate for forfeited equity from a previous employer. This additional grant was made on the same terms as the ordinary 2024 grant.

	2024	2023	2022	2021	2020
<b>Peter Karlstromer, CEO</b>					
Outstanding options at January 1	97,300	-	-	-	-
Options granted during the year*	102,518	97,300	-	-	-
Options forfeited during the year	-	-	-	-	-
<b>Outstanding options at December 31</b>	<b>199,818</b>	<b>97,300</b>	-	-	-
<b>Søren Jelert, CFO</b>					
Outstanding options at January 1	104,839	-	-	-	-
Options granted during the year	97,842	104,839	-	-	-
Options forfeited during the year	-	-	-	-	-
<b>Outstanding options at December 31</b>	<b>202,681</b>	<b>104,839</b>	-	-	-

\*The options granted to Peter Karlstromer are granted as Phantom share options.

### Shares held by current members of the Executive Management

Members of the Executive Management are expected to hold shares in GN and are subject to a shareholding requirement as further described on page 6. According to GN's internal rules, persons recorded in the permanent section of GN's Insider List, which includes the Executive Management, may (subject to applicable rules and regulations in relation to trading in financial instruments) purchase and sell company shares at any time except during the black-out period which starts three trading days prior to the end of a quarter and ends the day after publication of the financial report.

	2024	2023	2022	2021	2020
Peter Karlstromer, CEO	45,000	26,250	NA	NA	NA
Søren Jelert, CFO	25,004	18,004	NA	NA	NA
<b>Total, Executive Management</b>	<b>70,004</b>	<b>44,254</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

Note: The shares held by former members of the Executive Management for 2020-2023 are available in prior reports.



# Changes in remuneration

The tables below show changes in company performance and received remuneration. The percentage-wise development is based solely on published financial information and, for this reason, they are not adjusted for promotions, changes in responsibilities, etc.

## Changes in company performance key figures (GN Store Nord)

(% change from previous year)

	2024	2023	2022	2021	2020
Revenue	-1%	-3%	18%	17%	7%
Organic revenue growth	+2%p	+2%p	-23%p	+11%p	-6%p
EBITDA	45%	-14%	-33%	33%	-15%
EBITA	79%	-23%	-40%	40%	-20%
Development in average base salary per FTE - GN Store Nord A/S*	NA	4%	0%	1%	1%
Development in average total remuneration per FTE - GN Store Nord A/S*	NA	5%	2%	0%	-5%
CEO pay ratio**	43	25	NA	NA	NA

\*The calculation method was revised in 2024 to transition from using the remuneration and FTE data of GN Store Nord A/S as a holding company to using the consolidated figures for the GN Group.

\*\*The methodology for calculating CEO pay ratio in 2024 is aligned with that of annual total remuneration ratio reported in the Sustainability statement of the Annual Report and as such it is not comparable with 2023 figure.

## Changes in Executive Management remuneration

(% change from previous year)

DKK million	2024	2023	2022	2021	2020
<b>Executive management</b>					
Peter Karlstromer, CEO of GN Audio (until Oct 1, 2023), CEO of GN Store Nord (from Oct. 1, 2023)	1%	NA	NA	NA	NA
Søren Jelert, CFO of GN Store Nord (from Jun. 1, 2023)	-4%*	NA	NA	NA	NA
<b>Former members of the executive management</b>					
Gitte Pugholm Aabo, CEO, GN Hearing (from Sept. 20, 2019 until Oct. 1, 2023) and CEO of GN Store Nord (from Jan 2, 2023 until Oct 1, 2023)	NA	4%	27%	-9%	1%
René Svendsen-Tune, CEO, GN Store Nord & GN Audio (until Jan. 2, 2023)	NA	NA	-15%	8%	6%
Peter la Cour Gormsen, CFO, GN Store Nord & GN Audio (until Jun. 1, 2023)	NA	NA	-22%	NA	NA

\*The base year comparison is calculated using the previous year's remuneration, which includes the annualized amounts of both fixed pay and STI. LTI grant is treated as annual grant and is not subject to pro-rating.

