Annual Report 2024/25

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Bang & Olufsen

At a glance

1,000
Employees

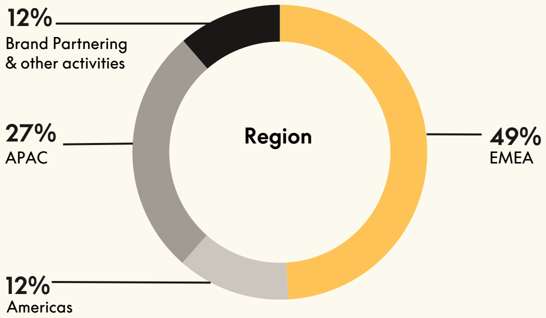
70
Markets

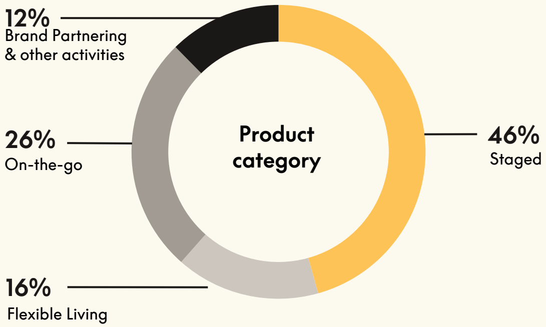
DKK 2.6BN
Revenue

Listed on
NASDAQ
Copenhagen

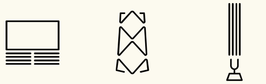
Bang & Olufsen is a luxury audio brand founded in 1925 in Struer, Denmark, by Peter Bang and Svend Olufsen, whose devotion and vision remain the foundation for the company. For nearly a century, Bang & Olufsen has been pushing the boundaries of audio technology and design, and the company continues to be at the forefront of innovation and beautiful sound.

Revenue split





Product Categories

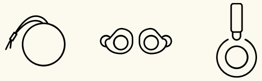


Staged

Immersive stereo music listening and cinematic viewing experiences.

Flexible Living

Connected sound for any room in an omni, stereo or multipoint set-up.



On-the-go

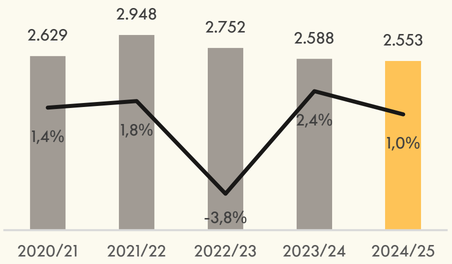
Products designed for travel, work and urban life.

Highlights 2024/25

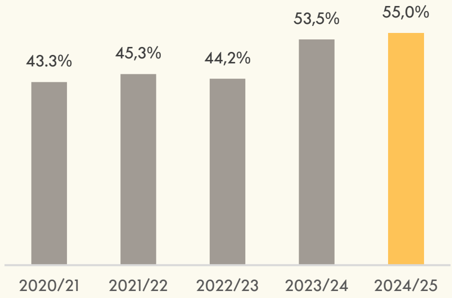
Financials

GROUP

Revenue and EBIT bsi margin



Gross margin



SEGMENTS

EMEA

0%

YoY growth
(0% in LC**)

Gross margin

50.1%

↑ 1.5pp YoY

APAC

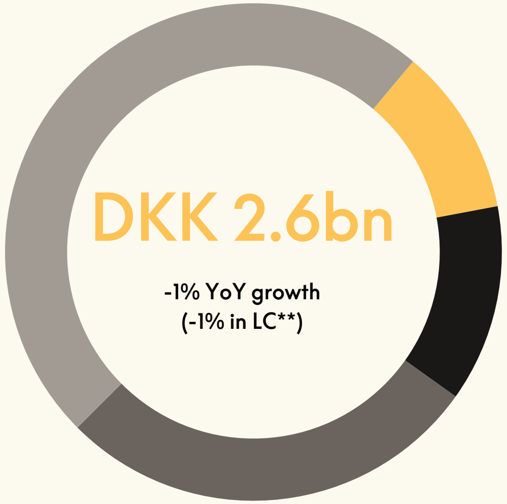
-5%

YoY growth
(-4% in LC**)

Gross margin

52.8%

↑ 2.1pp YoY



Americas

10%

YoY growth
(11% in LC**)

Gross margin

49.3%

↑ 3.2pp YoY

Brand partnering & Other

-11%

YoY growth
(-12% in LC**)

Gross margin

87.4%

↑ 4.1pp YoY

EBIT AND CASH FLOW

EBIT margin bsi*

1.0%

↓ 1.4pp YoY

Free cash flow, DKK

16M

↑ 5mYoY

Available liquidity, DKK

350

↑ 165mYoY

* Before special items ** Local currencies

Highlights 2024/25

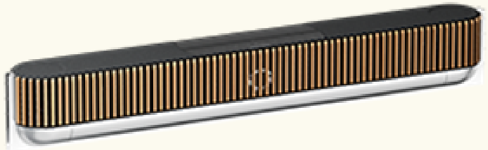
Sustainability

6

Cradle to cradle certified consumer electronics devices*

CERTIFIED cradletocradle BRONZE

8 products certified in total (bronze level)



First soundbar in the world to achieve Cradle to Cradle certification.

94%

Reduction of Scope 1 and 2 emissions compared to baseline year

25%

female representation in senior leadership positions

90%

of payments made within agreed payment terms

100%

of our operational electricity consumption from renewable sources in 2024/25

LETTER FROM THE CHAIR AND THE CEO

Standing on a strong foundation

As we entered the financial year 2024/25, we presented a plan to accelerate our strategic execution to secure long-term profitable growth by strengthening our position in the global luxury audio market. We wanted to further build on our unique position with a complete luxury audio product portfolio, creating iconic products fit for generations. To underline our commitment, we announced mid-term financial ambitions for the three-year period covering the financial years 2025/26 to 2027/28.

As part of our plan, 2024/25 was set to be a transition year, marked by investments in future growth and the continued optimisation of our retail network to ensure an elevated luxury experience for our customers. This was also reflected in our 2024/25 full-year outlook, and we are pleased to have ended the financial year in accordance with our initial outlook.

2024/25 performance

During the year, geopolitical uncertainties increased and economic growth in several key markets was impacted. Against this backdrop, total revenue amounted to DKK 2.6bn, a decline of 1% in local currencies. Gross margin continued its upward trend to record-high 55.0%, mainly due to a continued focus on pricing strategy. The EBIT margin before special items was 1.0%, and the free cash flow ended at DKK 16m due to timing and collections efforts. Optimising our business and maintaining a robust financial foundation through the strategic acceleration is an unwavering priority.

A key event during this financial year was the completion of the capital increase, which was a prerequisite for realising our growth plans. In November 2024, we raised net proceeds of DKK 217m through a directed issue and private placement to existing and new investors with demand exceeding the size of the offering. We are grateful for, and encouraged by, the strong support of, and trust in, our plans to drive long-term profitable growth.

In May 2025, we refinanced and increased our revolving credit facility by DKK 100m to DKK 300m, bringing our total capital resources to DKK 600m at year end.

Our strategic direction is anchored in the powerful combination of **Luxury Timeless Technology**, and the long-term growth plan focuses on four pillars: Brand positioning, channel development, partnership expansion and, of course the continued elevation of our, world-class product portfolio.

Brand positioning

In 2024/25, we continued our focus of increasing global brand awareness and reinforcing our position as a culturally relevant brand within the luxury audio market. More notably, we engaged with likeminded partners and developed co-creations with Riva, Ferrari, and Saint Laurent.

We have also devoted considerable efforts to developing a commercially grounded three-year marketing strategy that we believe will drive profitable growth. Thus, we will see a higher marketing spend in the coming years compared to 2024/25.

Channel development

Optimising and developing our global retail network to reflect our luxury positioning and support revenue growth is key to achieving our mid-term financial ambitions. This requires the relocation, upgrading, or closing of underperforming stores and the opening of new stores in key areas. It is not a quick fix, and finding the right locations and partners takes time, but we made good progress in 2024/25, supported by our dedicated global retail function.

In 2024/25, we further reduced our presence in multibrand stores in all regions as a result of a more selective approach in this channel. While branded channels are key to our growth ambitions, we also reduced the number of branded stores, mainly in EMEA, to ensure the right luxury experience in favourable locations.

Our Win City Concept performed well with a collective sell-out growth of 30%, and we continue to implement the concept. Out of 13 defined global Win cities, we have implemented the concept in New York, London, Paris, and Hong Kong, and initiated the first phase in Los Angeles and Tokyo. We will be rolling out the concept in more cities in the coming years.

Despite current geopolitical uncertainties, we are committed to continuing global expansion, and we are particularly excited about growing our presence in the Americas and APAC, with several store openings planned for the coming financial year.

License partnership expansion

In July, we announced a six-year technology licensing partnership with TCL, one of the largest consumer electronics companies in the world. Through this global partnership, we bring elevated audio experiences to TCL's premium TV portfolio with our "Audio by Bang & Olufsen" proposition, distributed internationally via TCL's channels and customers. The partnership has the potential to be one of the most impactful partnerships for Bang & Olufsen, as there is scope for expanding across wider categories and technology experiences. We also continue to pursue strong collaborations with other like-minded partners.

Elevating the product portfolio

In 2024/25, we have launched iconic pieces and upgraded several existing products in our continued efforts to future proof our product portfolio.

In September 2024, we launched our new flagship headphones, Beoplay H100. These are the best headphones we have created to date. They are built on our proprietary software platform, Amadeus, which demonstrates our software expertise as well as refined craftsmanship in design and acoustics.

We also introduced Atelier, an opportunity for customers to create custom made products in collaboration with our master artisans in Struer, Denmark. This milestone underscores our brand's rich legacy of unmatched sound quality combined with opportunities for personal expression through one-of-a-kind creations and an array of customisation options.

Eight of our products are now Cradle to Cradle certified, as another six products were certified this year. This is underpinning our role in leading the movement toward more circular product design and the manufacturing of long-lasting luxury technology icons that can delight our customers for decades. We are proud of the Beosound Theatre being the first soundbar in the world to obtain the certification.

Extending the lifetime of products is also important to reduce our environmental impact and is key to our sustainability efforts. On that note, we are pleased to present this annual report as our first integrated report aligned with the EU's Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS).

Customer-focused organisation

We recognise that to fully realise our strategic acceleration and mid-term growth plans, there has been a need to streamline our operations. By combining our regional sales, service, and customer service functions into one global department, we are shaping a more customer-focused organisation. We will continue to scale up key capabilities to support our strategy execution, particularly within luxury retail and software expertise.

Our people are at the heart of our organisation, and we are pleased that we maintained a high engagement score in our annual employee-wide survey, considering the considerable transformation we are making.

Looking ahead

Challenging macroeconomic and geopolitical uncertainties persist, and navigating ongoing change will remain critical to our way of working. We will closely monitor tariff changes and market developments in the coming period, while staying focused on the next steps of our strategic acceleration.

We are proud to have accomplished a lot in 2024/25, and will continue making value creating investments in retail optimisation and product development throughout 2025/26.

For 2025/26 we expect revenue growth in local currencies from 1% to 8%. The EBIT margin before special items is expected from -3% to 1% and the free cash flow is expected to be from DKK -100 to DKK 0m.

Celebrating a century and beyond of B&O

On 17 November 2025, we celebrate a century at the forefront of luxury audio. As we mark this milestone, we will honour our heritage while reimagining what lies beyond. Through an extensive global campaign, we look forward to celebrating our 100 years with all of you through immersive brand experiences and retail excellence, while adding iconic pieces to our portfolio.

Despite the uncertainties, the luxury audio market is still supported by positive underlying market trends, and as a leading luxury audio brand, we remain convinced of the long-term potential of Bang & Olufsen and are excited about the future going into the next century.

We are encouraged and thankful for the hard work and dedication of all our employees. We would also like to take this opportunity to thank our customers, partners, and shareholders for their continued trust and support.

Juha Christensen
Chair

Kristian Teär
CEO

Strategy & outlook

B&O towards 100 years and beyond

At Bang & Olufsen, we create **Magical Moments, Designed for Life**. This is our purpose and our driving force. It echoes the best of our past while pointing us towards an exciting future.

This year, we started our strategic acceleration, preparing for the mid-term period beginning 1 June 2025. Our strategy and execution for the coming period leverage the core strengths of Bang & Olufsen.

Creating Magical Moments, Designed for Life is the purpose that lies at the heart of everything we do. It is the foundation that guides our decisions, fuels our creativity, and shapes the experiences we craft. This purpose reflects our commitment to designing products and moments that are luxurious, aesthetically timeless, and technologically advanced.

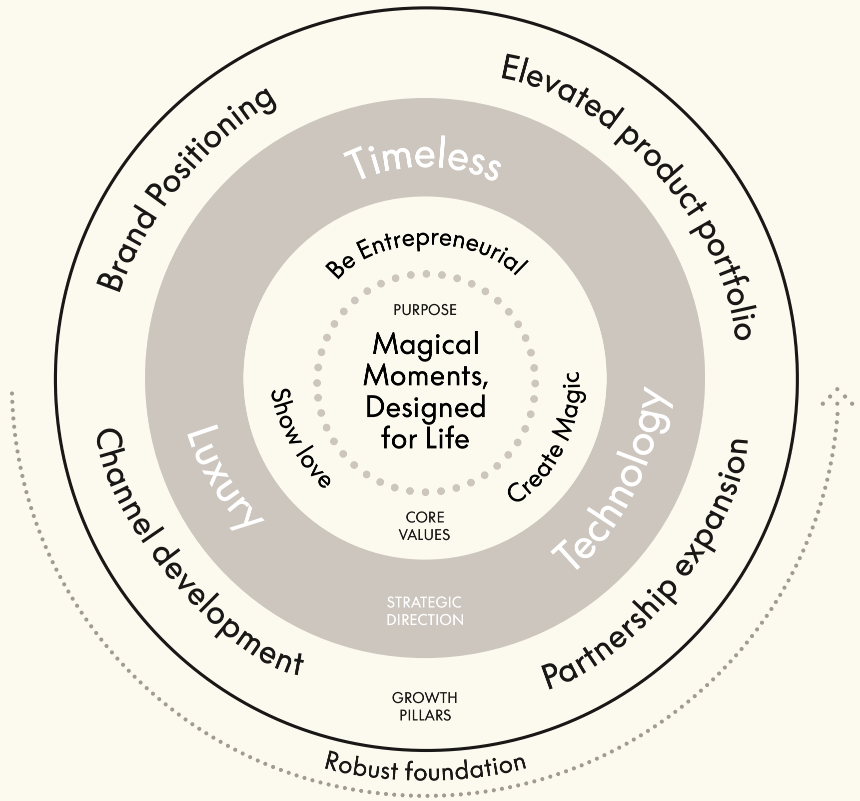
At the core of our strategy are the values that define who we are and how we work. **We show love** by fostering a culture of care – for our customers, our colleagues, and our planet. **We are entrepreneurial** in spirit, empowering our people to take initiative, challenge conventions, and drive meaningful change. And **we create magic** by embracing creativity and craftsmanship to inspire joy in everything we do.

Our strategic direction is anchored in the powerful combination of **Luxury Timeless Technology.** We deliver refined experiences that elevate everyday moments, design with longevity in mind, and push the boundaries of what technology can achieve in the realm of sound and design. This unique combination positions us at the forefront of the luxury audio market and continues our century-long tradition of redefining what audio can sound, look, and feel like.

Our transition to a differentiated and unmatched position in luxury audio is defining a unique strategic space—our own blue ocean.

