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SteelSeries ApS

Annual report for 2022

1 January – 31 December

CVR No 25 92 31 70

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 5 July 2023

Lars Stoltze
Chairman of the General Meeting

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Management's Statement

Executive Board and the Board of Directors have today discussed and approved the Annual Report of SteelSeries ApS and for the Company for 2022.

The Annual Report has been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

In our opinion the Company's financial statements give a true and fair view of the Company's assets, liabilities and financial position on 31 December 2022 and of the results of the Company's operations and cash flows for the financial year 2022.

Further, in our opinion the Management review includes a fair review of the development in the Company's operations and financial matters, of the result for the year, and of the Company's financial position, as well as describing the significant risks and uncertainties affecting the Company.

We recommend that the Annual General Meeting approve the Annual Report.

Copenhagen, 5 July 2023

Executive Board

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Mian Ehtisham Rabbani
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Mian Ehtisham Rabbani

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Lars Pries Stoltze
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Lars Pries Stoltze

Board of Directors

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Independent Auditor's Report

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2022, and of the results of the Company's operations and cash flows for the financial year 1 January - 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

We have audited the Financial Statements of SteelSeries ApS for the financial year 1 January - 31 December 2022, which comprise income statement and statement of comprehensive income, balance sheet, statement of cash flows, statement of changes in equity and notes, including a summary of significant accounting policies ("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 are independent of the Company 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the financial statements does not cover Management's Review, 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 Review and, in doing so, consider whether Management's Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement in Management's Review.

Independent Auditor's Report (continued)

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the 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 in preparing the financial statements unless Management either intends to liquidate the 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 conducted 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report (continued)

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents 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.

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.

Hellerup, 5 July 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

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State Authorised Public Accountant
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Company Information

The Company	SteelSeries ApS Havneholmen 8, 1. DK-2450 Copenhagen SV CVR No: 25 92 31 70 Financial period: 1 January - 31 December Incorporated: 21 February 2001 Municipality of reg. office: Copenhagen
Board of Directors	Søren Jelert Mian Ehtisham Rabbani
Executive Board	Mian Ehtisham Rabbani Lars Pries Stoltze
Auditors	PriceWaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44 DK-2900 Hellerup

Financial Highlights*

DKK million
Income statement

	2022	2021	2020	2019	2018
DKK million					
Income statement					
Revenue	2,275.4	2,529.3	1,988.2	1,244.2	969.8
Gross profit	680.7	914.7	741.0	521.6	400.3
EBITDA	-193.7	328.3	239.8	165.2	119.4
Operating profit (EBIT)	-326.4	279.6	188.1	126.7	94.0
Other income	200.1	-	-	-	-
Net financials	57.6	-22.0	-67.5	-20.6	-3.8
Income tax	-3.9	-50.7	-23.6	-7.0	-11.6
Net profit	-72.6	206.9	97.1	99.1	78.7
Attributable to					
Shareholder in SteelSeries ApS	-72.6	206.9	97.1	99.1	78.7
Statement of financial position					
Total assets	4,197.0	3,296.8	3,054.3	2,508.5	490.0
Net interest-bearing debt (NIBD)	73.7	-941.9	-793.3	-1,040.1	46.5
Total Equity	1,693.8	1,646.9	1,431.1	997.6	219.3
Statement of cash flows					
Cash flow from operating activities	-1,054.0	-18.8	442.3	-108.8	149.8
Cash flow from operational investments	-123.2	-366.2	-71.1	-1,867.8	-26.1
Cash flow from financial investments	77.4	-10.7	-66.8	1.9	-0.8
Cash flow from financing activities	1.089.1	264.7	-185.1	2,023.7	-79.2
Investments					
Investments in Intangible assets	-104.5	-339.9	-60.2	-1,854.0	-21.5
Investment in tangible assets	-18.7	-26.3	-10.9	-13.8	-4.6
Investment in financial assets	77.4	-10.7	-66.8	1.9	0.0
Average number of employees	362	302	230	183	158

Average number includes employees recharged from group entities.

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Financial Highlights (continued)

Financial ratios**		2022	2021	2020	2019	2018
Gross margin	%	30.9	36.2	37.3	41.9	41.3
Adj. EBITDA margin	%	-8.5	13.0	12.1	13.3	12.3
Operating margin	%	-14.3	11.1	9.5	10.2	9.7
Equity ratio	%	40.0	50.0	46.9	39.8	44.8

* As per 1 January 2022 SteelSeries ApS and it's Holding companies are merged with SteelSeries ApS as the continuing company. Comparable figures are adjusted to reflect the merged continuing company.

** Please refer to the General Accounting Policies in the financial statements for a definition and calculation of key figures and financial ratios.

Management's Review

Principal activities of the company

SteelSeries is a leader in gaming peripherals focused on quality, innovation, and functionality. The company was founded in Denmark in 2001 and is currently one of the world's leading global gaming brands - ideally positioned in the premium part of the market.

SteelSeries has built a comprehensive platform for gamers that brings together an ecosystem of leading gaming peripherals and software services. SteelSeries' gaming peripherals include Arctis, the world's leading premium gaming audio line, as well as keyboards, mice, controllers, and gaming accessories. The company's free software suite included with SteelSeries GG brings advanced features such as a unique in-game video capture application, as well as SteelSeries Engine which seamlessly manages all hardware customizations and enhances the gaming experience for millions of gamers.

The company's products are sold through retail, online retail, strategic distribution, directly to consumers and our software is integrated in computers, headsets, and other peripherals.

The company operates on a global scale with offices in Copenhagen, Chicago, Taipei, Lille and Singapore. Products are manufactured in China, Taiwan, Vietnam, Thailand, Myanmar and the USA.

SteelSeries strives to run a responsible business respectful of its employees, society and the environment. The company is mindful of the manufacturing impact of its products and work to minimize the impact through smart design and supplier choices.

This report also serves as the statutory statement on corporate responsibility in accordance with section 99a, 99b and 99d of the Danish Financial Statements Act.

Development In Activities and Financial Matters

Overall, the result for the year was satisfactory with SteelSeries continuing to gain market share in a declining market. Market share gains were driven by the strong and updated product line-up, primarily within gaming headsets, as well as new category expansion.

Ownership

The acquisition of SteelSeries Group A/S by GN Audio A/S was completed on 12th January 2022. Subsequent dissolution of SteelSeries Holding companies mean SteelSeries ApS is now directly owned by GN Audio A/S, which in turn is owned by GN Store Nord A/S ('GN'). Comparable financial figures are adjusted to reflect the merged Holding companies and SteelSeries ApS with the latter as the continuing company.

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SteelSeries is expected to benefit from GN's commercial and operational excellence, and financial strength, allowing SteelSeries to continue its strong growth trajectory and take share in the fast-growing market for premium software-enabled gaming gear.

Revenue

Revenue decreased by DKK 253.9 million to DKK 2,275.4 million in 2022 compared to DKK 2,529.3 million in 2021, a decrease of 10%. SteelSeries continued to gain market share during 2022, in a significantly declining market, impacted by lower consumer sentiment post the abnormal growth rates seen through the 2020-2021 COVID pandemic.

Sales related to the audio category amounted to 60% (2021: 56%) of total revenue. Other revenue including mice, keyboards, mousepads, performance accessories and software accounted for 40% (2021: 44%). Business to Business (B2B) channel sales accounted for 93% (2021: 91%) of revenue.

Gross profit

Gross profit decreased by DKK 234.0 million to DKK 680.7 million in 2022 compared to DKK 914.7 million in 2021, primarily driven by product mix shift, higher freight costs and higher warehousing costs

Operating expenses

Acknowledging the sentiment related to a potential recession, SteelSeries took proactive actions to reduce the cost base. In 2022, Operating expenses included DKK 21.5 million of non-recurring expenditure, including severance costs and IT integration costs relating to the integration with GN Audio. In 2021, non-recurring expenditure amounted to DKK 48.4 m, including initiation of an IPO process and a possible sale of the entire Group, strategy growth projects and various disputes related to former employees and customers.

EBITDA

EBITDA (Operating profit before depreciation, amortization, and impairment) result for 2022 was a loss of DKK 193.2 million compared to a profit of DKK 328.3 million in 2021, driven by lower revenue and margin decline.

EBIT

Operating profit (EBIT) result for 2022 was a loss of DKK 326.4 million compared to a profit of DKK 279.7 million for 2021.

Net Profit

The Group's net profit in 2022 amounted to a loss of DKK 72.6 million compared to a profit of DKK 206.9 million in 2021.