## Changes in total remuneration to the Board of Directors

(% change from previous year)

DKK million	2024	2023	2022	2021	2020
Jukka Pertola (Chair from Q2 2023, Deputy Chair from Q2 2020)	8%	22%	20%	12%	NA
Per Wold-Olsen (Chair until Q1 2023)	NA	4%	4%	5%	-4%
Klaus Holse (Deputy Chair from Q2 2023)	7%	NA	NA	NA	NA
Hélène Barnekow	-5%	29%	49%	-1%	-18%
Ronica Wang (until Q4 2023)	NA	13%	26%	18%	-34%
Montserrat Pascual (from Q2 2020 until Q1 2023)	NA	-6%	20%	12%	NA
Anette Weber (from Q2 2020)	2%	11%	12%	11%	NA
Jørgen Bundgaard Hansen (from Q2 2024)	NA	NA	NA	NA	NA
Kim Vejlbj Hansen (from Q2 2024)	NA	NA	NA	NA	NA
Leo Larsen*	64%	46%	5%	5%	0%
Cathrin Inge Hansen (from Q2 2022)*	93%	0%	NA	NA	NA
Claus Holmbeck-Madsen (from Q2 2022)*	93%	0%	NA	NA	NA
Wolfgang Reim (until Q1 2022)	NA	NA	13%	-1%	-9%
Morten Andersen (until Q1 2022)*	NA	NA	5%	5%	0%
Marcus Stuhr Perathoner (until Q1 2022)*	NA	NA	5%	5%	0%

\* Employee elected members

NOTE: Development in total remuneration including travel allowance and social security costs. Changes in remuneration are based on annualized numbers where applicable. The base fee for the Board of Directors remained unchanged from 2020 to 2021. The increase in percentages in 2021 was mainly due to the fact that the Board in April 2020 decided to temporarily reduce their fee by 10% from May onwards (reinstated in October 2020) because of the negative financial impact on the company of the COVID-19 pandemic



# Statement by the Executive Management and the Board of Directors

The Board of Directors have today considered and adopted the Remuneration Report of GN Store Nord A/S for the financial year 2024.

The Remuneration Report is prepared in accordance with section 139 b of the Danish Companies Act.

The Remuneration Report will be presented to the Annual General Meeting for an advisory vote.

Ballerup, February 6, 2025

**Executive Management**

**Peter Karlstromer**  
Chief Executive Officer

**Søren Jelert**  
Chief Financial Officer

**Board of Directors**

**Jukka Pekka Pertola**  
Chair

**Klaus Hølse**  
Deputy Chair

**Hélène Barnekow**

**Jørgen Bundgaard Hansen**

**Kim Vejlbj Hansen**

**Anette Weber**

**Cathrin Inge Hansen**

**Claus Holmbeck-Madsen**

**Leo Larsen**



# Independent Auditor's Statement on Remuneration report

## To the shareholders of GN Store Nord A/S

According to section 139 b of the Danish Companies Act, Management is responsible for preparing a remuneration report in accordance with the remuneration policy adopted at the General Meeting.

Our opinion on the audit of the Consolidated Financial Statements and the Parent Company Financial Statements does not include the remuneration report, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements and the Parent Company Financial Statements for 2024, it is, however, our responsibility pursuant to section 147 of the Danish Companies Act to verify that all disclosures required under section 139 b(3) of the Danish Companies Act are included in the Company's remuneration report for 2024.

We found no reason to point out any omissions with respect to the disclosures included in the remuneration report for 2024.

Hellerup, 6 February 2025

**PricewaterhouseCoopers**

Statsautoriseret Revisionspartnerselskab  
CVR no 33 77 12 31

Mads Melgaard  
State Authorised Public Accountant  
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