We create for a distinct and discerning audience, the **Design and Music Lovers** who seek more than just sound. We cater for those who desire beauty, meaning, and connection in every interaction. For the people who value expressive design and immersive audio experiences that are both adaptive and interactive. We cater for those who want the freedom to enjoy music alone or together, anytime and anywhere. With our products we serve those who act responsibly, care deeply about the future of our planet, and expect the brands they support to do the same.

We serve customers for whom Bang & Olufsen products represent more than a mere purchase. Items that are considered collectibles, legacies, and symbols of individuality and progressiveness that can be passed down to future generations.



Luxury Timeless Technology

Our strategy is founded on four growth pillars to drive profitable growth and with the aim to ultimately achieve our mid-term financial ambitions.

Our strategy execution is anchored in four key growth pillars: Brand Positioning, Channel Development, Elevated Product Portfolio and Partnership Expansion. In addition, maintaining a robust foundation remains a priority as we build a lean, resilient organisation with an operating model fit for the future. We continue to strengthen the backbone of the business by improving systems and processes and ensuring end-to-end integration. We believe that, combined with a strong focus on our people and capabilities, this will support our growth journey.

Brand positioning
We are reinforcing our identity as a leader in luxury audio, rooted in heritage and driven by innovation. Our marketing approach is evolving toward lifestyle-led, globally aligned campaigns that are locally adapted and guided by data and analytics. With an enhanced focus on storytelling, signature experiences and events, we are building emotional connections, expanding our cultural relevance, and unlocking the next phase of sustainable, brand-led growth.

Our ambition is to become a truly culturally relevant brand and to scale further through strong collaborations with iconic luxury partners, driving both awareness and community. As a pure luxury audio brand, our pricing strategy also plays a key role in reinforcing our brand positioning

Channel development
We are enhancing our channel development by elevating our branded retail network to deliver consistent, high-quality luxury experiences across all touchpoints and to support revenue growth across regions. This includes an expansion of our branded retail presence in the Americas and APAC to balance presence between regions. Throughout our footprint we are securing favourable sites by relocating selected existing stores and opening new stores in high-potential key cities and districts. We will also close underperforming stores not fit for our brand. In realising our plans, we are collaborating with numerous luxury monobrand partners across all regions to utilise the strength of combining our company-owned stores with the presence of strong partner-driven monobrand stores.

In addition, we are improving average store performance by ensuring consistency in retail execution, including optimised visual merchandising and store design, focused training on sales and delivering a luxury experience and structured approach to clienteling.

Elevated product portfolio
Our unique product portfolio forms the foundation of everything we do, continuously evolving through innovation and exceptional sound. We create long-lasting, collectible products that embody circular design principles and challenge industry conventions. Iconic design and craftsmanship, superior acoustic performance, and world-leading circularity are key pillars of our product development.

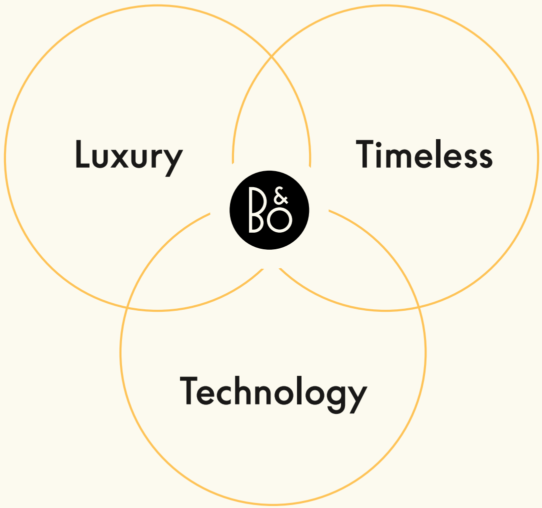
Partnership expansion
We are actively implementing our expanded license partnership approach, building and executing key initiatives with new and existing partners. We continue to evolve our unique brand audio offering by expanding our proprietary technology proposition through selected partnerships. We see a significant market potential in exploring this area and want to do more of what we do today.

We provide luxury sound systems to selected automotive brands and offer elevated audio experiences to premium TV portfolios with our “Audio by Bang & Olufsen” proposition. We also offer a unique blend of design, sonic experiences and magic elements in hospitality solutions and luxury installations worldwide.

Connecting past, present and future
We will leverage our strengths of craftsmanship, services and bespoke capabilities and we have begun the acceleration by pushing our brand awareness and retail execution globally while elevating our luxury audio offering.

Together, we believe the layers of our strategy wheel form a cohesive and powerful strategy that positions Bang & Olufsen to lead in the luxury audio space, not just through what we make, but through how we think, act, and connect with the world around us. With an exciting future ahead, we look to the vision of our founders:

“A never-failing will to create only the best, to persistently find new ways and improvements. “



Business model

KEY RESOURCES

Our brand

Diverse talent of around 1000 employees worldwide. Innovation and leadership in design, sound & craftsmanship.

High quality raw materials responsibly sourced.

High quality manufacturing facilities in Europa and Asia.

Intellectual property

Financial resources

OUR BUSINESS

B&O

Magical Moments, Designed for Life

Design & creation
We deliver a unique combination of capabilities in sound, design, technology and craftsmanship.

Responsible sourcing
High quality material sourced in a responsible, transparent and traceable way.

Manufacturing & refining
We source high-quality third-party produced materials, while maintaining key capabilities internally, including our world-leading aluminium facility and Atelier Studio to deliver bespoke solutions.

Brand and marketing
Key focus on elevating brand awareness and brand equity backed by data and analytics.

Distribution
We distribute through hubs worldwide to ensure high-service global delivery to our customers and partners.

Retail omnichannel and B2B
Our footprint extends to 70 markets and a growing digital presence. Our exclusive network of 341 branded stores provides the full brand experience.

Product reuse and repair
In a world of short-lived products, we create iconic products fit for generations. We repair and refurbish our products at our facilities in Struer, Denmark.

VALUE CREATION

Our clients
Becoming a culturally relevant brand. Creating a timeless connected product portfolio. In 2024/25, we grew our customer base by 17%.

Our employees
Continue to create a diverse and inclusive workplace. Since 2020, our people engagement score is kept high, increasing by 2 index points.

Financials
Creating robust foundation to support future growth. Since 2020, we have increased gross margin by 13.9 pp. to 55.0%.

Community engagement
Continuing to support the communities where we operate.

Climate action
Validated sciencebased targets aligned with the Paris Agreement. Own operations now running entirely on zeroemission electricity

ESRS 2 SBM-1 partially addressed

Outlook for 2025/26

Revenue growth in local currencies (%)

1% to 8%

EBIT margin before special items (%)

-3% to 1%

Free cash flow (DKK)

-100m to 0m

The outlook for 2025/26 is based on our accelerated strategic execution to secure long-term profitable growth and is part of the announced mid-term financial ambitions for the three-year period covering the financial years 2025/26 to 2027/28.

Revenue growth

Revenue growth in local currencies is expected to be from 1% to 8%.

EBIT margin before special items

EBIT margin before special items is expected to be from -3% to 1%.

Free cash flow

Free cash flow is expected to be from DKK -100m to DKK 0m.

Assumptions

The expectations are subject to the following assumptions:

- Launch of three or more product innovations.
- No deterioration of macroeconomic conditions our main markets including negative impact on our partners retail investment appetite.
- Exchange rates against DKK, including in particular USD, CNY and EUR, in line with current exchange rate levels overall.
- CAPEX is expected to be around DKK 320-360m.
- Capacity costs are expected to increase by around DKK 150m from 2024/25.
- No significant impact from change in tariffs compared to current levels.

Sensitivities

The outlook for 2025/26 is subject to uncertainty related to consumer sentiment. In addition, there continues to be geopolitical and economic uncertainty including risks associated with global trade conflicts.

Forward looking expectations

The report contains statements relating to the expectations for future developments, including future revenues and operating results, as well as expected business-related events. Such statements, including without limitation those relating to the outlook and the medium-term ambitions, are subject to uncertainty and carry an element of risk since many factors, some of which are beyond Bang & Olufsen's control, may cause actual developments to deviate significantly from the expectations expressed in this report. Without being exhaustive, such factors include general economic and commercial factors, such as market and competitive matters, supplier issues and financial issues in the form of foreign exchange, interest rates, credit and liquidity risk.

Mid-term financial ambitions

- Organic growth: 8% (CAGR* 2025/26-2027/28)
- EBIT margin bsi**: 8% (In 2027/28)
- Free cash flow: DKK 250m (In 2027/28)

Assumptions

The financial ambitions are based on constant currencies and on the political and economic environment and projections at launch. Any change to these factors may impact the ambitions. The sensitivities relating to the outlook for 2025/26 apply equally to the period for the medium-term ambitions.

* Compound annual growth rates ** Before special items

Results

Key figures

(DKK million)	**2024/25**	2023/24	2022/23	2021/22	2020/21
Income statement					
Revenue	2,553	2,588	2,752	2,948	2,629
Gross margin, %	55.0	53.3	44.2	45.3	43.3
Special items, net	-10	-43	-19	-8	-19
EBITDA before special items*	271	300	117	265	222
EBITDA	261	257	98	257	203
EBIT before special items*	26	61	-105	54	38
EBIT	16	18	-124	46	19
Financial items, net	-14	-25	-28	-54	-52
Profit/loss before tax (EBT)	2	-7	-152	-8	-33
Profit/loss for the year	-29	-17	-141	-30	-23
Financial position					
Total assets	2,340	2,297	2,385	2,518	2,276
Share capital	737	613	613	613	613
Equity	1,144	956	958	1,100	1,133
Cash	145	177	216	162	178
Available liquidity	350	184	224	301	593
Capital resources	600	344	384	421	663
Net interest-bearing deposit/debt	134	-34	19	111	361
Net working capital	216	263	222	335	189

* The adjusted EBIT and EBITDA figures are used for year-on-year comparability, eliminating special items as defined in note 2.4.

(DKK million)	**2024/25**	2023/24	2022/23	2021/22	2020/21
Cash flows					
Cash flows from operating activities	256	226	198	76	297
Operational investments	-240	-215	-218	-248	-178
Free cash flow	16	11	-20	-172	119
Cash flows from investing activities	-231	-209	-204	-239	-623
Cash flows from financing activities	-58	-54	64	145	293
Cash flows for the period	-33	-37	58	-18	-33
Key figures					
Growth in local currencies, %	-1	-5	-8	10	31
EBITDA margin before special items, %	10.6	11.6	4.3	9.0	8.4
EBITDA margin, %	10.2	9.9	3.6	8.7	7.7
EBIT margin before special items, %	1.0	2.4	-3.8	1.8	1.4
EBIT margin, %	0.6	0.7	-4.5	1.6	0.7
Return on assets, %	-1.3	-0.7	-5.9	-1.2	-1.0
Return on invested capital, excl. goodwill, %	9.5	16.7	0.4	19.3	14.3
Return on equity, %	-2.6	-1.8	-14.7	-2.7	-2.1
Full-time equivalents (FTE) at end of period	1,073	998	996	1,073	947
Stock related key figures					
Earnings per share, basic (EPS) and diluted (EPS-D), DKK	-0.2	-0.1	-1.2	-0.2	-0.2
Price/Earnings	-65.9	-75.7	-9.8	-67.6	-168.6
Revenue per share, DKK	17.3	21.1	22.4	24.0	21.8

For definitions, see note 8.7.

Business review

Developments in 2024/25

Despite increasing geopolitical and macro-economic uncertainties, the transition year 2024/25 ended with positive momentum and in accordance with the initial outlook for the year.

Like-for-like sell-out grew by 4%. For the branded channels (company-owned stores, monobrand and e-commerce) like-for-like sell-out grew 9% year-on-year. In our win cities, the reported sell-out growth collectively was 30% year-on-year.

Revenue (sell-in) in local currencies declined by 1% for the full year. Q4 reported a 4% growth in local currencies, with growth rates improving quarter by quarter throughout the year.

Revenue from our branded channels grew 3% or 2% in local currencies. The positive development in the branded channels reflects our focus on and the progress we are making in the strategy acceleration.

Revenue from EMEA was on a par year-on-year in local currencies. Market sentiment was challenged in several markets although modest growth was reported across many of the European markets. Challenges were mainly seen in the German market and in the Nordics. However, our retail efforts offset the negative market momentum.

In the Americas, a strong performance of 11% in local currencies was driven by double-digit growth across all branded channels. Performance was not significantly impacted by uncertainties, and the region closed the last quarter of the year with growth of 3% in local currencies indicating a degree of slowdown.

The APAC region reported negative growth mainly due to continued challenges in China. As part of our channel development and investment in future growth, we initiated the next step towards operating the primary Chinese eTail channels directly. In April, we took over the online flagship store on the eTail platform Tmall. Thus, we are now operating the two largest eTail platforms in China directly, which we expect will improve the overall brand control and performance in the market.

The gross margin rose to a record-high 55.0% compared to 53.3% last year. The reported quarterly gross margin has been above 50% since Q4 of 2022/23 and is thus strengthening the financial foundation for the strategic acceleration. This elevated level is a combination of our pricing strategy efforts and focus on our branded channels.

EBIT margin before special items was 1.0% compared to 2.4% last year. The decrease was mainly due to opex investments in our strategy acceleration.

Free cash flow was DKK 16m compared to DKK 11m last year. The improved free cash flow was due to timing and collection efforts at year end.

Case study: Introducing Beoplay H100

Our headphones, Beoplay H100, launched in September 2024, are intended to deliver exceptional audio performance whether you are listening to your favourite music, having a phone call in a noisy environment, or controlling the effect of the surrounding environment with active noise cancelling or audio transparency.

To achieve this, we invested in developing a proprietary software platform, the Amadeus platform. The H100 is our first headphone built on this platform and demonstrates our software expertise as well as design and acoustics.

By building on our own platform, we are in full control of all features and intellectual property (IP) rights being generated. The software platform will be the foundation for future products of this kind.

We also bring our modular design thinking to our wearables category for the first time, as a step towards our ongoing journey to improve product circularity across our entire portfolio. For Beoplay H100, we have prioritised longevity, maintenance and repairability through modular design. We have also developed our software with the future in mind, so that the headphones can adapt and evolve with new technologies for a truly timeless design. To underpin our promise, the headphones come with a 5-year warranty through our Becocare programme.

Review

"Buying a pair of Beoplay H100 is a bit like buying a Rolex. It's an heirloom and an object of beauty. With B&O's commitment to sustainability and product circularity, you can be assured these headphones will provide many happy years of musical enjoyment. The sound is impeccable, and the tone has been tuned to perfection."

Forbes, 3 September 2024

Available liquidity increased by DKK 166m to DKK 350m over the period, mainly due to funding received from the capital raise in November of net DKK 217m.

In addition, in May, our committed revolving credit facility was refinanced and upscaled from DKK 200m to DKK 300m.

Strategy execution

Building on our achievements in 2023/24 and with an aim of driving long-term growth and further improving profitability, we decided to develop a plan to accelerate our strategic execution by making value-creating investments.

At the Annual General Meeting in August 2024, the authorisation to increase the share capital by 20% was approved by shareholders and in the beginning of December we received the proceeds from the directed issue completed on 27 November 2024. The offering raised net proceeds of DKK 217m.

The strategy acceleration progressed with targeted investments aiming to strengthen our position in the luxury audio market by increasing global brand awareness, optimising the retail network and continuing to further enhance the product portfolio.

During the year, we made organisational changes to strengthen strategic execution. We consolidated our sales regions into one global sales function, 12 clusters were formed, and, in addition, we consolidated our service and support functions under global sales.

We are confident that the changes will support execution and enable us to better serve our customers.

Brand awareness and pricing

During the year, we added Formula 1 Ferrari driver Charles Leclerc as our new global brand ambassador for 2024 and 2025. We are proud to have such an outstanding F1 driver representing our brand.