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FINANCIAL STATEMENT

Business Highlights

SteelSeries was successfully integrated into the GN Audio organisation during the year, with the initiated SteelSeries integration of sales, supply chain, finance, and other back-office functions progressing according to plan.

SteelSeries launched several new products during 2022, all receiving stellar reviews. SteelSeries launched a new level of excellence with the Arctis Nova Pro series and introduced a new SteelSeries franchise – a premium line of speakers for gamers.

New product launches:

Arctis Nova Pro + Sonar Audio Software Suite

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

Arctis Nova 7

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

The Arctis 7P+ is a SteelSeries bestseller, awarded best gaming headset, best wireless gaming headset and several other accolades important to the enthusiast gamer.

Arena speakers

Premium speakers allowing total immersion within any game.

Apex 9 keyboards

World's fastest optical switches.

Apex Pro Mini keyboards

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

Apex Pro TKL keyboards

Even faster and more adjustable.

Subsequent events

No events have occurred after the balance sheet date.

Target and expectations for next year

SteelSeries expects 2023 revenue to be largely in line with last year.

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Operating and financial risks

SteelSeries is exposed to currency fluctuations as much of the business is conducted internationally. The general policy is to minimize the 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. Although, there is, to some extent, a natural currency hedging as a large part of the cost base is in US Dollars (USD), cash flows and equity will be affected by exchange rate changes, especially against the USD. SteelSeries' FX risk is managed as part of the GN Group's overall FX risk. All hedging is conducted at the GN 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 across the GN Group.

SteelSeries externally insures a significant part of its trade receivables to counter potential losses caused by bad debtors' inability to pay. Despite this, and the efficient management of credit, sales on credit still involve an inherent business risk.

Inflationary pressures and general economic uncertainty decrease households' discretionary spending. This may result in declining demand for SteelSeries products, or temporarily lower than expected growth. The introduction of successful new products increases the Company's ability to increase market share.

SteelSeries supply chains remain heavily dependent on availability of components and manufacturing capacity in China and Asia. Escalating local and geopolitical instability and deteriorating trade relations may impact key suppliers. The increased global pressure on product manufacturing and international transportation may also impact our ability to operate the business efficiently, with smooth and secure product deliverables, at the same low-cost levels previously experienced. Integration of SteelSeries in GN Audio's supply chain function is progressing as planned. These supply chain teams have undertaken several resilience measures within sourcing of components, assembly of products and transportation, and will continue long-term global sourcing and production diversification efforts in line with the industry in general.

SteelSeries operates in a highly competitive environment, and it could lose market share and the demand of its products could decline. It is part of the Management's ongoing responsibility to assess and address the current and future competitive situation as well as the trends in the global gaming market.

Sustainability – ESG Report

GN's 2022 Sustainability - ESG report (available for download here: www.gn.com) provides a full over-view of our progress across all areas. The 2022 Sustainability – ESG report forms part of the 2022 Annual Report for GN Store Nord A/S and, thus, in combination constitutes GN's corporate responsibility report according to Sections 99a and 99d in the Danish Financial Statements Act, and also includes GN's EU Taxonomy Regulation disclosure.

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Corporate Governance

Corporate governance refers to the way a company is managed and controlled through ownership, management structure, incentive schemes, etc. SteelSeries strives to build trusted relationships with customers, shareholders, suppliers, employees, and the community. We also aim for a high degree of transparency and active ownership, including sharing information and engaging in a regular dialogue with all our stakeholders.

Please consult the annual report for our ultimate parent company GN Store Nord A/S to find the complete description of the Corporate governance a www.gn.com/Investor/Financial-reports.

On its website, GN provides a statutory report on corporate governance, including an explanation of how GN, including SteelSeries, complies with each recommendation (www.gn.com/corporategovernance2022). This overview, as well as the risk management and internal control systems related to financial reporting described in the risk management section in this report, form the statutory report on corporate governance that is required under section 107b of the Danish Financial Statements Act. It also forms the statutory report on diversity statement required under section 99b of the Danish Financial Statements Act.

Gender and Diversity, equality and inclusion

SteelSeries finds that tolerance and respect are fundamental values necessary to achieve the best working environment. At SteelSeries, all employees are appreciated for their skills, experience and individual points of view regardless of nationality, skin color, gender, age, sexual orientation, language, religion, political views or disabilities. We are committed to creating and maintaining a workplace that welcomes the exchange of experience, attitudes, and views which we consider necessary for our development.

The SteelSeries ApS Board of Directors consists of two male representatives. The leadership team consists of two females and eleven males. Diversity in Management is a key priority for us as we believe it helps create a healthy working environment. We are working to achieve a more equal gender balance at all levels in the company by ways of talent development opportunities, promotions and new recruitments, aligned with our ultimate parent company GN Store Nord A/S.

Income Statement and Other Comprehensive Income

DKK million	Note	2022	2021
Revenue	1.1	2,275.4	2,529.3
Cost of sales	1.2	-1,594.7	-1,614.6
Gross Profit		**680.7**	**914.7**
Other external expenses	1.3	-621.5	-391.7
Staff costs	2.1	-252.4	-194.7
Operating profit before depreciation, amortization, and impairments (EBITDA)		-193.2	328.3
Depreciation and impairment	6.1	-16.1	-10.2
Amortization and impairment	6.1	-117.1	-38.4
Operating profit (EBIT)		-326.4	279.7
Other income	6.2	200.1	-
Income from subsidiaries and associate	6.3	77.2	2.1
Financial income	4.1	176.1	67.3
Financial expenses	4.2	-195.7	-91.4
Profit before tax		-68.7	257.7
Income tax	5.1	-3.9	-50.8
Net profit		**-72.6**	**206.9**
Attributable to:			
Shareholder in SteelSeries ApS		**-72.6**	**206.9**
Items that may be reclassified to the income statement			
Value adjustments of cash flow hedging instruments on equity		-	0.2
Items that may be reclassified to the income statement		**-**	**-**
Total comprehensive income		**--72.6**	**207.1**
Attributable to:			
Shareholder in SteelSeries ApS		**-72.6**	**207.1**

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Balance Sheet 31 December

Assets

DKK million	Note	2022	2021
Non-current assets			
Goodwill	6.1	1,446.7	1,446.7
Customer base	6.1	19.5	22.4
Trademarks	6.1	433.6	464.2
Patents	6.1	119.2	134.6
Development projects	6.1	141.5	105.2
Property, plant, and equipment	6.1	30.9	27.2
Leasehold improvements	6.1	0.7	0.7
Right-to-use assets	6.1	1.9	3.0
Investments in subsidiaries and associates	6.3	80.8	81.0
Deposits		0.6	0.6
Total non-current assets		**2,275.4**	**2,285.6**
Current assets			
Inventories	7.1	1,242.5	384.6
Trade receivables	7.2	548.1	432.0
Receivables from group companies		24.7	46.3
Receivable tax		7.0	13.1
Other receivables		8.4	12.8
Prepayments		15.2	36.0
Cash and cash equivalents	7.6	75.7	86.4
Total current assets		**1,921.6**	**1,011.2**
Total assets		**4,197.0**	**3,296.8**

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Balance Sheet 31 December

Equity & liabilities

DKK million	Note	2022	2021
Equity			
Share capital		0.2	0.2
Retained earnings		1,693.6	1,646.7
Total equity		**1,693.8**	**1,646.9**
Non-current liabilities			
Deferred tax	5.2	132.7	123.7
Borrowings and Lease liabilities	7.3	0,7	1,7
Total non-current liabilities		**133.4**	**125.4**
Current liabilities			
Borrowings	7.3	-	1,025.3
Trade payables		313.7	275.7
Payables to group enterprises		1,776.5	2.3
Lease liabilities	7.3	1.3	1.3
Provisions	7.4	6.8	6.0
Corporation tax		-	-
Other payables	7.5	271.5	213.9
Total current liabilities		**2,369.8**	**1,524.5**
Total Equity and liabilities		**4,197.0**	**3,296.8**

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Statement of Changes in Equity

2022

DKK million	Share capital	Retained earnings	Proposed dividend	Equity shareholder in SteelSeries ApS
Equity on 1 January	0.2	348.4	-	348.6
Merger		1,298.3		1,298.3
Equity on 1 January, adjusted	0.2	1,646.7		1,646.9
Net profit	-	--72.6	-	-72.6
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-72.6	-	-72.6
Transactions with shareholder				
Incentive program		10.5	-	10.5
Capital contribution	-	109.0	-	109.0
Total transactions with shareholder	-	119.5	-	119.5
Total Equity on 31 December	**0.2**	**1,693.6**	**0.0**	**1,693.8**

2021

DKK million	Share capital	Retained earnings	Proposed dividend	Equity shareholder in SteelSeries ApS
Equity on 1 January	0.2	84.8	20.0	105.0
Merger		1,348.5	-20.0	1,328.5
Equity on 1 January, adjusted	0.2	1,433.3		1,433.5
Net profit	-	206.9	-	206.9
Other comprehensive income	-	0.2	-	0.2
Total comprehensive income	-	207.1	-	207.1
Transactions with shareholder				
Incentive program	-	6.3	-	6.3
Total transactions with shareholder	-	6.3	-	6.3
Total Equity on 31 December	**0.2**	**1,646.7**	**-**	**1,646,9**

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Statement of Cash Flows

DKK million	Note	2022	2021
Operating profit (EBIT)		-326.4	279.7
Depreciation, amortization, and impairment	6.1	133.2	48.6
Operating profit before depreciation, amortization, and impairment (EBITDA)		**-193.2**	**328.3**
Other non-cash adjustments		74.5	-
Change in inventories		-932.4	-81.0
Change in receivables and prepayments		-90.9	-211.9
Change in trade payables and other payables		96.4	3.5
Interest etc. Received	4.1	176.1	67.3
Interest etc. Paid	4.2	-195.7	-91.4
Income tax paid		11.2	-33.5
Cash flow from operating activities		**-1,054.0**	**-18.8**
Acquisition of Intangible assets	6.1	-104.5	-339.9
Acquistion of tangible assets	6.1	-18.7	-26.3
Total operational investments		**-123.2**	**-366.2**
Disposal and (acquisition) of subsidiaries and associates	6.3	77.4	-10.9
Change in financial receivables		-	0.2
Total financial investments		**77.4**	**-10.7**
Free cash flow		**-1,099.8**	**-395.7**
Repayment of borrowings	7.3	-1,025.2	14.5
Repayment of lease liabilities	7.3	-1.1	2.5
Transaction with shareholder			
Group contribution		2,115.4	247.8
Cash flow from financing activities		**1,089.1**	**264.8**
Net cash flow		**-10.7**	**-130.9**
Cash and cash equivalents at opening		86.4	217.3
Foreign exchange adjustment of cash and cash equivalents		-	-
Cash and cash equivalents on 31 December	7.3	**75.7**	**86.4**

Notes to Financial Statements

1.1 Revenue

Revenue by region	2022	2021
Americas	1,130.5	1,083.3
EMEA	792.2	1,048.4
APAC	352.7	397.6
Total	2,275.4	2,529.3

Revenue by Product Category	2022	2021
Audio	60%	56%
Other	40%	44%

Revenue by Channel	2022	2021
B2B	93%	91%
D2C	7%	9%

Revenue by Large Customers (%)	2022	2021
Customer A*	29%	26%
Customer B*	12%	12%

*Customer A and B are those contributing individually with more than 10% of revenue.

1.2 Cost of sales

DKK million	2022	2021
Change in inventory	74.5	17.8
Expenses related to purchase of products	1,520.2	1,596.8
Total	**1,594.7**	**1,614.6**

1.3 Other external expenses

DKK million	2022	2021
Sales and Marketing expenses	329.8	259.3
Other external expenses	291.7	132.4
Total	**621.5**	**391.7**

2.1 Staff costs

DKK million	2022	2021
Wages and salaries	39.2	36.5
Pension cost	3.6	1.9
Other social security costs	0.4	0.3
Options / Warrants	2.7	2.3
Staff costs SteelSeries ApS	45.9	41.0
Services provided by group companies – Wages, salaries, Pension and other	198.7	149.7
Services provided by group companies - Options / Warrants	7.8	4.0
Total staff cost	**252.4**	**194.7**
Average number of employees SteelSeries ApS	49	45
Average number of employees group companies	313	257
Average number of employees	**362**	**302**

Renumeration of the Executive Management*		
Wages and Salaries	16.1	10.7
Pension costs	0.1	0.1
Option / Warrants	4.9	2.3
Total	**21.1**	**13.1**

Renumeration of the Board of Directors		
Wages and salaries	0.1	0.8

Remuneration of key management personnel**		
Wages and Salaries	35.1	30.6
Pensions	0,1	0.1
Options / Warrants	4.7	4.0
Total	**39.9**	**34.7**

* Remuneration of Executive Management includes management registered in the Central Business Register in the accounting period. Includes additional costs recharged from group companies.

** Key management personnel comprise of the leadership team excluding Executive Management. Includes key management costs recharged from group companies.

4.1 Financial income

DKK million	2022	2021
Financial income		
Interest income	0.6	9.7
Interest income from Group Companies	0.4	-
Foreign exchange gains etc.	175.1	57.6
Total	**176.1**	**67.3**

4.2 Financial expenses

DKK million	2022	2021
Financial expenses		
Interest expenses	1.8	45.0
Interest expense to Group Companies	23.8	-
Foreign exchange losses etc.	160.5	36.1
Amortized loan cost	1.9	10.1
Interest expenses lease	0.1	0.1
Other	7.6	0.1
Total	**195.7**	**91.4**
Total finance cost related to financial liabilities at amortized cost	27.6	55.2

5.1 Reconciliation of tax for the year

DKK million	2022	2021
Current tax	9.0	46.9
Change in deferred tax	-2.3	9.8
Adjustments to tax in prior years	15.2	-5.9
Total tax expense	**3.9**	**50.8**

5.2 Reconciliation of the effective tax rate of the year

	2022		2021	
Effective tax rate	%	TDKK	%	TDKK
Calculated 22% tax on profit	-22.0	-15.1	22.0	56.7
Adjust. to prior year tax	22.4	15.2	-2.3	-5.9
R&D credits	-0.1	-0.1	-2.2	-5.6
Unrecognized tax losses	106.6	73.4	-	-
Non deduct interest	-	-	0.0	-0.1
Interest restriction	-	-	-0,7	-1.7
Non-taxable income and non-deductible costs, net	-123.2	-69.5	2.9	7.4
Total tax expense	-16.3	**3.9**	19.7	**50.8**

5.3 Deferred tax

DKK million	2022	2021
Intangible assets	148.6	129.1
Property, plant and equipment	-2.7	-1.6
Inventories	-11.9	-1.8
Trade receivables	-1.3	-2.0
Total tax	**132.7**	**123.7**
1 January	123.7	113.9
Tax for the Year	-2.3	9.8
Adjust. to prior year tax	11.3	-
31 December	**132.7**	**123.7**
Deferred tax liability	132.7	123.7
31 December	**132.7**	**123.7**

Management makes judgements on uncertain tax positions to ensure recognition and measurement of tax assets and liabilities and there have not in 2021 or 2022 been recognized any cost related to uncertain tax positions based on management's assessment.

6.1 Intangible assets and property, plant and equipment

2022

DKK million	Goodwill	Customer base	Trade marks	Patents	Development projects and other	Total
Cost on 1 January	115.8	-	99.8	77.9	192.6	486.1
Addition Merger 1 January *	1,330.9	28.9	364.4	98.6	-	1,822.8
Additions	-	-	0.1	1.5	102.9	104.6
Disposals	-	-	-	-	-20.9	-20.9
Cost on 31 December	1,446.7	28.9	464.3	178.0	274.6	2.392.5
Amortization 1 January	-	-	-	20.3	87.4	107.7
Addition Merger 1 January *		6.5		21.6		28.1
Amortization	-	2.9	30.7	16.9	46.1	96.6
Impairment	-	-	-	-	20.5	20.5
Reversal of amortization of disposals for the year	-	-	-	-	-20.9	-20.9
Amortization and impairment on 31 December	-	9.4	30.7	58.8	133.1	232.0
Carrying amount on 31 December	**1,446.7**	**19.5**	**433.6**	**119.2**	**141.5**	**2,160.5**

2021

DKK million	Goodwill	Customer Base	Trademarks	Patents	Development projects and other	Total
Cost on 1 January	-	-	-	19.3	126.9	146.2
Addition Merger 1 January *	1,330.9	28.9	364.4	98.6	-	1,822.8
Additions business combinations **	115.8	-	99.8	49.7	-	265.3
Additions	-	-	-	8.9	65.7	74.6
Cost on 31 December	1,446.7	28.9	464.2	176.5	192.6	2,308.9
Amortization 1 January	-	-	-	17.7	65.3	83.0
Addition Merger 1 January *		3.6	-	10.8	-	14.4
Amortization	-	2.9	-	13.4	22.1	38.4
Amortization and impairment on 31 December	-	6.5	-	41.9	87.4	135.8
Carrying amount on 31 December	**1,446.7**	**22.4**	**464.2**	**134.6**	**105.2**	**2,173.1**

*) As per 1 January 2022, SteelSeries ApS is merged with the owning holding companies with SteelSeries ApS as the continuing company. Comparable financial figures are adjusted.