The 2025 Formula 1 season kicked off in March 2025 and featured Ferrari's new F1 car with the B&O logo once again prominently displayed.

We also partnered with luxury yacht brand, Riva, to create the ultimate sound for life afloat. With a shared legacy of excellence in craftsmanship and an ambition to deliver beautiful sound experiences, we created two product collaborations on the Beosound A5 and Beosound 2.

In October 2024, we announced the second Special Edition Ferrari Collection, revealing three new product collaborations. With the made-to-order collection, Bang & Olufsen has reimagined its Beolab 50 speaker, Beosound Theatre Soundbar solution and Beovision Theatre TV solution. The design integrates Ferrari's charcoal Grigio Corsa colourway combined with a striking shade of red to create an unmistakable connection to the motorsport icon and the first Ferrari collection launched in 2023.

The first special edition comprised four products; the Beosound 2 home speaker, Beoplay H95 headphones, Beoplay EX earphones and the portable speaker Beosound Explore.

We continued our long-term collaboration with Saint Laurent with a release in March to mark the fifth joint creation. For this exclusive release, Saint Laurent and Bang & Olufsen have restored ten original Beogram 4000 Series turntables, originally introduced in the early 1970s.

One of our key strategic priorities is to deepen and broaden customer engagement while expanding our customer base. To support this, we delivered a series of locally anchored events during 2024/25.

By end of year, we have grown our customer base by 5% (quarter-on-quarter) and 17% year-on-year. In addition, the number of customers owning two or more B&O products grew 3% during the last quarter of the year and 14% year-on-year.

In terms of pricing, price increases were implemented on selected products in January 2025. Further price increases were implemented by May 2025, and most recently by June 2025 specifically for the US market, in response to normal price adjustments and recent tariffs announcements.

ESRS 2 SBM-1 partially addressed

Case study: Beogram 3000c - Legacy Reinvented

In Q4 2024/25, we launched Beosystem 3000c, the third release within our Recreated Classics series which gives iconic products a second life through restoration, remanufacturing, and reinterpretation. We unveiled the recreated Beogram 3000c turntable originally from 1985, through an exclusive launch of 100 unique numbered sets, newly paired with contemporary Beolab 8 speakers, to connect our past with the present by combining music formats of analogue listening with digital streaming. Creating a rich experience for a pioneering and contemporary luxury consumer to rediscover their vinyl collections, the Beosystem 3000c launch marked a celebration of innovative craftsmanship and sonic excellence. It echoed our belief that luxury timeless design should remain relevant over many generations.

Channel development

A key part of the strategy acceleration is optimising our footprint, and during the year we worked on the pipeline across geographies in accordance with our mid-term plan. Retail excellence is undergoing improvement by training staff, upgrading store designs and increasing brand compliance across the network.

In total, our monobrand network including company-owned stores constituted 346 stores, which was a net reduction of 41 since last year. This is in line with our ongoing assessment and plan to ensure that all monobrand stores deliver unique and luxurious experiences.

In EMEA, we reduced our monobrand network to 251 stores. During the year, we opened and relocated stores, most notably a flagship store in Milan in Q4 2025. In addition, we have signed a contract to open a new company-owned store in Paris in 2025/26 and in London we have upgraded our Harrods store to our new store design.

Total monobrand footprint actions*	2024/25
Openings	15
Uplifts	9
Relocations	7
Closings	56
Total net closings	**41**

*Including company-owned stores

Our expansion in the US is also continuing. In California, we are rebuilding a strong presence with our new, resourceful and experienced partner with whom we will open a number of flagship stores. Three stores are currently planned to open in 2025/26.

Partnering with custom installers is an important part of our future setup and we will continue to develop that channel.

We collaborate with numerous monobrand partners across all regions. In the APAC region, we opened a third monobrand store in the luxurious SKP mall in Wuhan. We are now present in three SKP malls in China: Xian, Beijing and Wuhan.

	Monobrand *		Multibrand		Custom installers	
Points of sale, number of doors	31-05-25	31-05-24	31-05-25	31-05-24	31-05-25	31-05-24
EMEA	251	282	964	1,492	N/A	N/A
Americas	24	30	24	37	107	101
APAC	71	75	757	788	N/A	N/A
Total	**346**	**387**	**1,745**	**2,317**	**107**	**101**

* Monobrand includes company-owned stores

Out of our 13 defined global Win cities, we have implemented the concept in four: New York, London, Paris and Hong Kong. In terms of performance, the cities collectively reported sell-out growth of 30% year-on-year (Q4: 38%), which comprises sell-out across channels. All cities reported double digit growth.

In addition, we initiated the first phase of the Win City Concept to support and accelerate growth in Los Angeles and Tokyo. We will be rolling out the concept in more cities in the coming years.

Product innovations

During the year we launched a range of product innovations.

In September 2024, we launched our new flagship headphones, Beoplay H100, the first headphones built on our proprietary software platform, the Amadeus platform. The higher price point compared to previous headphones not only reflects that Beoplay H100 are the best headphones we have created to date but also confirms our strategic direction of further strengthening our position in the luxury audio market. Sales performance has been strong.

In November 2024, we launched the Beoplay Eleven, which is the next generation of the successful Beoplay EX earphones. The Beoplay Eleven features improved acoustic performance thanks to enhanced Active Noise Cancellation, more transparency and voice clarity.

Another product launch within our on-the-go category was the Beosound A1 3rd Gen in April 2025, which is new version of our award-winning Bluetooth speaker, now combining enhanced performance with circular design and elevated sound.

In February 2025, we introduced Atelier, an elevated luxury programme, offering clients the opportunity to create custom-made products in collaboration with our master artisans in Struer, Denmark. This milestone underscores the brand's rich legacy of unmatched sound quality and craftsmanship, offering opportunities for personal expression through one-of-a-kind creations and an array of customisation options.

During the year, a further six of our products were Cradle to Cradle certified. The Beosound A5, Beolab 8, Beoconnet core, H100, A1 3rd gen and Beosound Theatre all received the certification, bringing the total number of products with cradle to cradle certification in our product portfolio to eight.

Notably, Beosound Theatre is the first soundbar in the world to be Cradle to Cradle Certified®, and A1 3rd Gen is the first Bluetooth speaker to be certified, highlighting our role in leading the movement toward more circular product design and manufacturing.

License business and Strategic partnerships

In July 2024, we announced our six-year technology licensing partnership with TCL. Through this partnership we bring elevated audio experiences to TCL's premium TV portfolio with our "Audio by Bang & Olufsen" proposition, distributed globally via TCL's channels and customers.

The partnership has the potential to be one of the most impactful partnerships for Bang & Olufsen, as there is scope for expanding into further categories and additional technology experiences.

In December 2024, TCL launched the TCL X965 TV, and in January 2025, the C series was lunched as the fourth product featuring 'Audio by Bang & Olufsen'. The New TCL C+ range of TVs was added to the portfolio in March 2025.

Following the successful partnership with the Hyundai Motor Group on the Genesis brand since 2018, Bang & Olufsen and HARMAN Automotive will be expanding the partnership, introducing our 'Audio by Bang & Olufsen' in-car proposition. We are excited to bring together Hyundai's tech-forward vision and Bang & Olufsen's expertise in acoustics and digital audio experiences. In April 2025, the first Hyundai vehicle with 'Audio by Bang & Olufsen' system was launched.

A key strategic focus is to further develop our offering of technology propositions in order to expand partnerships and offerings to the hospitality industry.

Case study: Atelier

Our Atelier offering delivers customisation opportunities within the following areas:

- Atelier Bespoke: Collaborating directly with an Atelier artisan, clients can create a custom product incorporating materials or specific colours for a one-off creation.
- Atelier Catalogue: Customers can choose from over 500,000 possible combinations of fabric, wood and aluminium finishes to customise their product.
- Atelier Editions: Limited editions of iconic products in the portfolio, showcasing the finest Bang & Olufsen craftsmanship.

To celebrate the Atelier launch and our 100 year anniversary, we have created the Atelier Limited Edition Beosound 2 Gradient Collection. Featuring 10 different gradient combinations inspired by emotions shaped through sound, each colour gradient is limited to 10 engraved and numbered pieces.

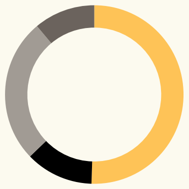
The meticulous finish is achieved thanks to our aluminium expertise in Factory 5 in Struer, Denmark.

The full Atelier experience will be available at select Bang & Olufsen stores. Customers can also explore customisation opportunities in the newly released digital composer at bang-olufsen.com.

EMEA

Full Year	Q4
Revenue	Revenue
DKK 1,253m	DKK 339m
(DKK 1,249m)	(DKK 311m)
Growth in local currencies	Growth in local currencies
0%	9%
(-3%)	(1%)
Gross margin	Gross margin
50.1%	50.9%
(48.6%)	(49.6%)

Share of total revenue



49%

FY performance

Like-for-like sell-out

Sell-out grew by 5%. Branded channels reported growth across channels supported by double-digit growth from company-owned stores. Sell-out for multibranded channels declined while eTail grew year-on-year.

Most markets reported flat to positive growth rates.

In terms of product categories, our Staged and On-the-go categories delivered growth compared to last year. The Flexible Living category declined.

Revenue

Revenue was DKK 1,253m (2023/24: DKK 1,249m), which was 0.3% higher than last year (on a par in local currencies).

Market sentiment was challenged in several markets although modest growth was reported across many of the European markets.

Revenue from our branded channels (company-owned, monobrand and ecommerce) grew single-digit year-on-year and growth was reported across channels.

Revenue from multibrand decreased double-digit compared to last year. As part of our strategic transformation to be more selective with multibrand partners, we reduced the number of multibrand stores by 528 (net), primarily in Germany.

Revenue from eTail was largely the same as last year.

Revenue from the Staged category increased 1% year-on-year while revenue from the Flexible Living category declined by 6%. Revenue from On-the-go grew by 3%.

Gross profit

Gross profit was DKK 628m, corresponding to a gross margin of 50.1%, which represented a 1.5 pp increase from 48.6% last year.

All product categories reported improved gross margins compared to last year.

Q4 performance

Like-for-like sell-out

Sell-out grew by 5%. Branded channels reported growth across channels supported by double-digit growth from company-owned stores. Sell-out for multibranded channels declined while retail reported growth year-on-year.

Growth was reported across most markets, though Germany and the Nordics except for Denmark reported negative growth.

In terms of product categories, our Staged category reported a modest decline, while the Flexible Living category also declined. The On-the-go categories delivered double-digit growth compared to last year.

Revenue

Revenue was DKK 339m (Q4 2023/24: DKK 311m). This represented a 9.1% increase compared to last year (9% in local currencies).

Growth was reported across most markets although Germany reported declining revenue, reflecting lower market momentum.

Revenue from the Staged category increased by 6% while revenue from Flexible Living declined by 5%. Revenue from On-the-go increased by 35% driven by new product launches.

Gross profit

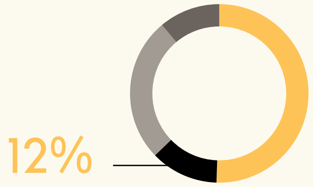
Gross profit amounted to DKK 172m. This was equivalent to a gross margin of 50.9%, which was 1.3pp higher than last year.

All product categories reported improved gross margins compared to last year.

Americas

	Full Year	Q4
Revenue	DKK 317m (DKK 287m)	DKK 77m (DKK 78m)
Growth in local currencies	11% (-6%)	3% (12%)
Gross margin	49.3% (46.1%)	48.7% (50.0%)

Share of total revenue



FY performance

Like-for-like sell-out

Sell-out grew by 13%. Branded channels reported double-digit growth across the channels. For our company-owned stores sell-out grew double-digit year-on-year despite lower footfall year-on-year. Like-for-like sell-out in our eTail channels declined.

Sell-out for the Staged and On-the-go categories grew year-on-year while the Flexible Living category declined.

Revenue

Revenue was DKK 317m (2023/24: DKK 287m), corresponding to a 10.4% increase (11% in local currencies).

Revenue from our branded channels (company-owned, monobrand and ecommerce) grew double-digit year-on-year and growth was reported across the channels.

The custom installer channel (CI) grew over the period while the enterprise channel declined as the installation of Genesis showrooms saw high activity last year.

Revenue from the Etail channel was largely the same as last year.

Revenue from the Staged category grew by 15%. Revenue from the Flexible Living category decreased by 13% while revenue from the On-the-go category increased by 20%.

Gross profit

Gross profit amounted to DKK 156m, equivalent to a gross margin of 49.3%. This represented an increase of 3.2pp compared to last year.

All product categories delivered improved gross margins.

Q4 performance

Like-for-like sell-out

Sell-out grew by 20%. Branded channels reported double-digit growth across the channels while sell-out in the eTail channels declined.

Double-digit sell-out growth was reported across product categories.

Revenue

Revenue in the Americas was DKK 77m (Q4 2023/24: DKK 78m), corresponding to a 1.6% decrease (increase of 3% in local currencies).

Revenue from branded channels grew by double digits, supported by double-digit growth from company-owned stores and ecom. The monobrand channels declined due to a strong quarter in Q4 of last year and uncertainty related to tariffs.

The custom installer channel (CI) experienced double-digit growth over the period. The enterprise channel reported a double-digit decline which was expected. Q4 of last year saw high activity installing mainly Staged products throughout several Genesis showrooms.

The Staged category declined by 19% and Flexible Living declined by 10%. The On-the-go category grew by 40% compared to Q4 of last year driven by new product launches.

Gross profit

Gross profit amounted to DKK 37m (Q4 2023/24: DKK 39m). This was equivalent to a gross margin of 48.7%, down from 50.0% in the same quarter of last year.

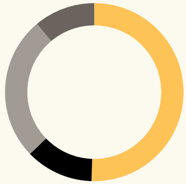
Gross margin declined mainly due to tariffs and change in the product mix. Excluding the effect of tariffs development was overall flat year-on-year.

APAC

	Full Year	Q4
Revenue	DKK 693m (DKK 726m)	DKK 182m (DKK 163m)
Growth in local currencies	-4% (-5%)	13% (-6%)
Gross margin	52.8% (50.7%)	54.5% (51.6%)

Share of total revenue

27%



FY performance

Like-for-like sell-out

Like-for-like sell-out declined by 1%. Branded channels reported growth across channels while sell-out in our eTail channel declined.

Like-for-like sell-out for China declined by 7%. The monobrand channels grew single digit while eTail declined. In general, inventory levels at our partners have reduced during the year.

The remaining markets reported like-for-like sell-out growth.

The Staged category reported sell-out growth while Flexible Living and On-the-go declined.

Revenue

Revenue was DKK 693m (2023/24): DKK 726m), corresponding to a decline of 4.6% year-on-year (-4% in local currencies).

Revenue from our Chinese market decreased by 8% (-8% in local currencies) and accounted for approximately 49% of total revenue in APAC. Revenue from South Korea declined while reported revenue from Japan grew year-on-year.

Revenue from our monobrand channel declined single-digit as revenue grew from all monobrand partners except one.

As part of our channel development and investment in future growth, we initiated the next step towards operating the primary Chinese eTail channels directly. In April, we took over the online flagship store on the eTail platform Tmall. Thus, we are now operating the two largest eTail platforms in China directly, which we expect will improve the overall brand control and performance in the market.

Revenue from the Staged category increased by 3%. Revenue from the Flexible Living and On-the-go categories decreased by 19% and 1%, respectively. The decline in Flexible Living was mainly driven by strong sales of Beosound 2 last year.

Gross profit

Gross profit amounted to DKK 366m, equivalent to a gross margin of 52.8%. This represented a 2.1pp increase compared to last year.

All product categories delivered improved gross margins.