**) As per 23 July 2021, SteelSeries ApS acquired all activities, assets and liabilities from the 100% owned subsidiary, KontrolFreek LLC.

2022

DKK million	Other fixtures and fittings tools and equipment	Leasehold improvements	Right to use assets	Total
Cost on 1 January	65.7	5.0	7.3	78.0
Additions	18.1	0.2	0.4	18.7
Disposals	-3.9	-	-	-3.9
Cost on 31 December	79.9	5.2	7.7	92.8
Depreciation on 1 October	38.5	4.3	4.3	47.1
Impairment	3.9			3.9
Depreciation	10.5	0.2	1.5	12.2
Reversal of depreciation & Impairment	-3.9	-	-	-3.9
Depreciation on 31 December	49.0	4.5	5.8	59.3
Carrying amount on 31 December	**30.9**	**0.7**	**1.9**	**33.5**

2021

DKK million	Other fixtures and fittings tools and equipment	Leasehold improvements	Right to use assets	Total
Cost on 1 January	44.1	4.3	3.3	51.7
Additions business combinations **	1.6	-	-	1.6
Additions	20.0	0.7	4.0	24.7
Cost on 31 December	65.7	5.0	7.3	78.0
Depreciation on 1 October	30.5	3.6	2.8	36.9
Depreciation	8.0	0.7	1.5	10.2
Depreciation on 31 December	38.5	4.3	4.3	47.1
Carrying amount on 31 December	**27.2**	**0.7**	**3.0**	**30.9**

** As per 23 July 2021, SteelSeries ApS acquired all activities, assets and liabilities from the 100% owned subsidiary, KontrolFreek LLC.

Rights-of-use assets

The Group leases various properties. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Lease expenses recognized in the income statement related to short-term leases and leases of low-value assets amounted to less than DKK 0.1 million (2021: DKK 0.1 million). Such contracts comprise the lease of coffee machines, small IT devices and similar equipment.

The impact of IFRS 16 increased EBITDA by DKK 1.6 million (2021: DKK 1.6 million) as other external expenses decreased by DKK 1.6 million (2021: DKK 1.6 million), depreciation increased by DKK 1.5 million (2020: DKK 1.5 million) and interest by DKK 0.1 million (2021: DKK 0.1 million), the net negative impact on the income statement was DKK 0.0 million (2021: DKK 0.0 million).

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6.2 Other income

DKK million	2022	2021
Recharge of group incentive program	200.1	-
Total	**200.1**	**-**

6.3 Investments in subsidiaries and associate

2022

DKK million	Investments in subsidiaries	Investment in associates	Total
Cost on 1 January	67.8	13.5	
Additions	-	-	
Disposals	-0.2	-	
Cost on 31 December	**67.6**	**13.5**	**81.3**
Value adjustments 1 January	-	-	-
Dividend	-	-	
Share of Income for the year	-	-	-
Value adjustments on 31 December	**-**	**-0.3**	**-0.3**
Carrying amount on 31 December	**67.6**	**13.2**	**80.8**

As per 24 November 2022, SteelSeries North America Corp was purchased by GN Audio USA. A gain of DKK 77.2 million is recognized in the Income statement.

2021

DKK million	Investments in subsidiaries	Investment in associates	Total
Cost on 1 January	68.0	-	
Additions	-	13.5	
Disposals	-0.3	-	
Cost on 31 December	**67.8**	**13.5**	**81.3**
Value adjustments 1 January	-	-	-
Dividend	2.6	-	
Share of Income for the year	-	-0,3	-0,3
Value adjustments on 31 December	**-**	**-0.3**	**-0.3**
Carrying amount on 31 December	**67.8**	**13.2**	**81.0**

On 1 July 2021, SteelSeries completed a minority investment in Louqe AB totaling DKK 13.5 million for 26% of the shares. SteelSeries has the option to acquire the remaining 74% at the earliest on 1 January 2022 on already agreed terms. The option has not been exercised as is not considered to be “In the money”.

Louqe AB is producing high-end cases for computers that can be custom made by users. The company’s HQ and production are located in Sweden. SteelSeries sees it as a fit to its current product portfolio.

Investments in subsidiaries and associates are specified as follows:	Market	Ownership and voting rights
EMEA		
SteelSeries France	France	100%
SteelSeries UK	UK	100%
Loque AB	Sweden	26%
AMERICAS		
SteelSeries Canada Inc.	Canada	100%
APAC		
SteelSeries Japan K.K.	Japan	100%
SteelSeries (Shanghai) Commercial and Trading Co. Ltd.	China	100%
SteelSeries Taiwan	Taiwan	100%
Nahimic Singapore Pte. Ltd.*	Singapore	*100%

* *Indirect ownership via SteelSeries France*

7.1 Inventories

DKK million	2022	2021
Raw materials	39.6	26.3
Finished goods	1,202.9	358.3
Total	**1,242.5**	**384.6**

7.2 Trade receivables

2022 *DKK million*	Gross receivables	Loss allowances	Receivables, net
Not past due	489.2		489.2
Overdue 1 – 30 days	43.6		43.6
Overdue 31 – 90 days	9.8		9.8
Overdue > 90 days	15.5	10.0	5.5
Total	**558.1**	**10.0**	**548.1**

2021 *DKK million*	Gross receivables	Loss allowances	Receivables, net
Not past due	360.7		360.7
Overdue 1 – 30 days	46.7		46.7
Overdue 31 – 90 days	23.3		23.3
Overdue > 90 days	10.3	9.0	1.3
Total	**441.0**	**9.0**	**432.0**

DKK million	2022	2021
Impairment on 1 January	9.0	1.7
Impairment losses recognized	1.0	8.3
Realized impairment losses	-	-
Reversed impairment losses	-	-
Impairment on 31 December	**10.0**	**9.0**

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7.3 Net interest-bearing debt

Borrowings have been settled by GN subsequent to the acquisition of SteelSeries as per 12 January 2022. GN is providing funding to carry out SteelSeries activities, cf. section 7.7 regarding management of liquidity risks.

DKK million	2022	2021
Non-current borrowings and lease liabilities	0.7	1.7
Current borrowings and lease liabilities	1.3	1,026.6
Gross financial debt	**2.0**	**1,028,3**
Cash and cash equivalents	75.7	86.4
Net interest-bearing debt	**73.7**	**941.9**

The change during the year in liabilities arising from financing activities is specified below:

DKK million	2022	2021
Gross financial debt on 1 January	1,028.3	1,011.3
Installment of borrowings	-1,025.2	-30.5
Change in bank revolver	-	50.0
Installment and addition Lease liabilities	-1.1	-2.5
Total 31 December	**2.0**	**1,028.3**
Borrowings, non-current	-	-
Lease liabilities, non-current	0.7	1.7
Borrowings, current	-	1,025.3
Lease liabilities, current	1.3	1.3
Total 31 December	**2.0**	**1,028.3**

Financing costs on 31 December 2022 amounted to DKK 1.9 million (2021: DKK 24.7 million) and are amortized until the expiry date of the loans. Amortization in 2022, amounted to DKK 1.9 million (2021: DKK 10.1 million).

DKK million	2022	2021
Financial assets at amortized cost		
Trade receivables	548.1	432.0
Receivables from group companies	24.7	46.3
Other receivables	8.4	12.8
Cash	75.7	86.4
	656.9	**577.5**
Financial liabilities at amortized cost		
Borrowings	-	1,025.3
Lease liabilities	2.0	3.0
Trade payables	313.7	275.7
Payables to group companies	1,776.5	2.3
Other payables	271.5	213.9
	2,363.7	**1,520.2**

Financial instruments measured at fair value

Financial instruments measured at fair value are limited to derivative instruments.

Financial instruments measured at amortized cost

The carrying amounts of the Group's financial instruments, measured at amortized cost, are reasonable approximations of fair values.

Valuation techniques:

Management has assessed that cash, receivables, payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values of other financial instruments:

Fair values of the Group's interest-bearing borrowings and loans which are measured at amortized cost reflecting the issuer's borrowing rate at the end of the reporting period. The own non-performance risk on 31 December was assessed to be insignificant.

7.4 Provisions

Provisions primarily comprise of warranty provisions regarding any form of hardware warranties on goods sold and customer claims.