Q4 performance

Like-for-like sell-out

Sell-out grew by 6% supported by double-digit growth in the branded channels.

Like-for-like sell out for China declined by 4%. Sell-out from the monobrand channel declined low single-digit.

The Staged and On-the-go categories reported growth while sell-out from the Flexible Living category declined.

Revenue

Revenue in APAC was DKK 182m (Q4 2023/24: DKK 163m) and grew by 11.2% compared to Q4 of last year (13% in local currencies).

Revenue from our Chinese market grew by 4% (7% in local currencies) and accounted for approximately 46% of total revenue in APAC. Revenue increased across channels. For the monobrand channels, inventory levels were reduced.

Revenue from South Korea declined while Japan reported revenue growth.

The Staged category increased by 8%, Flexible Living by 2% and the On-the-go category was up by 22% driven by new product launches.

Gross profit

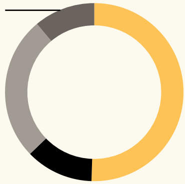
Gross profit amounted to DKK 99m (Q4 2023/24: DKK 84m). This was equivalent to a gross margin of 54.5%, up 2.9pp from Q4 last year.

All product categories delivered improved gross margins.

Brand Partnering & other activities

	Full Year	Q4
Revenue	DKK 290m (DKK 326m)	DKK 82m (DKK 103m)
Growth in local currencies	-12% (-9%)	-21% (24%)
Gross margin	87.4% (83.3%)	84.9% (76.0%)

Share of total revenue



FY performance

Revenue

Revenue amounted to DKK 290m (2023/24: DKK 326m). This represented a 11.0% decline (-12% in local currencies).

Licensing income declined by 3%. Revenue related to the automotive industry grew double-digit year-on-year. License income from HP declined year-on-year in line with our expectations due to the expiry of the agreement in June 2024. The planned ramp-up of TCL continued. Licensing income accounted for approx. 79% of total revenue in Brand Partnering & other activities.

Product-related revenue declined year-on-year as last year was impacted by the launch of new products in collaboration with Cisco.

Revenue related to aluminium production for third parties declined compared to last year.

Gross profit

Gross profit amounted to DKK 254m (2023/24: DKK 271m). This was equivalent to a gross margin of 87.4%, compared to 83.3% last year. The increase was due to a change in the mix between license and product-related revenue.

Q4 performance

Revenue

Revenue amounted to DKK 82m (Q4 2023/24: DKK 103m). This represented a 20.3% decrease compared to Q4 of last year (-21% in local currencies).

The decline was mainly driven by lower revenue from co-branded products. Q4 of last year reported strong performance due to the ramp-up of the launched Bang & Olufsen Cisco 950 earphones.

License income from HP declined as expected while revenue from the automotive industry had a modest increase year-on-year. TCL continued the planned ramp-up.

Overall, licensing income increased double digit and accounted for approx. 79% of revenue in Brand Partnering & other activities.

Gross profit

Gross profit amounted to DKK 70m (Q4 2023/24: DKK 78m). This was equivalent to a gross margin of 84.9%, which was 8.9pp higher than last year. The increase was related to a change in the mix between license and product-related income.

Financial review

Like-for-like sell-out increased by 4%, driven by branded channels.

Revenue was DKK 2.6bn, a decline of 1% mainly due to declining revenue from Brand Partnering. For the regions, quarterly growth rates increased during the year.

Gross margin improved by 1.7pp to a record-high 55.0% compared to 53.3% last year.

EBIT margin bsi* was 1.0% compared to 2.4% last year. The lower level reflected increased capacity costs for the strategy acceleration partly offset by improved gross margin.

Free cash flow was DKK 16m compared to DKK 11m last year. The level reflected timing and collection efforts.

*Before special items

Like-for-like sell-out

Like-for-like sell-out increased by 4% compared to last year. Excluding end-of-life products, like-for-like sell-out grew in the high double-digits compared to last year.

Like-for-like sell-out in our branded channels grew by 9%. Growth was reported across the channels and reflected our continued channel focus. As expected, the multibrand channel and eTail declined over the period.

Product category like-for-like sell-out
Our Staged category reported sell-out growth of 12% while the Flexible Living Category declined by 10%. Our On-the-go category increased by 3%.

Revenue

Group revenue was DKK 2,553m, corresponding to a decline of 1.4% compared to last year (-1% in local currencies).

Reported revenue related to total product sales was flat year-on-year (on a par in local currencies) while Brand Partnering & other activities declined by 11.0% (-12% in local currencies).

Product revenue, categories

Staged category
Revenue increased by 3%, mainly driven by growth in TV's and soundbars.

Flexible Living category
Revenue declined by 13%. Modest declines were reported across products, while Beosound 2 in particular was impacted by strong sales of the Ferrari collection last year.

On-the-go category
Revenue increased by 4% supported by the strong performance of new product launches in the category, in particular Beoplay H100.

Gross profit

Gross profit amounted to DKK 1,404m, corresponding to a gross margin of 55.0% (2023/24: 53.3%).

Gross profit from regional product sales was DKK 1,150m (2023/24: DKK 1,108m), corresponding to a gross margin of 50.8% (2023/24: 49.0%). This was an increase of 1.8pp compared to last year. The gross margin improved across regions and product categories.

Gross margin from Brand Partnering & other activities was 87.4% (2023/24: 83.3%). The gross margin improved by 4.1pp due to a change in the mix as the share of license income increased.

Currency movements had an immaterial impact on the gross margin compared to last year.

Capacity costs

Capacity costs were DKK 1,388m compared to DKK 1,361m last year. This represented an increase of 2% and was in line with our strategy acceleration.

Development costs increased by DKK 54m to DKK 340m. Incurred development costs increased by DKK 53m to DKK 368m, offset by increased capitalisation driven by our product and software road map. The incurred development cost ratio increased by 2.2pp to 14.4% due to software focus, Atelier and product collaborations.

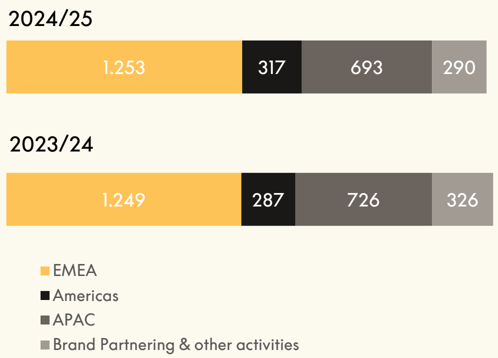
Distribution and marketing costs decreased by DKK 45m to DKK 895m. The decrease was primarily driven by lower warranty costs as a results of our improved product portfolio and savings in marketing spend following reorganisation while costs related to sponsorships and events increased. The marketing cost ratio for the year decreased by 1.9pp to 8.3% mainly driven by lower marketing activity, especially within the regions.

LIKE-FOR-LIKE SELL-OUT*

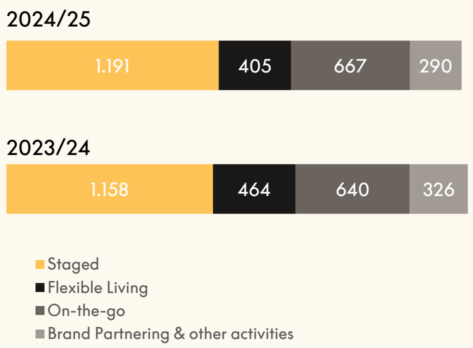
	FY 2024/25		FY 2024/25
EMEA	5%	Staged	12%
Americas	13%	Flexible Living	-10%
APAC	-1%	On-the-go	3%
Total	**4%**	**Total**	**4%**

* Like-for-like is defined as sell-out from the same stores, provided they were open and active in both periods

Revenue by segment, DKKm



Revenue by category, DKKm



Administrative costs increased by DKK 18m to DKK 153m. This was primarily driven by higher employee bonuses, an increase in support functions and higher advisory costs.

EBITDA

EBITDA was DKK 261m (2023/24: DKK 257m), corresponding to an EBITDA margin of 10.2% (2023/24: 9.9% last year). The EBITDA margin improvement was related to the improved gross margin and reduced special items.

EBITDA before special items was DKK 271m (2023/24: DKK 300m), corresponding to an EBITDA margin before special items of 10.6%, down 1.0pp from last year.

Special items amounted to DKK 10m (2023/24: DKK 43m) and related primarily to the reorganisation.

EBIT

EBIT was a profit of DKK 16m (2023/24: DKK 18m), corresponding to an EBIT margin of 0.6% (2023/24: 0.7%).

EBIT before special items was a profit of DKK 26m (2023/24: DKK 61m), corresponding to an EBIT margin before special items of 1.0% and down 1.4pp from last year. The improved gross profit was offset by higher capacity cost investing in our strategy acceleration.

Net financial items

Net financial items were an expense of DKK 14m (2023/24: DKK 25m expense). The decrease primarily related to exchange rate adjustments.

Profit /loss

Profit/loss before tax (EBT) was a profit of DKK 2m (2023/24: DKK 7m loss).

Income tax was an expense of DKK 31m (2023/24: DKK 10m expense). The income tax expense was primarily related to a revised assessment of deferred tax assets and prior-year adjustments. A full description can be found under the recovery of deferred tax assets section in note 2.5.

Profit/loss for the year was a loss of DKK 29m (2023/24: DKK 17m loss).

Cash flow

Free cash flow was DKK 16m (2023/24: DKK 11m). This was an improvement of DKK 5m compared to last year. It was primarily a result of increased cash flow from operating activities offset by higher operating investments. Further, the free cash flow was supported by collection efforts at year-end.

Cash flows from operating activities were DKK 256m (2023/24: DKK 226m). The increase was driven by a positive effect from a lower net working capital of DKK 47m (2023/24: negative DKK 41m) offset by lower provisions, which is part of other non-cash items.

Cash flows from operational investments were an outflow of DKK 240m (2023/24: DKK 215m outflow). Investments were primarily related to the capitalisation of development projects along with acquired rights and software.

The net inflow from financial investments was DKK 9m (2023/24: DKK 6m) and related to drawn securities.

Cash flows from financing activities were an outflow of DKK 58m (2023/24: DKK 54m outflow) relating to proceeds from the rights issue (DKK 217m) offset by net repayment of loans and lease liabilities (DKK 255m) and purchase of treasury shares (DKK 20m). Last year's outflow related to repayment of lease liabilities.

The cash position at the end of the year was DKK 145m (31 May 2024: DKK 177m). Total available liquidity was DKK 350m (31 May 2024: DKK 184m), consisting of DKK 145m in cash, DKK 380m in securities less DKK 175m in bank loans related to repo transactions.

Net working capital

Net working capital decreased during the year by DKK 47m to DKK 216m (31 May 2024: DKK 263m).

Net working capital relative to the last 12 months' revenue decreased 1.7pp to 8.5% (2023/24: 10.2%). The ratio decreased due to the lower net working capital reflecting our increased focus on our branded channels.

Inventories of DKK 447m were in line with last year.

Trade receivables increased by DKK 39m to DKK 348m as a result of higher activity in Q4 compared to last year. Extended credit of 2% was in line with last year (2023/24: 2%).

Trade payables increased by DKK 52m to DKK 453m, driven by timing of payments.

Other liabilities increased by DKK 56m to DKK 227m, primarily due to accruals for employee bonus end of year.

Net interest-bearing deposit/debt

Net interest-bearing deposit/debt increased by DKK 168m during the year to a deposit of DKK 134m (31 May 2024: debt of DKK 34m).

The positive development was mainly due to the rights issue (DKK 217m) and positive free cash flow of DKK 16m offset by remeasurement of liabilities (DKK 49m) and purchase of treasury shares (DKK 20m).

Capital resources amounted to DKK 600m (31 May 2024: DKK 344m), consisting of available liquidity of DKK 350m (31 May 2024: DKK 184m) and the undrawn part of our ESG-linked credit facility of DKK 250m (31 May 2024: DKK 160m).

For further details, see note 6.1.

Financial results according to outlook	Actuals 2024/25	Outlook 2024/25
Revenue growth in local currencies (%)	-1	-3 to 3
EBIT margin before special items (%)	1.0	-2 to 1
Free cash flow (DKKm)	16	-100 to 0

Case study: Introducing Beoplay Eleven

In November 2024, we launched the next generation of the successful Beoplay EX earphones, the Beoplay Eleven. Beoplay EX revolutionised our wireless earphone category with its superior sound and cutting-edge design.

With the Beoplay Eleven, we have improved the acoustic performance thanks to enhanced Active Noise Cancellation (ANC), more transparency and voice clarity.

The ANC function provides double the noise reduction at low frequencies and improved optimisation across ear shapes and sizes, creating the best ANC technology in a B&O earphone to date.

The earphones feature six updated microphones that work faster and more efficiently, with significantly lower hiss noise levels to provide a clearer, louder and more natural transparency mode. For the external microphones, additional holes are integrated in the stem to give a more open sound and help relieve wind pressure.

Connectivity is improved thanks to Multipoint and voice call performance also benefits from the addition of new microphones.

The Beoplay Eleven comes in two new colourways, Natural Aluminium and Copper Tone Aluminium.

Q4 key financial highlights

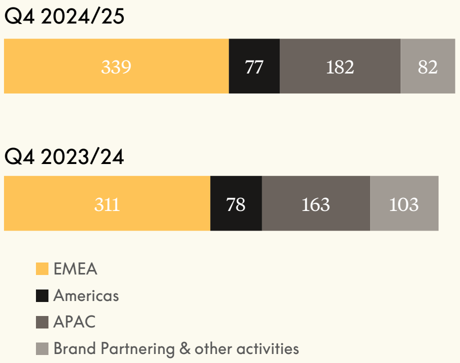
	Q4		YTD	
(DKK million)	**2024/25**	2023/24	**2024/25**	2023/24
Income statement				
Revenue	680	655	2,553	2,588
EMEA	339	311	1,253	1,249
Americas	77	78	317	287
APAC	182	163	693	726
Brand Partnering & other activities	82	103	290	326
EBITDA before special items	72	72	271	300
EBITDA	68	36	261	257
EBIT before special items	7	12	26	61
EBIT	3	-24	16	18
Special items, net	-4	-36	-10	-43
Financial items, net	8	-6	-14	-25
Profit/loss before tax (EBT)	11	-30	2	-7
Profit/loss for the period	-6	-36	-29	-17
Financial position				
Total assets	2,340	2,297	2,340	2,297
Equity	1,144	956	1,144	956
Cash	145	177	145	177
Available liquidity	350	184	350	184
Capital resources	600	344	600	344
Net interest-bearing deposit/debt	134	-34	134	-34
Net working capital	216	263	216	263

	Q4		YTD	
(DKK million)	**2024/25**	2023/24	**2024/25**	2023/24
Cash flows				
Cash flows from operating activities	92	113	256	226
Operational investments	-88	-70	-240	-215
Free cash flow	4	43	16	11
Key figures				
Gross margin, total, %	55.8	54.3	55.0	53.3
Gross margin, Products, total %	51.7	50.2	50.8	49.0
Gross margin, Brand Partnering & other activities, %	84.9	76.0	87.4	83.3
Growth in local currencies, %	4	3	-1	-5
Like-for- like sell-out growth, %	7	-2	4	3
Point of sale - Monobrand, number of doors	346	387	346	387
Point of sale - Multibrand, number of doors	1,745	2,317	1,745	2,317
Point of sale - Custom installers, number of doors	107	101	107	101
EBITDA margin before special items, %	10.5	11.0	10.6	11.6
EBITDA margin, %	10.0	5.5	10.2	9.9
EBIT margin before special items, %	1.0	1.8	1.0	2.4
EBIT margin, %	0.4	-3.7	0.6	0.7
Marketing cost ratio, %	8.7	10.0	8.3	10.2
Incurred development costs before capitalisation ratio, %	16.7	15.6	14.4	12.2
Return on assets, %	-1.3	-0.7	-1.3	-0.7
Return on invested capital, excl. goodwill, %	9.5	16.7	9.5	16.7
Return on equity, %	-2.6	-1.8	-2.6	-1.8
Full-time employee (FTE) at end of period	1,073	998	1,073	998
Stock-related key figures				
Earnings per share, basic (EPS) and diluted (EPS-D), DKK	-0.0	-0.2	-0.2	-0.1
Price/Earnings	-321.7	-35.5	-65.9	-75.7

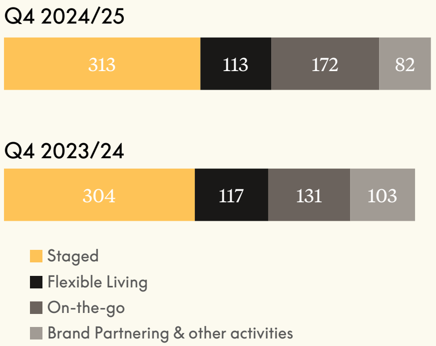
For definitions, see note 8.7.