DKK million	2022	2021
Provisions on 1 January	6.0	5.2
Additions	9.4	5.0
Used during the year	-8.6	-4.2
Provision 31 December	**6.8**	**6.0**
Recognized in:		
Current liabilities	**6.8**	**6.0**

7.5 Other payables

DKK million	2022	2021
Salary related	35.7	39.7
Sales and marketing related	218.5	161.4
Other	17.3	12.8
Total 31 December	**271.5**	**213.9**

7.6 Cash and cash equivalents

Assessment of credit risk

Credit risk is defined as an unexpected loss in cash and earnings if the customer is unable to pay its obligation in due time. The Company may incur losses if the credit quality of its customers deteriorates or if they default on their payment obligations to SteelSeries. GN Audio's exposure to credit risk arises primarily from trade and other receivables.

SteelSeries externally insures a significant part of its trade receivables to counter potential losses caused by bad debtors' inability to pay. Despite this, and the efficient management of credit, sales on credit still involve

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an inherent business risk. Assessment of credit risks related to customers is further described in note 7.2 Trade receivables.

Cash is mainly held in current accounts or as short-term money market deposits. Cash positions are primarily held with financial institutions through which SteelSeries conducts its day-to-day banking transactions and which are highly rated with Moody's and Standard & Poor's.

DKK million	2022	2021
Cash and cash equivalents	75.7	86.4
Cash and cash equivalents. Net	**75.7**	**86.4**

The carrying amount of DKK 75.7 million (2020: DKK 70.4 million) represents the maximum credit exposure related to cash and cash equivalents.

7.7 Liquidity risk

Liquidity risk results from the potential inability to meet the obligations associated with financial liabilities, for example, settlement of financial debt and paying suppliers. Subsequent to the GN acquisition of SteelSeries as per 11 January 2022, GN Store Nord A/S is providing funding to carry out SteelSeries' activities. Cash flow, liquid funds and debt are coordinated centrally by Group Treasury to ensure the solvency and liquidity of the GN Group, including SteelSeries.

2022	Maturity	Maturity	Maturity	Total
DKK million	< 1 year	> 1 year < 5 years	> 5 years	
Non-derivative financial instruments				
Lease liabilities	1.3	0.7	-	2.0
Borrowings	-	-	-	-
Trade payables	313.7	-	-	313.7
Payables to group companies	1,776.5	-	-	1,776.5
Other financial liabilities	271.5	-	-	271.5
Total	2.363.0	0.7	-	2.363.7

2021	Maturity	Maturity	Maturity	Total
DKK million	< 1 year	> 1 year < 5 years	> 5 years	
Derivative financial instruments				
Interest rate swap	0.3	-	-	0.3
Non-derivative financial instruments				
Lease liabilities	1.3	1.7	-	3.0
Borrowings	1.025.3	-	-	1.025.3
Trade payables	275.7	-	-	275.7
Payables to group companies	2.3			2.3
Other financial liabilities	213.9	-	-	213.9
Total	**1,518.8**	**1.7**	**-**	**1,520.5**

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7.8 Currency risks

The Company is affected by exchange rate fluctuations, as part of the sales and procurement are settled mainly in USD, EUR and DKK, whereas costs of goods are primarily settled in USD.

Moreover, the Company is affected by changes in exchange rates, as the foreign subsidiaries' results at year end are translated into Danish kroner based on average exchange rates. The Company is exposed to foreign currency risks arising from its operating and financing activities, as the Company has sales, purchase and financing in foreign currencies.

SteelSeries' foreign exchange risk is managed as part of the GN Group's overall FX risk. All hedging is conducted at the GN Group level.

Sensitivity analysis for foreign currency risk

The operating currency risk exposure is considered relevant, but as the sales in Americas and goods purchased are settled mainly in USD, the exposure is considered limited.

A 10% increase for USD/DKK and 1% increase for EUR/DKK in SteelSeries ApS, covering 95% (2021 93%) of the revenue, with all other variables held constant, would have impacted revenue and gross profit by the amounts below. This exposure at year-end is not necessarily representative of the past or future exposure of the Company.

DKK million	Revenue 2022	Revenue 2021	Gross profit 2022	Gross profit 2021
USD	142.4	157.1	-23.1	3.1
EUR	7,4	10.0	7.9	9.5

7.9 Interest rate risk

The Company's exposure to interest rate risk is considered to be low due to the capital structure. Subsequent to the final approval of the GN acquisition as per 12 January 2022 the loan and credit facilities are terminated and replaced by GN funding. Interest bearing debt to GN amounts to DKK 1,609.6 million as per 31 December 2022.

2021

DKK million

Interest-bearing loans and borrowings	Expiry	Interest margin	Type	Nominal amount 2021	Carrying amount 2021
Facility A	Sep/25	3.50%	Floating	234.8	234.8
Facility B	Sep/26	4.00%	Floating	742.4	742.4
Revolving facility	Sep/25	3.50%	Floating	225.0	50.0
Other facilities	Jun 21 - Sep 26	0% - 2%	Fixed	9.7	9.7
Total				**1,211.9**	**1,036.9**
Capitalized borrowing cost					1.9
Total borrowings					**1,035.0**

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7.10 Capital structure

Management regularly assesses whether the SteelSeries capital structure is in the interests of SteelSeries and its shareholder. The overall objective is to ensure a continued development and strengthening of SteelSeries capital structure that supports long-term profitable growth and a solid increase in key earnings and ratios.

This includes assessment of and decisions on the split of financing between share capital and borrowings, which is a long-term strategic decision to be made in connection with significant investments and other transactions.

SteelSeries ApS has issued one type of shares with the same voting power.

Management considers that this structure will remain advantageous for the shareholder, enabling and supporting the long-term development of SteelSeries.

8.1 Fees to auditors

In 2022, PwC Statsautoriseret Revisionspartnerselskab, Denmark was the elected firm and the fees amounted to DKK0.8 million.

In 2021, Fees to the elected audit firm EY Godkendt Revisionspartnerselskab, Denmark in 2021 amounted to DKK 10.4 million.

DKK million	2022	2021
Statutory audit	0.8	2.9
Tax advisory	-	0.1
Other services including preparation of an IPO	-	7.4
Total tax	**0.8**	**10.4**

8.2 Related parties

GN exercises control over SteelSeries ApS with 100% of the shares and voting rights.

The following transactions were made with shareholders, subsidiaries and other group companies:

DKK million	2022	2021
Shareholders:		
Interest income	0.4	-
Interest expense	-23.8	-
Capital contribution	109.0	-
Subsidiaries and other group companies:		
R&D service costs	-33.3	-19.1
Sales, Marketing and Administrative service costs	-244.0	-235.8
Recharge of group Incentive program	200.1	-

Related parties also comprise SteelSeries ApS' Board of Directors and Executive Board, their close family members and companies in which these persons have significant influence. During the year, there were no transactions between these parties and the Group, except for remuneration as disclosed in note 2.1 of the financial statements.

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8.3 Contingent liabilities

The company is ongoing part of few disputes. In Management's opinion the outcome of known disputes is recognized in the financial statements.

Payment guarantee for rent DKK 0.9 million (2021: DKK 0.8 million).

In 2021, the following assets have been placed as security with banks:

- Floating company charge granted by SteelSeries ApS providing security on receivables, inventories, plant and equipment as well as goodwill and trademark maximized to a total value of DKK 92 million.
- Negative pledges registered in respect of SteelSeries ApS pledges of shares in respect of the shares owned by SteelSeries Holding ApS.

Assignment of rights under acquisition agreement and W&I insurance granted by SteelSeries Holding ApS.

8.4 Events after the reporting period

No events have occurred after the reporting period of importance to the financial statements.

8.5 Share-based incentive plans

Option program

Executive management and Other employees of SteelSeries participate in a GN Audio option-based long-term equity-settled incentive program. Executive Management and Other employees in key positions are granted options linked to shares in GN Store Nord A/S. For members of Executive Management, the grant size can vary between 50-100% of their base salary. Options are granted at no consideration.

Vesting conditions and exercise of options

The program is long-term incentive program with a three-year vesting period from the grant date. The program includes 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 zero 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 the grant. Vested options may be exercised at any time outside black-out periods for a three-year period after vesting.

The fair value of the options is calculated using the principles of the Black-Scholes option pricing model. The fair value of options granted during the year are based on the underlying market prices at the grant dates.

The following assumptions were applied for the calculation of the fair value at the grant date of GN Store Nord A/S options:

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2022	Executive management	Other employes
Number of options granted in the year	87,011	120,571
Share price GN Store Nord at ordinary grant date	351	351
Vesting period	3 years	3 years
Life of option	6 years	6 years
Volatility*	34%	34%
Expected dividend	0.3%	0.4%
Risk-free interest rate**	0.00%	0.00%
Fair Value per option at ordinary grant (DKK) ***	81	100
Total fair value at grant (DKK million)	7	12
Amortization period of the program	2022-25	2022-25

* 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.