Q4 financial review

Revenue by segment, DKKm



Revenue by category, DKKm



Like-for-like sell-out

Sell-out grew by 7% compared to Q4 of last year and growth was reported across regions.

Like-for-like sell-out for our branded channels combined grew 8% compared to Q4 of last year. Growth was also reported from the multibranded channels.

In terms of product categories, our Staged category grew by 2%, while the Flexible Living category declined by 2% and the On-the-go category grew by 29%.

Revenue

Group revenue was DKK 680m (Q4 2023/24: DKK 655m) and increased by 3.7% (4% in local currencies).

Product revenue, regions

Reported revenue related to product sales grew by 8.2% (9% in local currencies), while Brand Partnering and other activities reported a decline of 20.3% (-21% in local currencies).

The development in product revenue was driven by reported growth of 14% in branded channels (14% in local currencies).

Product revenue, categories

Staged category

Revenue increased by 3% to DKK 313m. This was mainly driven by increased revenue from TV's & soundbars.

Flexible Living category

Revenue declined by 3% to DKK 113m. Sales grew for both Beosound A5 and A9 but was more than offset by a decline of Beosound 2 as we launched the Ferrari collection last year.

On-the-go category

Revenue increased by 31% to DKK 172m. Growth was mainly driven by the successful launch of Beoplay H100 and Beoplay Eleven.

Gross profit

Gross profit was DKK 378m (Q4 2023/2024: DKK 356m), corresponding to a gross margin of 55.8%, an improvement of 1.5pp. compared to 54.3% in Q4 of last year.

Gross profit from regional product sales was DKK 308m (Q4 23/24: DKK 278m), corresponding to a gross margin of 51.7% (Q4 2023/2024: 50.2%). Improved gross margins were reported for EMEA and APAC, while the Americas was impacted by increased tariffs and a change in the product mix.

Gross profit from Brand Partnering & other activities was DKK 70m (Q4 2023/2024: DKK 78m), equivalent to a gross margin of 84.9% (Q4 2023/2024: 76.0%). The gross margin increased due to a higher share of license income.

Currency movements had a positive impact on the gross margin of around 0.3pp compared to last year.

LIKE-FOR-LIKE SELL-OUT*

	Q4 2024/25		Q4 2024/25
EMEA	5%	Staged	2%
Americas	20%	Flexible Living	-2%
APAC	6%	On-the-go	29%
Total	**7%**	**Total**	**7%**

* Like-for-like is defined as sell-out from the same stores, provided they were open and active in both periods

GROSS MARGIN	Q4 2024/25	Q4 2023/24	YTD 2024/25	YTD 2023/24
Staged	58.5%	57.6%	57.7%	56.8%
Flexible Living	57.0%	51.4%	55.5%	51.5%
On-the-go	35.8%	32.1%	35.8%	33.0%
Products, total	**51.7%**	**50.2%**	**50.8%**	**49.0%**
Brand Partnering & other activities	84.9%	76.0%	87.4%	83.3%
Total	**55.8%**	**54.3%**	**55.0%**	**53.3%**

Capacity costs

Capacity costs were DKK 375m in line with Q4 of last year (Q4 23/24: DKK 380m).

Development costs increased by DKK 12m to DKK 92m (Q4 23/24: DKK 80m). Incurred development costs increased by DKK 11m to DKK 113m (Q4 23/24: DKK 102m), offset by increased capitalisations driven by our product and software road map.

Distribution and marketing costs were DKK 242m, corresponding to a decrease of 8.0% compared to Q4 of last year. The decrease was primarily driven by lower warranty costs as a result of our improved product portfolio, partly offset by higher advisory costs and employee bonus accruals.

Administrative costs increased by 10.8% to DKK 41m driven by employee bonus accrual at end of year (Q4 23/24: DKK 37m).

EBITDA

EBITDA was DKK 68m (Q4 23/24: DKK 36m). This was equivalent to an EBITDA margin of 10.0% (Q4 23/24: 5.5%).

EBITDA before special items was DKK 72m (Q4 23/24: 72m), equivalent to a margin of 10.5% (Q4 23/24: 11.0%).

Special items were DKK 4m (Q4 23/24: DKK 36m) and related to organisational changes. Last year a larger reorganisation was announced in Q4 23/24.

EBIT

EBIT was DKK 3m (Q4 23/24: DKK -24m). This was equivalent to an EBIT margin of 0.4% (Q4 23/24: -3.7%).

EBIT before special items was DKK 7m (Q4 23/24: 12m), equivalent to a margin of 1.0% (Q4 23/24: 1.8%).

Cash flow

Free cash flow was DKK 4m (Q4 23/24: DKK 43m).

The decrease in free cash flow was primarily related to lower operating cash flow of DKK 92m (Q4 23/24: DKK 113m) and higher operational investments of DKK 88m (Q4 23/24: DKK 70m), offset by a higher EBITDA of DKK 68m (Q4 23/24: DKK 36m).

Net working capital decreased during the quarter generating a positive cash flow effect of DKK 39m (Q4 23/24: DKK 34m) due to an increase in payables as a result of timing and an increase in employee bonus accrual and of year. This was offset by increase in receivables due to higher activity compared to Q4 of last year.

Financing activities generated a positive cash flow of DKK 8m (Q4 23/24: negative DKK 15m) primarily related to the proceeds from bank loans offset by the purchase of treasury shares and repayment of lease liabilities.

The cash position at the end of the year was DKK 145m (31 May 2024: DKK 177m). Total available liquidity was DKK 350m (31 May 2024: DKK 184m).

Case study: A1 of a kind

In Q4 2024/25, we launched the third-generation Beosound A1, a reimagined version of its award-winning portable Bluetooth speaker, now combining enhanced performance with circular design and elevated sound.

A Timeless Design - The A1 is more than a speaker - it's a sculptural object, crafted from pearl-blasted aluminium with 2,173 precision-milled holes and a soft, waterproof leather strap.

Unmatched Performance -The A1 3rd Gen features the largest woofer in its class, delivering deeper bass with a Bass SPL of 64dB, 2dB more than its predecessor

Crafted for Longevity - Built with a modular architecture and designed for a 10-year lifetime in its first useful lifecycle, the A1 3rd Gen applies circular design principles.

Governance

Corporate governance

Bang & Olufsen has a two-tiered management structure. In accordance with current practice in Denmark, responsibility is divided between the non-executive Board of Directors and the Executive Management Board, which are independent of each other. The Board of Directors is responsible for approving the overall strategy and supervises Bang & Olufsen's activities, management and organisation, while the Executive Management Board is in charge of the day-to-day management. Members of the Executive Management Board do not serve on the Board of Directors.

The company's Board of Directors and Executive Management Board constantly strive to ensure transparency and accountability by building trusting relationships with shareholders, customers, suppliers and employees as well as the local communities in which the company operates.

Compliance with the Recommendations on Corporate Governance

Bang & Olufsen is subject to the Recommendations on Corporate Governance as updated in December 2020 (the Recommendations), prepared by the Danish Committee on Corporate Governance. The Board of Directors regularly reviews Bang & Olufsen's corporate governance framework and policies in relation to the Recommendations and any relevant statutory requirements, and continuously assesses the need for adjustments. At 31 May 2025, Bang & Olufsen was following all Recommendations.

Bang & Olufsen has prepared a detailed Corporate Governance Report in accordance with Section 107b of the Danish Financial Statements Act. The report includes a description of the composition of the Board of Directors and its work over the past year as well as a description of the main elements of the company's internal control and risk management system. The Corporate Governance Report can be found at https://investor.bang-olufsen.com/corporate-governance.

Board of Directors

The Board of Directors currently has eight members, five of whom are elected by the shareholders. Three Board members are elected by the employees in accordance with the Danish Companies Act. The shareholder-elected members are elected for terms of one year, while employee representatives are elected for terms of four years in accordance with current legislation. Four of the five (80%) shareholder-elected members are independent.

Normally, between eight and ten Board meetings are held each year, with ad hoc meetings being held if necessary. In 2024/25, 12 meetings were held.

The Board of Directors believes that members should be chosen on the basis of their overall competencies, and also recognises the benefits of Board diversity in respect of experience, cultural background and gender.

Each year, the Board of Directors considers the skills and competencies that should be represented on the Board of Directors on the basis of a recommendation from the Nomination Committee. These skills are described in detail in the company's Corporate Governance Report.

For more information about individual Board members, including skills and competencies possessed by each Board member, see the section 'Board of Directors' on pages 33-35.

Board committees and Advisory Board

The Board of Directors has established five committees: a Remuneration Committee, a Nomination Committee, an Audit Committee, a Technology Committee and a Strategy Committee. The committees are tasked with

Board meeting and committee attendance

	Board meetings attended	Remuneration Committee	Audit Committee	Nomination Committee	Technology Committee	Strategy Committee
Juha Christensen (Chair)	12 of 12	3 of 3		2 of 2	3 of 3	3 of 3
Albert Bensoussan (Vice Chair)	12 of 12		5 of 5			3 of 3
Anders Colding Friis	12 of 12	3 of 3		2 of 2		3 of 3
Jesper Jarlbæk	12 of 12		5 of 5	2 of 2		3 of 3
M. Claire Chung[B]	7 of 9	2 of 2				
Tuula Rytilä[C]	12 of 12		4 of 4		3 of 3	
Andra Gavrilescu[A]	12 of 12					
Dorte Vegeberg[A]	12 of 12					
Søren Balling[A]	12 of 12					

A: Employee-elected. B: Stepped down from the Board of Directors effective 28 February 2025. C: Joined the Audit Committee August 2024.

ESRS 2 GOV-1 partially addressed

preparing decisions and recommendations for assessment and approval by the Board of Directors.

The committees report to the Board of Directors. Each committee has detailed terms of reference setting out its most important tasks and responsibilities. The tasks and work of the committees are described in more detail in the Corporate Governance Report.

Board evaluation process

The Chair of the Board of Directors conducts an annual Board self-assessment and review of the Board's performance, addressing the effectiveness of the Board, the processes supporting its work, individual Board members' contributions, the Chair's performance, and the cooperation with the Executive Management Board.

The assessment is conducted by way of each individual Board member and member of the Executive Management Board anonymously completing a comprehensive online questionnaire, which is then summarised by an external consultant. Ratings and comments are consolidated and shared with the Board of Directors followed by a Board discussion on potential improvements.

The external consultant presented the results of the evaluation to the Board of Directors in May 2025. The evaluation also identified certain minor areas for improvement within the following areas:

- Increase focus on structured succession planning. Succession planning for the Board has been added to the annual wheel of the Nomination Committee. Continued succession planning for the management levels will also continue to be of focus to the Board.
- To effectively respond to the rapidly changing environment, the Board and the Executive Management Board will increase their interactions before meetings to ensure that relevant discussions can be included on the agenda with short notice
- Due to the current geopolitical situation, the Executive Management Board will increase reporting on affected areas to the Audit Committee on an ongoing basis.

Steps are being taken to achieve improvements within these areas. The Chair has discussed and reviewed performance with and provided individual feedback to each member of the Board of Directors.

Tax Policy

The company's Tax Policy is available on the company's website at https://investor.bang-olufsen.com/policies-and-charters.

Data Ethics Policy and report

The company's Data Ethics Policy pursuant to section 99d of the Danish Financial Statements Act is embedded in the company's Business Conduct and Ethics policy. The policy and the data ethics report are available on the company's website

Remuneration of the Board of Directors 2024/25

(DKK thousand)	Annual fee	Remuneration Committee	Nomination Committee	Audit Committee	Technology Committee	Strategy Committee	China Advisory Board[D]	**Total 2024/25**	**Total 2023/24**
Juha Christensen	1,050	100	100		75	75		1,400	1,400
Albert Bensoussan	525			100		75		700	700
Jesper Jarlbæk	350		75	300		75		800	800
Anders Colding Friis	350	75	75			75		575	575
M. Claire Chung[B]	263	56					37	356	475
Tuula Rytilä[C]	350			80	100			530	450
Andra Gavrilescu[A]	350							350	350
Dorte Vegeberg[A]	350							350	350
Søren Balling[A]	350							350	350
Total	**3,938**	**231**	**250**	**480**	**175**	**300**	**37**	**5,411**	**5,450**

A: Employee-elected B: Stepped down from the Board of Directors effective 28 February 2025. C: Joined the Audit Committee August 2024. D: Discontinued per January 2025.

https://investor.bang-olufsen.com/policies-and-charters.

Remuneration

The remuneration of the Board of Directors and the Executive Management Board is designed to support the company's strategic goals and promote value creation for the benefit of the company's shareholders and other stakeholders. Remuneration levels must ensure that the company is able to attract, motivate and retain highly qualified members to both the Board of Directors and the Executive Management Board.

The company's Remuneration Policy is reviewed annually by the Remuneration Committee and the Board of Directors. The remuneration policy and the full remuneration report for the financial year 2024/25 can be found at https://investor.bang-olufsen.com/remuneration.

Board of Directors

The remuneration of members of the Board of Directors comprises a fixed annual base fee and fixed annual supplementary fees for the Chair, the Vice Chair, and members and chairs of permanent committees.

Members of the Board of Directors do not receive incentive-based remuneration. To align the interests of the Board of Directors with the company's shareholders, each member of the Board elected by the general meeting is obliged to invest in shares issued by the company not later than 12 months after the date of the member's election to the Board, for an amount at least corresponding to the annual base fee paid to an ordinary member of the Board according to the most recent annual report, and to keep such shareholding for as long as the individual is a member of the Board.

Executive Management Board

Members of the Executive Management Board are entitled to annual remuneration in accordance with the remuneration policy. The remuneration may consist of the following fixed and variable components:

- Fixed base salary, including pension contribution
- Variable remuneration consisting of (i) non-share-based cash bonus and/or (ii) share-based remuneration
- Termination and severance payments
- Customary non-monetary employment benefits
- Extraordinary incentive grants, including an extraordinary short-term cash-based retention programme

The individual composition of remuneration is determined with a view to contributing to the company's ability to attract and retain competent key employees while ensuring that the Executive Management Board has an incentive through variable remuneration to create added value for the benefit of the company's shareholders. For detailed information on remuneration, see notes 3.2 and 3.3 and the remuneration report for 2024/25, which is available at https://investor.bang-olufsen.com/remuneration.