The exercise price for the options is based on the average share price for GN Store Nord in the five days following the release of the annual report in the year in which the relevant options are awarded.

	Average exercise price	Executive management	Other employees	Total
Warrants granted in May 2022	340	87,011	120,571	207,582
Outstanding warrants at December 31, 2022		87,011	120,571	207,582
Weighted average term to maturity		2,2	2,2	2,2
Number of exercisable options at December, 31 2022		-	-	-

SteelSeries warrant program – exercised in 2022

SteelSeries had a warrant-based long-term equity-settled incentive program whereby Management and other employees in key positions were granted warrants linked to shares in SteelSeries Holding II ApS. Warrants were granted at no consideration. The calculation basis for the warrants is Black-Scholes valuation with an illiquidity discount.

The program was based on a five-year vesting period but due to the transaction being a triggering event the vesting period was accelerated from signing on 6th October 2021 until 12th January 2022.

	Average exercise price	Executive management	Other employees	Total
Outstanding warrants at December 31, 2020	0,873	3,393,665	5,376,449	8,770,114
Warrants granted	1,904	0	165,000	165,000
Warrants exercised during the year	0	0	0	0
Warrants forfeited during the year	0	0	0	0
Outstanding warrants at December 31, 2021	2,777	3,393,665	5,541,449	8,935,114
Warrants granted	0	0	0	0
Warrants exercised during the year	2,777	-3,393,665	-5,541,449	-8,935,114
Warrants forfeited during the year	0	0	0	0
Outstanding warrants at December 31, 2022	0	0	0	0

The following table list the inputs to the models used for the plan for the 2021 program:

	Equity settled
Weighted average fair values at measurement date	2,4
Weighted average share price	22,5
Exercise price	30,61
Expected volatility	26,9%
Expected life of share options	48 months
Dividend yield	0,0%
Risk-free interest rate	-0,3%
Illiquidity discount	20%
Valuation method	Black-Scholes

The expected volatility reflects 26.9%, which is based on a peer group median. When employees exercise their warrants, they are exchanged with shares in SteelSeries Holding II ApS.

8.6 Acquisitions

No acquisitions of subsidiaries have been made in 2021 and 2022.

On 11 December 2020, SteelSeries gained control of the KontrolFreek LLC (USA) through the acquisition of 100% of the shares, giving SteelSeries the full ownership interest. Subsequently, KontrolFreek activites, assets and liabilities have been acquired directly by SteelSeries ApS and KontrolFreek LLC (USA) dissolved.

The final valuation of acquired identifiable assets has been completed during 2021 for the acquisition made in 2020, leading to adjustment to previously reported fair values for KontrolFreek Inc. The following table summarises the adjustments made as a consequence of the final valuation.

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The fair values of the identifiable assets and liabilities at the date of acquisition were:

DKK million	Business combinations - Initial recognition	Adjustments	Business combination final
Consideration paid	287.1		287.1
Contingent considerations	0,0		0.0
Total cost of acquisition	287.1		287.1
Acquired assets and liabilities			
Brand	104.8		104.8
Patents	51.8		51.8
Property, plant & equipment	1.7		1.7
Trade & other receivables	11,0		11.0
Inventory	7.5		7.5
Prepayments	0.2		0.2
Cash and cash equivalents	23.7		23.7
Deferred tax liability	-42.3	42.3	0.0
Trade payables	-2.5		-2.5
Other payables	-23.2		-23.2
Net assets acquired	**132.7**	**42.3**	**175.0**
Goodwill	154.3	-42.3	112.0
Total acquisition price	**287.0**	**-42.3**	**287.1**
Hereof cash in KontrolFreek	23.7		23.7
Total purchase price	**263.3**		**263.4**

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Accounting Policies

9. Basis for preparation

SteelSeries ApS is part of GN Store Nord's consolidated Annual Report and pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared for SteelSeries. The financial statements of SteelSeries ApS and group entities are included in the consolidated financial statements of GN Store Nord A/S, Lautrupbjerg 7, 2750 Ballerup, CVR no. 24257843.

As per 1 January 2022 SteelSeries ApS and it's Holding companies are merged with SteelSeries ApS as the continuing company. Besides eliminations, rebates and other debt have been reclassified to fairly reflect the merged entities in accordance with GN principles. Comparable figures are adjusted to reflect the merged continuing company.

9.1 General Accounting Policy

SteelSeries ApS is incorporated and domiciled in Denmark. The registered office is located in Copenhagen. The financial statements of SteelSeries ApS and its subsidiaries have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional requirements according to the Danish Financial Statements Act applying to large enterprises of reporting class C. The financial statements are prepared based on the standards and interpretations that are effective on 31 December 2021. There have been no impact of the implementation of the standards and interpretations.

The financial statements are presented in DKK, which is the Company's functional and presentation currency, and all values are rounded to the nearest million with one decimal, except when otherwise indicated.

The Board of Directors considered and approved the 2022 SteelSeries ApS annual report on 5 July 2023. The annual report will be submitted to the shareholder of SteelSeries ApS for approval at the annual general meeting on 5 July 2023.

New accounting policies and disclosures

SteelSeries ApS has implemented the standards and amendments that are effective for the financial year 2021. The new standards and amendments have neither affected SteelSeries ApS' recognition nor measurement of financial items for 2022, nor are they expected to have any significant future impact.

Standards issued but not yet effective.

The IASB has issued a number of new standards and amendments not yet in effect or adopted by the EU and therefore not relevant for the preparation of the 2021 financial statements. SteelSeries ApS expects to implement these standards when they take effect.

None of the new standards issued are currently expected to have any significant impact on the financial statements when implemented.

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Accounting Policies (continued)

Defining materiality

Significant items are presented individually in the financial statements as required by IAS 1. Other items that are considered relevant to stakeholders and necessary for an understanding of the company's business model, geographical diversity, are also presented individually in the financial statements.

Income statement

The presentation of the company's income statement is based on the internal reporting structure. as IFRS does not provide a specific disclosure requirement. Special items are not directly attributable to ordinary operating activities and are shown separately to facilitate a better understanding of the company's financial performance.

9.2 Accounting policy

Income statement

Revenue information

Revenue information of the company's gaming peripherals activities are disaggregated according to the three geographical regions where sales take place and category of peripherals. The regions reflect the geographical, decision and reporting structure applied by Management for monitoring the company's strategic and financial targets.

Revenue

Recognition and measurement

Revenue from contracts with customers comprises sales of goods and software/license income. Revenue from the sale of finished goods is recognized at the point in time when the control of goods and products is transferred to the customer, which is generally upon delivery. For contracts providing the customer with a right of return within a specified period, the company considers the timing of recognition. Royalty and license fees are recognized when earned according to the terms of the license agreements. Revenue from contracts with customers is measured at an amount that reflects the expected consideration for those goods. Amounts disclosed as revenue include discounts but excludes VAT and duties collected on behalf of authorities.

Variable consideration

The company offers various discounts depending on the nature of the customer and business. Discounts comprise on-invoice discounts, volume- and activity-related discounts, including specific promotion prices offered, and other sell-in discounts. On-invoice discounts arise from sales transactions where the customer immediately receives a reduction in the sales order. This also includes cash discounts. Activity-related discounts is a broad

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Accounting Policies (continued)

term covering incentives for customers to sustain business with the company over a longer period and may be related to a current campaign or a sales target measured in volumes or total value.

Examples include discounts paid as a lump sum, discounts for meeting certain sales targets or progressive discounts offered in step with increasing sales to a customer and incentives for early payments. Other discounts include listing fees. i.e., fees for certain listings on shelves, in favorable store locations, as such specific promotions are closely related to the quantities sold.

Cost of sales

Cost of sales comprises cost of materials used in finished goods. including packaging materials. and royalties for items paid when they are produced. The cost of purchased finished goods and packaging materials includes the purchase cost and costs directly related to bringing inventories to the relevant place of sale and getting them ready for sale, for example, tariffs insurance, warehouse handling, transportation, distribution and duties.

Other external expenses

Other external expenses comprise rent of premises, marketing both trademark and trade, office supplies etc. Sales marketing is promotional activities directed towards end-users, such as the supply of point-of-sale materials, promotional materials, events and trade offers. Trademark marketing is an investment in the company's trademarks and consists of trademark-specific investments in the development of communication vehicles, the use of these to drive the sale of trademarked products, sales campaigns, and sponsorships.

Staff costs

Staff costs are recognized in the financial year in which the employee renders the related service. Most of the company's pension schemes are defined contribution plans where contributions are paid to publicly or privately administrated pension plans on a statutory, contractual, or voluntary basis. Contributions to defined contribution plans are recognized as staff costs when the related service is provided.

The company has no further payment obligations once the contributions have been paid. In addition, the company has a few defined benefit plans where the responsibility for the pension obligation towards the employees lies with the company. The company's net obligation is calculated annually by an actuary. The present value less the fair value of any plan assets is recognized as pensions in the statement of financial position and as a part of non-current provision.

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Accounting Policies (continued)

Income from investment in subsidiary and associates

Dividend from subsidiaries is recognized as income in the income statement when adopted at the General Meeting of the subsidiary. However, dividends relating to earnings in the subsidiary before it was acquired by the Company are set off against the cost of the subsidiary.

Investments in associates and joint ventures are recognised according to the equity method, which entails measurement at cost and adjustment for the company's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. The share of the result must be calculated in accordance with the company's accounting policies. The proportionate share of unrealised intragroup profits and losses is eliminated.

Financial items

Financial income and expenses are recognized in the income statement at the amounts relating to the financial year incl. interest related to leases and currency gains and losses.

Income tax

Income tax comprises current tax and changes in deferred tax for the year. including changes as a result of a change in the tax rate. The tax expense relating to the profit/loss for the year is recognized in the income statement, while the tax expense relating to items recognized in other comprehensive income is recognized in the statement of comprehensive income.

Accounting Policies (continued)

Balance sheet

Intangible and tangible assets

Cost

Assets are initially recognized at cost and subsequently measured at cost less accumulated amortization or depreciation and impairment losses. Cost comprises the purchase price and costs directly attributable to the acquisition until the date when the asset is available for use.

Research and development costs are recognized in the income statement as incurred. Development costs of intangible assets, for example software, are recognized as development projects if the costs are expected to generate future economic benefits. It comprises direct and indirect costs of materials, components, sub-suppliers, wages and salaries. For assets acquired in business combinations, including trademarks and property, plant and equipment, cost at initial recognition is determined by estimating the fair value of the individual assets in the purchase price allocation.

Goodwill acquired in business combinations and is measured in the purchase price allocation. Goodwill is not amortized but is subject to an annual impairment test.

Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items. Subsequent costs, for example in connection with replacement of components of property, plant and equipment, are recognized in the carrying amount of the asset if it is probable that the costs will result in future economic benefits for the company.

Useful life, amortization, depreciation, and impairment losses

Useful life and residual value are determined at the acquisition date and reassessed annually. If the residual value exceeds the carrying amount, depreciation is discontinued.

Amortization and depreciation are recognized on a straight-line basis over the expected useful lives of the assets. taking into account any residual value. The expected useful life and residual value are determined based on past experience and expectations of the future use of assets. Amortization/depreciation is calculated on the basis of the cost less the residual value and impairment losses.

Accounting Policies (continued)

Type	Years
Customer relations	10
Trademarks	15
Patents	5 – 15
Development projects	3 – 5
Property, Plant and equipment	3 – 5
Leasehold improvements	3
Right of Use Assets	3 – 5

Impairment

Goodwill with indefinite useful live is subject to an annual impairment test, performed initially before the end of the year of acquisition. The test is performed at the level where cash flows are considered to be generated.

All assets are tested if an event or circumstance indicates that the carrying amount may not be recoverable. If an asset's carrying amount exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of the asset's fair value less costs of disposal and its value in use.

For all assets, the value in use is assessed based on budget and target plan with reference to the expected future net cash flows. The assessment is based on the lowest CGU affected by the changes that indicate impairment. The cash flow is discounted by a discount rate adjusted for any risk specific to the asset, if relevant to the applied calculation method.

Right-of-use assets

At the commencement date, the company recognizes a lease liability and a corresponding right-of-use asset at the same amount, except for short-term leases of 12 months or less and leases of low-value assets.

A right-of-use asset is initially measured at cost, which equals the initial lease liability and initial direct costs less any lease incentives received. Subsequently, the right-of-use asset is measured at cost less depreciation and impairment losses and adjusted for remeasurement of the lease liability.

The right-of-use asset is depreciated over the earlier of the lease term or the useful life of the asset. The impairment testing of right-of-use assets follows the same principles as those applied for property, plant and equipment.

Right-of-use assets are recognized as property, plant and equipment. The company has elected not to recognize right-of-use assets and liabilities for leases with a term of 12 months or less and leases of low-value assets. Lease payments related to such leases are recognized in the income statement as an expense on a straight-line basis over the lease term.

Accounting Policies (continued)

Tax assets and liabilities

Current tax payable and receivable are recognized in the statement of financial position as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Deferred tax on all temporary differences between the carrying amount and the tax base of assets and liabilities is measured using the balance sheet liability method. However, deferred tax is not recognized on temporary differences relating to goodwill that is not deductible for tax purposes or on office premises and other items where temporary differences, apart from business combinations, arise at the acquisition date without affecting either profit/loss for the year or taxable income. Deferred tax assets related to tax loss carryforwards are recognized under other non-current assets 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 according to the tax rules at the reporting date and at the tax rates applicable when the deferred tax is expected to materialize as current tax.

Inventories

Inventories are measured at the lower of cost under the FIFO method and net realizable value. The net realizable value of inventories is calculated at the amount expected to be generated by sale of the inventories in the process of normal operations with deduction of selling expenses. The net realizable value is determined allowing for marketability, obsolescence, and development in expected selling price. The cost of goods for resale comprises the cost of the purchase plus freight costs.

Trade and other receivables

Receivables are recognized initially at fair value and subsequently measured at amortized cost less loss allowance or impairment losses. Trade receivables comprise sale of goods, licenses, or software. Other receivables comprise VAT receivables, interest receivables and other financial receivables. The company applies the simplified approach to measure expected credit losses. This entails recognizing a lifetime expected loss allowance for all trade receivables. Loss rates are determined based on grouping of trade receivables sharing the same credit risk characteristics and past due days.

Prepayments

Prepayments comprise expenses incurred concerning subsequent financial years.

Borrowings

Borrowings are initially recognized at fair value less transaction costs and subsequently measured at amortized cost using the effective interest method. Accordingly, the difference between the fair value less transaction costs and the nominal value is recognized under financial expenses over the term of the loan.

Accounting Policies (continued)

Lease liability

The lease liability is measured at the present value of the remaining lease payments at the reporting date, discounted using the incremental borrowing rate for similar assets, taking into account the terms of the leases. A remeasurement of the lease liability, for example a change in the assessment of an option to purchase, results in a corresponding adjustment of the related right-of-use assets.

Extension or termination options are included in the lease term if the lease is reasonably certain to be extended or not terminated. Consequently, all cash outflows that are reasonably certain to impact the future cash balances are recognized as lease liabilities at initial recognition of leases. The company reassesses the circumstances leading to it not recognizing extension or termination options on an ongoing basis.

Financial instruments

Financial instruments measured at fair value.

Financial instruments measured at fair value are limited to derivative instruments. As described below, the fair value of derivatives is based on observable market data and valuation techniques (level 2). The financial instruments are measured at fair value on a recurring basis.

Financial instruments measured at amortized cost

The carrying amounts of the company's financial instruments, measured at amortized cost, are reasonable approximations of fair values.

Valuation techniques

Management has assessed that cash, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The following methods and assumptions were used to estimate the fair values of other financial instruments:

Fair values of the company's interest-bearing borrowings and loans which are measured as amortized cost as the reflects the issuer's borrowing rate at the end of the reporting period. The own non-performance risk on 31 December 2019 was assessed to be insignificant.

Accounting Policies (continued)

Provisions

In connection with restructurings, Management assesses the timing of the costs to be incurred, which influences the classification as current or non-current liabilities. Management assesses provisions, contingent assets and liabilities and the likely outcome of pending or probable lawsuits. etc. on an ongoing basis. The outcome depends on future events, which are by nature uncertain. In assessing the likely outcome of disputes, etc. Management bases its assessment on external legal advice and established precedents. Provisions are recognized when the company has a current legal or constructive obligation and include warranty and pension provisions. Provisions are recognized based on best estimates.

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans, and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

The company determines the classification of its financial liabilities on initial recognition. All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, after initial recognition at amortized cost. This includes directly attributable transaction and borrowing costs. The company's financial liabilities include trade and other payables, bank overdrafts, loans and borrowings and derivative financial instruments. Trade and other payables, bank overdrafts, loans and borrowings are subsequently measured at amortized cost.