Board of Directors

JUHA CHRISTENSEN

Danish, born 1964

Chair since 2020
Joined (until): 2016 (2025)
Independent

Committee memberships
Remuneration Committee
Technology Committee
Nomination Committee
Strategy Committee

Bang & Olufsen shares held, year-end:
200,864 (2023/24: 200,864)

Competencies
■ Luxury, omnichannel, retailing and marketing
■ Brand management
■ Consumer electronics knowledge
■ Key market insights
■ Partnership management
■ Innovation, digitalisation & technology
■ Stakeholder relations & ESG
□ Consumer product supply chain
■ New product introduction
■ International management & strategy development
□ Risk management
□ Finance & accounting
■ Corporate governance of listed companies
■ Use of Artificial Intelligence in a business and product context

Directorships and other offices
CM Star Global, Inc. and associated subsidiaries
VC Netcompany A/S

ALBERT BENSOUSSAN

French, born 1959

Vice Chair since: 2020
Joined (until): 2020 (2025)
Independent

Committee memberships
Audit Committee
Strategy Committee

Bang & Olufsen shares held, year-end:
25,000 (2023/24: 18,000)

Competencies
■ Luxury, omnichannel, retailing and marketing
■ Brand management
□ Consumer electronics knowledge
■ Key market insights
■ Partnership management
□ Innovation, digitalisation & technology
■ Stakeholder relations & ESG
■ Consumer product supply chain
■ New product introduction
■ International management & strategy development
■ Risk management
■ Finance & accounting
□ Corporate governance of listed companies
□ Use of Artificial Intelligence in a business and product context

Directorships and other offices
O CEO and founder of AB Consultants Paris

ANDERS COLDING FRIIS

Danish, born 1963

Joined (until): 2018 (2025)
Independent

Committee memberships
Nomination Committee
Remuneration Committee
Strategy Committee

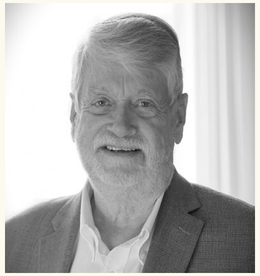
Bang & Olufsen shares held, year-end:
23,400 (2023/24: 23,400)

Competencies
■ Luxury, omnichannel, retailing and marketing
■ Brand management
□ Consumer electronics knowledge
■ Key market insights
■ Partnership management
□ Innovation, digitalisation & technology
■ Stakeholder relations & ESG
■ Consumer product supply chain
■ New product introduction
■ International management & strategy development
□ Risk management
□ Finance & accounting
■ Corporate governance of listed companies
□ Use of Artificial Intelligence in a business and product context

Directorships and other offices
CM Officeguru A/S, Logisnap ApS
VC Chr. Augustinus Fabrikker Aktieselskab, Goodwings ApS
BM Augustinus Fonden, Caf Invest a/s

CM = Chair VC = Vice Chair BM = Board member O = Other offices
■ Competencies possessed by Board member, this page partially addresses ESRS2, GOV-1, ESRS G1, GOV-1

JESPER JARLBÆK



Danish, born 1956

Joined (until): 2011 (2025)
Not Independent*

Committee memberships
Audit Committee
Nomination Committee
Strategy Committee

Bang & Olufsen shares held, year-end:
26,372 (2023/24: 26,372)

Competencies
□ Luxury, omnichannel, retailing and marketing
□ Brand management
□ Consumer electronics knowledge
□ Key market insights
□ Partnership management
□ Innovation, digitalisation & technology
■ Stakeholder relations & ESG
■ Consumer product supply chain
□ New product introduction
■ International management & strategy development
■ Risk management
■ Finance & accounting
■ Corporate governance of listed companies
□ Use of Artificial Intelligence in a business and product context

Directorships and other offices
CM Able ApS, A-Solutions A/S, Basico Consulting Group, Catacap Management ApS, DanBAN FAIF ApS and related entities, Falcon Fondsmæglerselskab A/S, HR-ON ApS, Materiel Udlejning Holding Group ApS, 1900 Søernes Privathospital ApS
BM Berlin Invest 2017 ApS, Business Angels Fond II A/S, Earlbrook Holdings Group A/S, Polaris III Invest Fonden, SCANVENTURE A/S, Smartshare Systems A/S
O JJ 2021 Holding ApS

TUULA RYTILÄ

Finnish, born 1967

Joined (until): 2019 (2025)
Independent

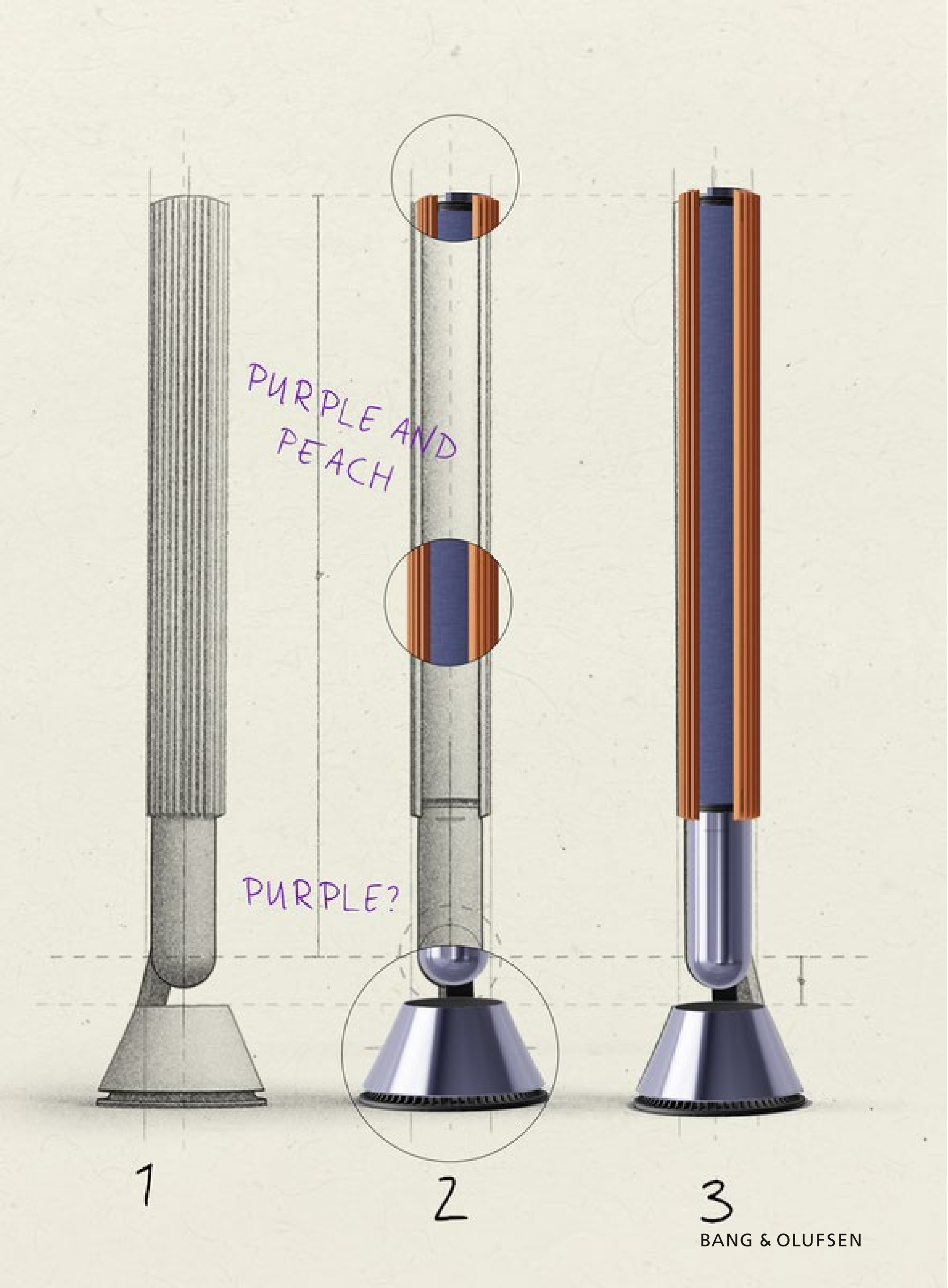
Committee memberships
Audit Committee
Technology Committee

Bang & Olufsen shares held, year-end:
24,300 (2023/24: 24,300)

Competencies
■ Luxury, omnichannel, retailing and marketing
■ Brand management
■ Consumer electronics knowledge
■ Key market insights
■ Partnership management
■ Innovation, digitalisation & technology
■ Stakeholder relations & ESG
□ Consumer product supply chain
■ New product introduction
■ International management & strategy development
□ Risk management
□ Finance & accounting
■ Corporate governance of listed companies
□ Use of Artificial Intelligence in a business and product context

Directorships and other offices
BM Breville Group, Australia, Kempower Oyj, Fugro N.V., eBrands Global Ltd., Tuxera, Business Forum Group

CM = Chair VC = Vice Chair BM = Board member O = Other offices
■ Competencies possessed by Board member, this page covers ESRS2, GOV-1, ESRS G1, GOV-1
* Having served on the Board for more than 12 years.



ANDRA GAVRILESCU

Romanian, Danish, born 1985

Employee-elected
Joined (until): May 2024 (2027)
Not independent

Committee memberships
-

Bang & Olufsen shares held, year-end:
0 (2023/24: 0)

Competencies
Not mapped for employee representatives.

Directorships and other offices
-

Positions and other management duties
Senior Manager, Head of Global Brand Collaboration

DORTE VEGEBERG

Danish, born 1972

Employee-elected
Joined (until): 2019 (2027)
Not independent

Committee memberships
-

Bang & Olufsen shares held, year-end:
1,000 (2023/24: 0)

Competencies
Not mapped for employee representatives.

Directorships and other offices
-

Positions and other management duties
Radio and electronics worker, Production

SØREN BALLING

Danish, born 1971

Employee-elected
Joined (until): 2017 (2027)
Not independent

Committee memberships
-

Bang & Olufsen shares held, year-end:
8,622 (2023/24: 8,622)

Competencies
Not mapped for employee representatives.

Directorships and other offices
BM Øster Hjerm Bygningsartikler

Positions and other management duties
Production Manager, Mechanics

CM = Chair VC = Vice Chair BM = Board member O = Other offices
■ Competencies possessed by Board member, this page covers ESRS2, GOV-1, ESRS G1, GOV-1

Executive Management Board

KRISTIAN TEÄR

Swedish, born 1963

Chief Executive Officer

Employed since
8 October 2019

Bang & Olufsen shares, year-end:
775,857 (2023/24: 649,935)

Educational background
- MSc from The Royal Institute of Technology in Stockholm
- Executive programme at Columbia University, USA

Directorships and other offices
BM International Tennis Hall of Fame & Museum

NIKOLAJ WENDELBOE

Danish, born 1975

Executive Vice President
& Chief Financial Officer

Employed since
1 May 2019

Bang & Olufsen shares, year-end:
281,032 (2023/24: 247,506)

Educational background
- MSc Econ (cand.polit.) from University of Copenhagen

Directorships and other offices
BM GomSpace Group AB
BM Strandgaarden Wine & Spirits A/S
O Director NWE Invest ApS

LINE KØHLER LJUNGDAHL

Danish, born 1978

Executive Vice President
& Chief Corporate Commercial Officer

Employed since
1 January 2015

Bang & Olufsen shares, year-end:
137,541 (2023/24: 112,566)

Educational background
- Executive MBA from Copenhagen Business School
- Master in law (LL.M) from Copenhagen University

Directorships and other offices
BM Statens Ejendomssalg A/S
BM Impero A/S

CM = Chair VC = Vice Chair BM = Board member O = Other offices

Shareholder information

Bang & Olufsen strives to provide all stakeholders with timely and relevant information through open, transparent and active dialogue.

On 31 May 2025, the market capitalisation of Bang & Olufsen was DKK 1.9 billion, excluding treasury shares. During the financial year 2024/25, the share price increased by 26% to DKK 13.10 on 31 May 2025. By comparison, the Nasdaq OMX MidCap index, which Bang & Olufsen is a part of, increased by 2% over the period. The S&P global luxury index declined by 5% during the period.

On 27 November 2024, we successfully completed a capital increase as a directed issue and private placement without pre-emptive rights for existing shareholders. The offering raised net proceeds of DKK 217 million through the issuance of 24,554,416 new shares at an offer price of DKK 9.27 per share.

Backed by a sound liquidity position, we continued executing on our strategic acceleration by investing in future profitable growth, all while navigating a financial year marked by geopolitical uncertainties.

Shareholder composition

At the end of the financial year 2024/25, the company had around 27,000 shareholders. This was a reduction compared to around 29,000 a year earlier.

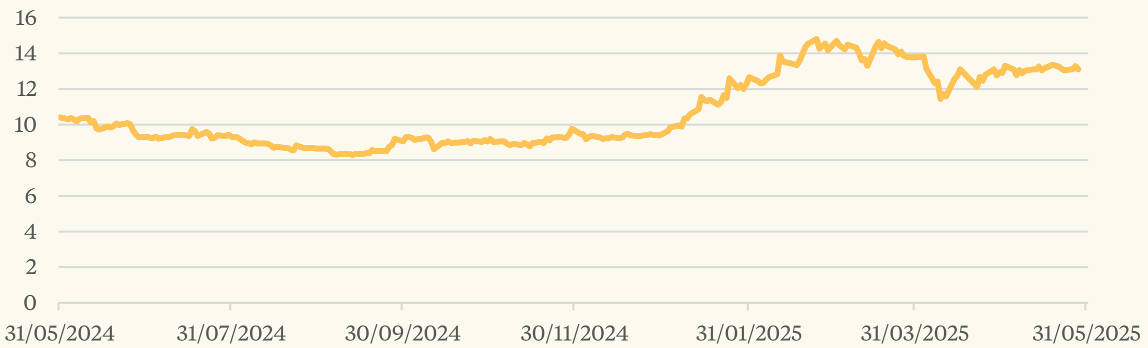
The shareholder base is predominantly Danish, as this nationality accounted for 61% of the total share capital at 31 May 2025 against 66% at the beginning of the financial year.

By the end of the financial year, Bang & Olufsen had received notification from two shareholders holding more than 10% and from four shareholders holding more than 5% of the share capital.

On 31 May 2025, the company held treasury shares equivalent to 2.0% of the share capital for the purpose of hedging the AGM-approved long-term combined performance and restricted share programmes.

To further hedge the programmes, we plan to launch a share buyback programme on the 15 August 2025, following the Annual General Meeting on 14 August 2025. The programme is subject to reapproval of authorisation to purchase own shares at the upcoming Annual General Meeting.

Share price development 1 June 2024 to 31 May 2025

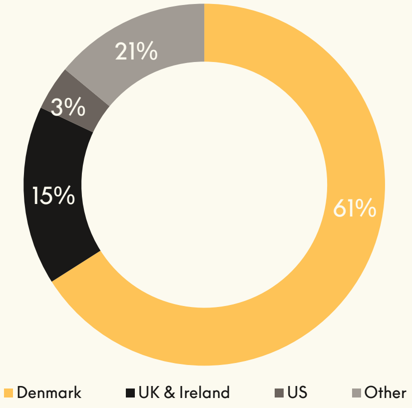


The Bang & Olufsen share

Stock exchange	NASDAQ Copenhagen
Identification code (ISIN)	DK 0010218429

	31 May 2025	31 May 2024	31 May 2023
Closing price (DKK)	13.10	10.40	11.24
Market value (DKKm)	1,930	1,277	1,380
Average daily turnover (DKKm)	1.8	1.3	2.0
Shares issued	147,326,503	122,772,087	122,772,087
Treasury shares	2,963,183	1,768,231	2,983,739
Earnings per share (DKK)	-0.2	-0.1	-1.2
Price/Earnings	-49.1	-75.7	-9.8

Shareholder composition, 31 May 2025



Major shareholders, 31 May 2025

Two shareholders have notified Bang & Olufsen that they hold more than 10% of the company's share capital. Four shareholders have notified they hold more than 5% of the company's share capital.

More than 10%:
- Dyvig Holdings A/S
- New Sparkle Roll International Group Limited

More than 5%:
- Arbejdsmarkedets Tillægspension
- Azura Partners Boreale SARL
- Chr. Augustinus Fabrikker Aktieselskab
- UBS Group AG

Capital structure

The capital structure is reviewed continuously with due consideration for Bang & Olufsen's financial performance and strategic developments, including investment requirements and shareholder interests.

In May 2025, the committed revolving credit facility was refinanced and upscaled from DKK 200m to DKK 300m.

On 31 May 2025, the company's combined capital resources, consisting of available liquidity DKK 350 m and the undrawn part of the credit facility DKK 250 m, amounted to DKK 600m. (year-end 2023/24: DKK 344m).

The Board of Directors proposes that no dividends be paid for the financial year 2024/25 as the company continues to invest in its execution of the Luxury Timeless Technology strategy.

Investor Relations activities

Bang & Olufsen aims to maintain an open and constructive engagement with the market and to be perceived as reliable and transparent by ensuring that relevant and accurate information concerning the Group is made available to the market in a timely manner. In addition to publishing financial results and other company announcements, Bang & Olufsen's Executive Management Board and Investor Relations use webcasts, roadshows, conferences and conference calls as their primary channels of communicating with stakeholders.

The Investor Relations department is responsible for maintaining the day-to-day engagement with current and potential shareholders as well as with sell and buy-side analysts. Information about analyst coverage and access to investor-related materials and conference calls can be found at https://investor.bang-olufsen.com.

Trading Statement for Q1 and Q3

Starting from the financial year 2025/26, the interim reports for Q1 and Q3 will be replaced by trading statements. These statements will highlight material developments and provide key financial metrics as well as updates on strategic progress for the respective periods.

Financial calendar

2025

14 August	Annual General Meeting Bang og Olufsen Allé 1 Denmark Deadline for subjects and proposals to the agenda 3 July 2025
9 October	Trading Statement Q1 2025/26

2026

14 January	Interim report H1 2025/26
16 April	Trading Statement Q3 2025/26
2 July	Annual report 2025/26

Risk management

The purpose of Bang & Olufsen's risk management framework is to safeguard and support the business growth by proactively identifying and addressing risks, opportunities and potential impacts.

Bang & Olufsen regularly evaluates whether individual risks are acceptable or require mitigation to maintain an optimal balance between risk and return. Similarly, opportunities are assessed to determine how they can be leveraged to strengthen the company's position.

Bang & Olufsen takes a systematic approach to risk management, in which risk management tools and templates have been developed to ensure a structured approach to proactively manage risk, impacts and opportunities across the company, including:

- risk management procedure;
- risk governance structure; and
- annual wheel.

The risk management procedure sets out Bang & Olufsen's approach and process to managing risks and the governance structure including roles and responsibilities. A full description of the risk governance structure is available on the company's website: https://investor.bang-olufsen.com/risk-management.

To contain risks within acceptable limits, Bang & Olufsen continuously monitors risks and assesses whether mitigating actions have the expected impact, and whether opportunities can be capitalised. This involves discussions with the Global Leadership Team and relevant stakeholders to evaluate risks and associated mitigating actions based on potential impact and probability of occurrence. These discussions throughout the year enable a proactive approach to adapting business processes and controls to meet, manage or mitigate risks and opportunities, or prevent potential increases in the current level of risk exposure.

Each year, Bang & Olufsen conducts a structured process to identify and assess key risks. This process includes:

- Reviewing external and internal risks by analysing the future relevance of risks under observation and comparing them with those identified by OMX C25 companies.
- Engaging leadership and key stakeholders through interviews to gather insights on risks specific to their areas of responsibility and the company overall.
- Organising and consolidating risks by grouping similar ones to create a clearer and more manageable overview.
- Validating and assigning ownership of each risk through discussions with the Global Leadership Team to ensure accountability.
- Maintaining oversight by providing regular updates to the Audit Committee every two months, along with in-depth reviews twice a year.

The assessment takes into account the potential impact and probability of each key risk. The impact contains three dimensions; financial exposure, reputational damage, and license to operate.

The purpose of the risk management process is to protect the company, meaning the reputation, the people, the business potential and the assets.

Our risks, impacts and opportunities associated with our ESG & Sustainability Ambition and activities, are part of the risk management process and are currently assessed as being within the risks monitored and mitigated. Read more about this in the Sustainability Statement.

Key risks and additional risks

Bang & Olufsen has identified 6 key risks that could impact the company's ability to achieve its financial targets, execute its strategy, or maintain its license to operate. Other risks—such as climate-related and geopolitical risks—may also have an adverse effect. These external risks are monitored regularly, and local risk assessments are conducted when necessary to determine appropriate mitigation measures.

In addition, there are internal operational and financial risks that could affect the company if they materialise. However, these have been assessed as having a low likelihood of occurrence and are therefore not classified as key risks at this time.

ESRS2 GOV-5 partially addressed

Key Risks 2025/26

GLOBAL MACRO-ECONOMIC AND GEOPOLITICAL UNCERTAINTY

Description
Ongoing global economic volatility, trade tensions, and geopolitical shifts continue to shape the external environment in which Bang & Olufsen operates. These factors influence supply chain stability, production costs, and market access, posing challenges to long-term planning and operational resilience.

Risk
There is a risk that macroeconomic disruptions, such as tariffs, inflation, or geopolitical instability, may impact Bang & Olufsen's ability to maintain a flexible and cost-effective supply chain. These external pressures could lead to recession causing lower demand for our products, production delays, increased costs, or reduced profitability if not proactively managed.

Mitigating actions 2025/26
Efforts are focused on building long-term resilience by diversifying the supply chain, executing on our pricing strategy, reducing dependency on high-risk regions, and enhancing operational flexibility. These actions are prioritised by impact and aim to ensure the company remains agile and well-prepared to navigate future global uncertainties and capitalise on opportunities.

ACCELERATING STRATEGIC PARTNERSHIPS

Description
Bang & Olufsen's long-term growth ambitions rely on building and expanding strategic partnerships that align with the Luxury Timeless Technology strategy. This includes onboarding retail partners, who reflect the brand's luxury positioning, and developing technology features that make Bang & Olufsen, a desirable technology partner.

Risk
There is a risk that Bang & Olufsen may not be able to scale strategic partnerships at the required pace. This includes challenges in identifying and onboarding the right retail partners as well as delivering relevant technology features. Failure to address these could limit market expansion, reduce partner engagement, and impact our ability to achieve growth targets.

Mitigating actions 2025/26
Mitigation actions are focused on strengthening partner engagement model and technology offering. Actions include improving areas such as partner onboarding process, outreach through digital marketing and luxury retail networks, and building relationships with key commercial real estate owners. On the technology side, the company is maturing feature sets for key verticals, recruiting dedicated technical resources, and deepening collaboration with existing partners to expand category relevance.

SECURING FUTURE TALENTS

Description
The transition to a Luxury Timeless Technology strategy demands new capabilities, organisational structures, and leadership behaviours. Amid uncertain market conditions and increasing competition for talents, Bang & Olufsen faces continued pressure to attract, develop, and retain the right people.

Risk
There is a risk that Bang & Olufsen will be unable to secure the talent pipeline required to deliver on its strategic ambitions. This includes challenges in recruiting luxury and technical profiles, fostering a culture that supports transformation, and retaining key employees. Failure to address these areas may result in execution delays, reduced organisational resilience, and missed financial targets.

Mitigating actions 2025/26
Bang & Olufsen is prioritising the mapping of critical competencies and implementing a 3-year workforce plan focused on luxury and tech profiles. Communication is being enhanced through a renewed Employer Value Proposition. Learning programs and leadership development are being scoped to support the Luxury Timeless Technology transformation.

IT SECURITY

Description

As digital operations expand and threats evolve, maintaining a secure and resilient IT infrastructure is critical to protecting Bang & Olufsen's data, systems, and brand reputation. The company must continuously adapt its security posture to meet regulatory requirements and defend against increasingly sophisticated cyber threats.

Risk

There is a risk that Bang & Olufsen fails to adequately protect its IT infrastructure, key systems, and products against security incidents. This could result in service disruptions, data breaches, reputational damage, and regulatory penalties. The risk spans operational, reputational, and financial dimensions, with potential long-term consequences for business continuity and stakeholder trust.

Mitigating actions 2025/26

Mitigation is focused on the continued strengthening of IT security practices across the organisation. Significant progress has already been made in improving systems, updating internal policies, and enhancing network resilience. Ongoing efforts are focused on maintaining these improvements, embedding secure practices into daily operations, and ensuring readiness for future regulatory and cyber risk challenges.

ELEVATING CLIENT AND BRAND EXPERIENCE

Description

As client expectations evolve, Bang & Olufsen must continuously elevate its client experience and brand presence. External pressures—such as shifting customer behaviours, rising standards for luxury service, and the need for stronger brand differentiation—are driving the urgency to deliver a seamless and premium experience across all touchpoints.

Risk

There is a risk that Bang & Olufsen may not meet rising external expectations for luxury service and brand engagement. This includes challenges in adapting to changing client preferences, securing premium retail partners and locations, and ensuring that marketing efforts effectively convert awareness into sales. If not addressed, these external pressures could impact clients' loyalty, brand equity, and revenue growth.

Mitigating actions 2025/26

Mitigation is focused on improving the company's strong brand reputation. Key efforts include refining the luxury service model, enhancing partner onboarding, and ensuring global marketing remains aligned and responsive to evolving client expectations.

INNOVATING FOR TOMORROW

Description

Bang & Olufsen's ability to drive future growth relies on developing and executing a high-quality, innovation-led product portfolio that reflects the Luxury Timeless Technology strategy. This includes delivering on the product roadmap with speed and precision, while ensuring a seamless and premium software experience that meets the expectations of luxury clients.

Risk

There is a risk that Bang & Olufsen may not be able to develop and deliver a product portfolio that fully supports the Luxury Timeless Technology strategy. This includes potential delays in executing the product roadmap and challenges in maintaining the software quality expected by luxury clients. This could lead to missed market opportunities, reduced competitiveness, and an inability to meet long-term growth ambitions.

Mitigating actions 2025/26

Mitigating activities include evaluating and strengthening the capabilities of its tech leaders, product development processes and software capabilities. This includes rolling out a new governance model to align product and technology planning with strategic priorities, hire more luxury and tech profiles and dedicating a bigger quality team to drive improvements in software performance and user experience.

Sustainability Statements

General Information

Sustainability ambition

SBM-1 Our Luxury Timeless Technology strategy and sustainability ambition

At Bang & Olufsen, we create Magical Moments, Designed for Life. It defines our brand and guides our approach to sustainability as we navigate the challenges and opportunities of responsible business practices. Specifically, our sustainability ambition is *to lead and inspire a movement towards a circular, regenerative future by creating Luxury Timeless Technology products and experiences – from the first client to the last.*

As a luxury brand, our commitment to craftsmanship and superior quality means that we rely on high-quality materials. This presents a challenge in balancing material excellence with responsible sourcing and environmental impact. We address this by championing longevity, ensuring that our products are designed to stand the test of time, and reducing waste and resource consumption.

Our products are created to last for generations, reinforcing our belief in durability over disposability. The challenge lies in ensuring that our designs, materials, and repairability align with this vision. We actively promote circularity by offering refurbishment, software updates, and modular components, extending product life and reducing environmental impact.

Magical moments, designed for life.

Brand positioning	Channel development	Elevated product portfolio	Partnership expansion

Main sustainability challenges[1]

Positioning Bang & Olufsen as a sustainability leader in luxury tech: balancing environmental responsibility with premium product appeal. (E1, E5)	**Integrating retail partners** with Bang & Olufsen's sustainability and ethical business standards. (S1, G1)	**Reducing product-related emissions and energy use**, particularly from always-on devices, while maintaining performance and quality. (E1)	**Driving emissions reduction and renewable energy use across the supply chain**, especially with ODMs and manufacturers using fossil-based energy. (E1)	**Adapting to climate-related disruptions** in logistics and supply chains to safeguard operational continuity and financial performance. (E1)
Maintaining brand integrity considering ESG-related risks, such as privacy breaches (S4), supply chain pollution (E2), or brand ambassador behaviour (G1).	**Managing end-of-life product returns or repairs** via channels that sometimes lack circular infrastructure or recycling capabilities. (E5)	**Integrating circular design principles** to address raw material scarcity, battery use, and waste challenges—balancing aesthetics with durability and repairability. (E5)	**Ensuring supplier practices address pollution risks**, including hazardous materials, wastewater, and emissions from electronics production. (E2)	**Improving internal workforce resilience**, including fair employment practices, diversity in leadership, and bias-free performance evaluation systems. (S1)
Addressing consumer trust and expectations on data privacy and ethical partnerships, in marketing and communication. (S4, G1)	**Ensuring responsible logistics and transportation** practices to minimise air pollution and carbon emissions. (E1, E2)	**Mitigating health and safety concerns** related to prolonged use (e.g., hearing health) and ensuring compliance with chemical and material regulations. (S4, E2)	**Upholding ethical labour and human rights standards**, including fair payment terms, safe working conditions, and avoiding forced labour at suppliers. (S1, G1)	**Preventing cybersecurity and business conduct risks**, such as vulnerabilities in product security and weak internal controls. (G1)

Table 1: Our strategy and main sustainability challenges

Table abbreviations, such as E1, refer to the corresponding topical standards under the European Sustainability Reporting Standards (ESRS), with which this report adheres to. Refer to our chapter titles for further definitions.

Our sustainability ambition and goals apply to all of our product groups, services, geographic locations and clients. You can find more information regarding our sustainability ambition and interaction with our stakeholders on page 56.

To further reinforce our commitments, we are part of several international organisations and follow standards leading the way across Environmental, Social, and Governance (ESG) dimensions, such as the United Nations Global Compact, the Science Based Targets Initiative, the Cradle to Cradle Certified® framework and the World Economic Forum's First Movers Coalition.

To measure our progress, we have set sustainability targets aligned with our commitments through our international memberships, as well as our material topics identified through our double materiality assessment (DMA). The specific details can be found throughout our report, reflecting our dedication to transparency and continuous improvement in sustainability performance.

SBM-3 Our business model—anchored in the Luxury Timeless Technology strategy—covers a range of material sustainability impacts, risks, and opportunities (IROs) across our value chain. These are identified through our DMA, most recently conducted in 2024 using the time horizons as defined in ESRS (European Sustainability Reporting Standards).

We assess the resilience of our proposition and strategy by evaluating how it can adapt to material sustainability risks and opportunities. This includes areas such as product design, supply chain, operations, client experience, and governance. The insights from our DMA directly affect strategic decisions, supporting long-term value creation and business model resilience.

As part of our DMA and ongoing risk management processes, we assessed the potential financial effects of our material sustainability-related risks and opportunities. At present, we have not identified any material impacts that would warrant adjustments to our financial position, performance, or cash flows, nor any risks or opportunities likely to lead to significant changes in the carrying amounts of assets or liabilities within the next annual reporting period. We regularly conduct enterprise risk assessments, and based on our current understanding, no sustainability-related financial effects are material at this time.

Forward-looking statements

This report includes forward-looking statements related to future performance, sustainability targets, and strategic ambitions. These are subject to risks and uncertainties, including market conditions, regulatory changes, supply chain factors, financial variables, and scientific or technological developments. Actual outcomes are likely to be different, since anticipated events frequently do not occur as expected.