Acquisitions

The acquisition date is the date when the Company effectively obtains control of an acquired subsidiary. The cost of a business combination comprises the fair value of the consideration agreed upon, including the fair value of consideration contingent on future events if such exists. Goodwill and fair value adjustments in connection with the acquisition of an entity 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 acquired entities' 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. The identifiable assets, liabilities and contingent liabilities on initial recognition at the acquisition date are subsequently adjusted up until 12 months after the acquisition. The effect of the adjustments is recognized in the opening balance of equity, and the comparative figures are restated accordingly if the amount is material.

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Accounting Policies (continued)

Trademarks

The value of the trademarks acquired, and their expected useful lives are assessed based on the individual trademark's market position, expected long-term developments in the relevant markets and profitability. The estimated value includes all future cash flows associated with the trademark, including the related value of customer relationships etc.

Management determines the useful life based on the trademark's relative local, regional and global market strength, market share, and the current and planned marketing efforts that are helping to maintain and increase its value. When the value of a well-established trademark is expected to be maintained for an indefinite period in the relevant markets, and these markets are expected to be profitable for a long period, the useful life of the trademark is determined to be indefinite.

Trademarks are measured using the relief from royalty method, under which the expected future cash flows are based on key assumptions about expected useful life, royalty rate, growth rate and a theoretically calculated tax effect. A post-tax discount rate is used that reflects the risk-free interest rate with the addition of a risk premium associated with the particular trademark. The model and assumptions applied are consistent with those used in impairment testing.

Patents

The value of acquired patents is assessed based on the available data and expected relationship between the patents, technology and sales adjusted for impact for the trademark. For most entities, there is a close relationship between trademarks and sales. The relationship between trademarks and customers is carefully considered so that trademarks and patents are not all recognized based on the same underlying cash flows.

Receivables

Receivables consist primarily of trade receivables and are recognized at the amount that is expected to be collected.

Investments in subsidiaries

Investments in subsidiaries and affiliated companies are measured at cost. Where cost exceeds the recoverable amount, write down is made to this lower value.

Associates

Investments in associates and joint ventures are recognised according to the equity method, which entails measurement at cost and adjustment for the company's share of the profit or loss and other comprehensive income of the associate after the date of acquisition. The share of the result must be calculated in accordance

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Accounting Policies (continued)

with the company's accounting policies. The proportionate share of unrealised intragroup profits and losses is eliminated. Investments in associates and joint ventures with negative net asset values are measured at DKK 0.

Cash flow

Cash flow is calculated using the indirect method and is based on operating profit before special items adjusted for depreciation, amortization, and impairment losses. Cash flow cannot be derived directly from the statement of financial position and income statement.

Segments

The acquired entities are allocated to the relevant geographical segment. The segmentation reflects the geographical and strategic management, decision and reporting structure applied by Management for monitoring the Group's strategic and financial targets.

Segments are managed based on business performance measured as gross profit. Not allocated comprises expenses incurred for ongoing support of the Group's overall operations and strategic development. The expenses write-downs of SKU's which are not considered part of the regional performance.

The geographical allocation of revenue is based on the acquiring entities' domicile and comprises countries individually accounting for more than 10% of the Group's consolidated revenue.

9.3 Accounting estimates and judgements

In preparing the financial statements, management makes various accounting estimates and judgements that form the basis of presentation, recognition and measurement of the company's assets, liabilities, income and expenses.

Revenue

The company considers all terms and activities in contracts with customers to determine the performance obligation, the transaction price and the allocation of the transaction price. If the consideration in a contract includes a variable amount, the company estimates the consideration to which it will be entitled in exchange for transferring goods to the customer. The variable consideration is estimated at contract inception based on expected sales volumes using historical and year-to-date sales data and other information about trading with the individual customer or with a group of customers.

The company considers whether contracts include separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the company considers the effects

Accounting Policies (continued)

of variable consideration. No element of financing is deemed present, as payment is generally made as prepayment or based on 14-60 days of credit.

The company estimates discounts using either the expected value method or the most likely amount method, depending on which method better predicts the amount of consideration to which it will be entitled. Management makes judgements when deciding whether supporting activities with a customer should be classified as a discount or a marketing expense. Generally, activities with the individual customer are accounted for as a discount, whereas costs related to broader marketing activities are classified as marketing expenses.

Goodwill and Trademarks

The Company's management structure reflects the geographical split, cf. note 1.1. and decisions are made by the regional managements responsible for performance, operating investments, and growth initiatives in their respective regions; therefore, gaming peripherals are seen as three CGUs. There is significant vertical integration of the production, logistics, supporting and promoting optimizations across the Group. Within 12 months from the date of acquisition, the determination of CGU allocation is made, and cash inflows are assessed in connection with the purchase price allocation.

The test for impairment of trademarks is performed using the relief from royalty method and is based on the expected future cash flows generated from the royalty payments avoided for the individual trademark for the next 25 years and projections for subsequent years. The risk-free cash flows are discounted using a discount rate with a weighted average from the goodwill calculations.

Useful lives and residual value of intangible assets with finite useful lives and property, plant and equipment

Useful life and residual value are initially assessed in business combinations. Management assesses intangibles and property, plant and equipment for changes in useful life. If an indication of a reduction in the value or useful life exists, such as changes in restructuring the asset is tested for impairment.

If necessary, the asset is written down or the amortization/depreciation period is reassessed and, if necessary, adjusted in line with the asset's changed useful life. When changing the amortization or depreciation period due

to a change in the useful life, the effect on amortization/depreciation is recognized prospectively as a change in accounting estimates.

Lease

At inception of a contract, Management assesses whether the contract is or contains a lease. Management considers the substance of any service being rendered to classify the arrangement as either a lease or a service contract.

Particularly important is whether fulfilment of the contract depends on the use of specific assets. The assessment involves judgement of whether the company obtains substantially all the economic benefits from

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Accounting Policies (continued)

the use of the specified asset and whether it has the right to direct how and for what purpose the asset is used. If these criteria are satisfied at the commencement date, a right-of-use asset and a lease liability are recognized in the statement of financial position.

In determining the lease term, Management considers all the facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. Extension or termination

options are only included in the lease term if the lease is reasonably certain to be extended or not terminated. The term is reassessed if a significant change in circumstances occurs.

Inventories

The calculation of the net realizable value of inventories is relevant to all finished goods. The net realizable value is normally calculated monthly, and end-of-life products are scrapped.

Trade receivables

Exposure to credit risk on receivables is managed between the company and the regions, and credit limits are set as deemed appropriate for the customer, considering the current local market conditions.

Regional management assesses the credit risk and adhere to group guidelines, which include setting credit limits, encouraging prepayments, and credit insurance. In assessing credit risk, Management analyses the need for impairment of trade receivables due to customers' inability to pay.

Management assesses the expected credit losses (ECL) for portfolios of receivables based on customer segments, historical information on payment patterns, terms of payment, concentration maturity, and information about the general economic situation in the countries.

Provisions

Provisions are recognized when the company has a current legal or constructive obligation and include warranty provisions. Provisions are recognized based on best estimates.

Acquisitions

For acquisitions of entities, the assets, liabilities and contingent liabilities of the acquiree are recognized using the acquisition method. The most significant assets acquired generally comprise goodwill, trademarks, property, plant and equipment, receivables and inventories. No active market exists for most of the acquired assets and liabilities, in particular in respect of acquired intangible assets. 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. The unallocated purchase price (positive amount) is recognized in the statement of financial position as goodwill and allocated to the Company's cash generating units.

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Accounting Policies (continued)

9.4 Ratios (APM)

In the annual report for SteelSeries company are the following ratios used

Financial ratios	
Gross margin	Gross profit as a percentage of revenue
EBITDA margin	Operating profit before depreciation, amortization and impairment losses as a percentage of revenue
Operating margin	Operating profit as a percentage of revenue
Effective tax rate	Income tax as a percentage of profit before tax
Equity ratio	Equity attributable to shareholders in SteelSeries at year-end as a percentage of total assets at year-end
NIBD/Equity ratio	Net interest-bearing debt at year-end divided by total equity at year-end
NIBD/ EBITDA	Net interest-bearing debt divided by operating profit before depreciation, amortization and impairment losses.
Leverage Ratio	Proforma EBITDA (recognition of acquisitions with full-year impact) / EBITDA
Free Cash Flow	Free Cash Flow (FCF) represents the cash generated after accounting for cash outflows to support operations and maintain its capital assets.
Cash conversion	Free cash flow divided by EBITDA.
Organic growth	Percentage change in the company’s organic revenue as compared to total revenue from the prior period to the current period.