Our commitments

Sustainability governance

GOV-1 Our supervisory bodies

At Bang & Olufsen, sustainability is a core element of how we operate and evolve as a business. To embed this commitment across our organisation, we have established a dedicated sustainability governance framework. This structure supports clear strategic oversight and strengthens accountability for managing key ESG impacts, risks, and opportunities (IROs) across all levels of the company.

The overarching policy framework guiding our sustainability efforts is set out in the *Stakeholder and Sustainability Policy*. More information can be found in our *Corporate Governance report*.

GOV-1 Board of Directors, Representation

	Unit	2024/25
Members	Count	8
Employee-elected members	Count	3
Female members (shareholder and employee-elected)	%	38
Female members (shareholder-elected)	%	20
Independent members	%	50

Board of Directors

The Board of Directors receives a biannual update on the status of sustainability targets and the progress on targets relating to IROs from the Head of Corporate Responsibility. Furthermore, the Board of Directors annually reviews and approves the five Global Policies, which describe the company's approach to many sustainability-related topics. The Board of Directors' ability to address material sustainability IROs is assessed through the annual Nomination Committee's competency assessment process, which is approved by the Board of Directors. As of our year end, there are eight members of the Board of Directors (non-executive).

Audit Committee

The Audit Committee holds the overall responsibility for overseeing the reporting process of ESG-related IROs. The Audit Committee receives quarterly updates on sustainability governance matters, including the performance of the global compliance programme, the status of whistleblower cases and performance of IT security measures. The Audit Committee's responsibilities for sustainability reporting are described in the *Charter for the Audit Committee* available on the corporate website.

Executive Management Board

Daily management of IROs is primarily handled by the Corporate Responsibility department. The Head of Corporate Responsibility provides weekly updates to the Chief Corporate Commercial Officer (a member of the Executive Management Board) on developments related to sustainability and IROs. The Executive Management Board is also responsible for the approval of the sustainability ambition. As of our year end, there are three members of the Executive Management Board (executive). All EMB members possess ESG-related competencies, with a demonstrated understanding of environmental, social, and governance impacts relevant to our operations—ranging from climate and circularity to working conditions, consumer safety, and responsible business practices. In addition, the Executive Management Board brings extensive experience across the consumer electronics sector, luxury audio and services sector, and design-driven innovation, with a strong understanding of the markets in which we operate, including Europe, North America, and Asia.

Sustainability Committee

The Head of Corporate Responsibility reports quarterly on key sustainability activities and IROs to the Sustainability Committee, established by the Executive Management Board. This Committee includes the Chief Corporate Commercial Officer, Chief Financial Officer, Chief Human Resources Officer, Chief Operating Officer, and Vice President of Product Management. The Committee is also involved in the ongoing assessment of skills required to address material IROs within its domain and across relevant teams. If gaps are identified, actions such as training, external consulting, or hiring are considered and acted upon.

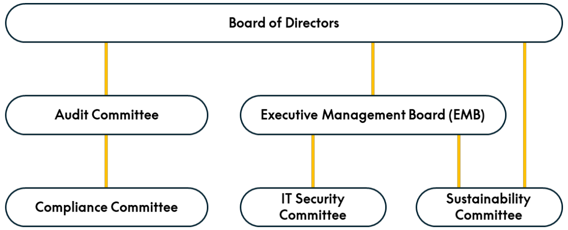
Compliance Committee

The Head of Corporate Responsibility reports quarterly on key compliance activities and related IROs to the Compliance Committee, which works under a mandate from the Board of Directors, as approved on 6 July 2020. This Committee includes mid-level managers representing each area of the Global Leadership Team. The work of the Compliance Committee includes the ongoing assessment of the performance of the global compliance programme and conducting an annual compliance risk assessment.

IT Security Committee

The IT Security Committee oversees the IT Security programme, global risk tolerance, and cybersecurity investment decisions. It includes the Chief Financial Officer, Chief Corporate Commercial Officer, Vice President of IT, Chief Information Security Officer, Head of Corporate Responsibility, and Vice President of Digital and Product Experience. The committee meets quarterly and ad hoc in response to IT threats.//

Our Sustainability Governance Model



Integration of IROs in governance oversight
There is not a set process for considering IROs by the Board of Directors and the EMB when overseeing the strategy, decisions on major transactions or as part of the enterprise risk management process. However, it is considered that through the progress reports to the Sustainability Committee and the Board of Directors, the knowledge of the IROs will form an integral part of the decisions made in overseeing the strategy, decisions on major transactions and assessing enterprise level risks.

GOV-2 Progress reports and compliance

Progress on sustainability IROs is tracked through:

- Weekly updates from the Head of Corporate Responsibility to the Chief Corporate Commercial Officer;
- Quarterly updates from the Head of Corporate Responsibility to the Sustainability Committee;
- Quarterly updates to governance topics to the Audit Committee;
- Biannual reviews by the Board of Directors

While the above includes references to Board-level engagement, this section focuses on management's role in operationalising the IRO process. See GOV-1 for additional details on Board-level oversight.

While the DMA process of establishing IROs for this report was comprehensive, the future due diligence process is still to be fully established. The future due diligence process is planned to become an annual review of both current IROs, as well as potential new IROs with relevant internal stakeholders in order to establish relevance. The due diligence process is expected to be led by Corporate Responsibility, in collaboration with relevant functions such as Risk, Finance, and Legal, to ensure a robust and consistent review of sustainability-related risks and opportunities. //

GOV-3; E1.GOV-3 Sustainability-related performance in incentive schemes

Currently, the variable remuneration of our Executive Management Board does not include ESG-related considerations.

There are currently no climate-related targets included in the remuneration framework, and no concrete plans have been developed despite ongoing internal discussions. Accordingly, the proportion of remuneration linked to climate-related considerations is zero.

Details of executive remuneration are provided separately in the Remuneration Report available on our website. //

GOV-5 Sustainability reporting and risk management

Sustainability Reporting Controls and Risk Management
We have implemented a range of sustainability controls and procedures to support accurate and reliable reporting. These include an ESG Accounting Manual, a DMA memo and playbook, as well as Corporate Sustainability Reporting Directive-specific controls.

Our sustainability reporting process is underpinned by a risk assessment approach carried out during the data collection phase. We categorise data by Environmental (E), Social (S), and Governance (G) dimensions, as well as by quantitative and qualitative data types. Each dimension is assessed and assigned a risk level—low, medium, or high—based on factors such as the availability of historical data, prior reporting experience, reliance on estimates, and the degree of uncertainty involved. We prioritise the review of medium and high-risk data points to ensure enhanced scrutiny and accuracy.

No high-risk areas were identified during this process. General disclosures, and data under the Social and Governance categories, were classified as low risk due to mature data collection processes and the absence of estimations or uncertainties. The Environmental section, particularly emissions and waste data, involves some level of estimation. However, as this data has been previously reported and the underlying methodology is well-established, it was assessed as low to medium risk.

Data Ownership, Review Process, and Oversight
Our sustainability reporting process follows a clear and well-defined structure with roles and responsibilities clearly assigned. Subject-matter experts—referred to as "data owners"—are responsible for preparing the initial draft of data collection. This is followed by a managerial review, where applicable, and a final review and compliance check conducted by the ESG controller.

To ensure data accuracy and minimise the risk of material misstatements, we have established internal control mechanisms. Should the risk assessment or internal controls identify any opportunities for improvement, theses will be addressed with the data owners.

Our Audit Committee was kept informed on two separate occasions. Regular updates were also provided to our Executive Management Board and Sustainability Committee, ensuring strong governance and oversight of the sustainability reporting process. //

GOV-4 Sustainability due diligence

The table below indicates where in our Sustainability Statement we detail our due diligence processes, including how we apply its key aspects. //

GOV-4 Core elements of due diligence	Page number	People/ environment
Embedding due diligence in governance, strategy and business model	46, 47	People and environment
Engaging with affected stakeholders in all key steps of the due diligence	56, 100, 109	People and environment
Identifying and assessing adverse impacts	46, 47, 52	People and environment
Taking actions to address those adverse impacts	67, 81, 87, 101, 110, 115	People and environment
Tracking the effectiveness of these efforts and communicating	64, 67-74, 79, 81-83, 84, 87-89, 98, 101-105, 108, 110- 111, 113, 115-117	People and environment

Our sustainability reporting framework

BP-1 / BP-2 Basis for preparation

General Basis for Preparation of the Sustainability Statement

Bang & Olufsen's Sustainability Statement has been prepared in compliance with the Corporate Sustainability Reporting Directive (CSRD) and with reference to the European Sustainability Reporting Standards (ESRS). It has been prepared in accordance with the same principles as our financial statements – thus, the ESG data presented is prepared as a consolidation of the Parent Company, Bang & Olufsen A/S, and its subsidiaries in accordance with the Group's accounting policies. All subsidiaries have been included in this report. The Sustainability Statement covers our own operations and upstream and downstream operations. No specific piece of information corresponding to intellectual property has been omitted.

Disclosures in relation to specific circumstances

The non-financial accounting principles set out the scope, criteria, assumptions, and principles for how we calculate our non-financial environmental, social, and governance data. The principles apply to the data in our 2024/25 annual report. The accounting principles can be found at the end of each section throughout the report.

In preparing our ESG disclosures, we rely on a combination of actual data, estimates, and management judgments. The only restatement of ESG data from previous years relates to our GHG emissions, which have been rebaselined to reflect improved methodology and data availability. No other estimates or judgments required restatement, and any relevant methodological notes are included in the accounting policy sections within each topic.

Changes in presentation of the Sustainability Statement

The 2024/25 Sustainability Statement has been structured to comply with the CSRD legislation and follows the ESRS framework, resulting in changes to both the reporting structure and presentation. Where we have comparative figures, these will be disclosed in the relevant sections throughout the report.

Our approach supports transparency and consistency in our reporting, aligning with the requirements of the ESRS framework.

Disclosure requirements by reference

The full list of ESRS disclosure requirements that have been deemed material to Bang & Olufsen can be found on page 57. In addition to this, we have included a list of disclosure requirements that have been incorporated by reference, which are presented in the Management Review section of this report.

Use of phase-in provisions in accordance with Appendix C of ESRS 1

We have opted to use the phase-in provisions for a number of disclosure requirements. The disclosures are listed in the table on page 57.//

IRO-1 Double materiality

Identifying Sustainability Matters

At the start of our 2024/25 financial year, we completed a Double Materiality Assessment (DMA) in compliance with the ESRS. In the initial phase, we conducted an extensive exploration of sustainability topics relevant to our business. This involved reaching out to key internal and external stakeholders to gain insights into emerging sustainability issues. At the outset of our DMA, we used the ESRS 1 AR 16 table: *Sustainability matters covered in topical ESRS* to ensure comprehensive topic coverage and alignment with the ESRS framework. We carefully scoped the boundaries of our business, encompassing our own operations and broader value chain, to ensure a comprehensive assessment of sustainability matters.

Stakeholder engagement

To refine our understanding of material impacts, risks, and opportunities (IROs), at the start of our financial year, we organised stakeholder workshops with experts and leaders from various domains within our business. These sessions provided valuable perspectives and

helped us identify key sustainability topics. The insights gathered from these engagements formed the foundation for our materiality assessment. We did not conduct consultations with affected communities.

G1.IRO-1 With regards to business conduct, a stakeholder workshop was completed at the start of the financial year with experts and leaders from various domains within our business. External research was considered in the workshop such as country specific information from Transparency International, anti-corruption insights from the UN Global Compact, and utilising insights from the World Economic Forum's Global Risks Report to ensure a comprehensive assessment of our impacts, risks, and opportunities. Furthermore, historical company data relating to whistleblower cases, relationships with suppliers and the annual compliance risk assessment by the Compliance Committee were also considered in the workshop.

Approach to Materiality and Scoring
Our materiality assessment followed a structured approach that integrated both impact materiality and financial materiality:

Impact Materiality: We evaluated sustainability matters based on their scale, scope, irremediability, and likelihood of occurrence. This process was aligned with ESRS 1 section 3.4 and informed by our ongoing due diligence practices. It included an assessment of specific business activities, relationships, and geographies that may present heightened risks of adverse impacts—such as environmental impacts from manufacturing or labour conditions in our factories.

Financial Materiality: We leveraged our Enterprise Risk Management (ERM) framework to determine the financial implications of sustainability topics.

To determine materiality, we applied scoring thresholds out of 5: a score of 3 or more for impact materiality and 3.5 or more for financial materiality was considered material.

To identify, assess, prioritise, and monitor sustainability-related risks and opportunities with potential financial effects, we applied a structured approach grounded in both our materiality assessment and ERM framework. We began by identifying the company's key sustainability impacts and dependencies—such as energy use, responsible sourcing, and labour practices—through stakeholder engagement and internal analysis. We then analysed how these impacts and dependencies could give rise to financial risks or opportunities, ensuring that the connections between sustainability issues and financial effects were clearly established. These were then evaluated for their potential to translate into financial risks or opportunities, for example through reputational impact, supply chain disruptions, regulatory changes, or shifts in consumer demand. We assessed material information through our Double Materiality Assessment process, aligning with ESRS 1 section 3.2.

We assessed these financial effects by considering the likelihood, magnitude, and nature of each risk or opportunity, using criteria aligned with ESRS 1 section 3.5 on financial materiality. This included applying both qualitative thresholds – such as alignment with strategic objectives and the potential to trigger stakeholder scrutiny – and quantitative indicators, i.e. – effect on EBIT, reputational damage and compliance risk. Where relevant, we explored the interconnectedness between our environmental and social impacts and our financial position—for example, how climate-related risks may increase production costs or how positive product innovation can create new revenue streams. This integrated approach allows us to prioritise and monitor material risks and opportunities as part of our broader financial and sustainability planning.

Outcome of the Double Materiality Assessment
Through this comprehensive evaluation, we identified a total of 230 IROs. After further analysis and prioritisation, 54 of these were deemed material, forming the basis of our sustainability reporting and strategic focus areas. We have grouped these by relevant themes – please see page 54 for reference.

All identified material ESG risks are integrated into our overall risk management process.

We plan to revisit our Double Materiality Assessment on an annual basis. Rather than repeating the full process each year, we will apply a targeted review approach—conducting light-touch updates for areas where conditions remain stable, and more in-depth reassessments for topics where risks, impacts, or stakeholder expectations have evolved.

E1.IRO-1 **Climate risk assessment & resilience analysis**
We have not yet undertaken a comprehensive analysis or assessment of transitional and physical climate-related risks and therefore have not identified any specific chronic or acute hazards.

In our double-materiality assessment process we have reviewed data relevant to climate and its potential impacts on our business, which contributed to our assessment of E1 Climate being material, and next step will be to perform a climate risk assessment and resilience analysis.

We have conducted a preliminary screening of our value chain, which suggests that chronic hazards such as water stress and heat stress are likely to occur in various locations. Acute hazards, including drought, wildfires, flooding, or cyclones, may also potentially occur, though these are more difficult to predict. Our upstream value chain—particularly production within ODMs (Original Design Manufacturers)—may be exposed to such risks from a business perspective. Following further assessment, climate-related risks and hazards are expected to pose potential challenges. These include: the need to adapt to distribution disruptions caused by changing weather patterns and extreme events; emissions contributing to climate change; standby energy consumption of our products, which continues to generate significant emissions even when not actively in use; ongoing requirements to enhance energy efficiency and reduce phased emissions through software updates; and the risk of increased emissions due to energy use associated with shipping disruptions.

At present, no specific time horizons have been defined, and no precise climate scenarios have been applied to assess the exposure or sensitivity of our assets.

We have not yet identified precise short-, medium-, and long-term transition risks. However, our latest double materiality assessment (DMA) has helped us pinpoint potential transition-related issues that are likely to be material for our business. Our decarbonisation strategy is a central focus. We have set validated Science Based Targets (SBTi) for Scope 1, 2, and 3 emissions, aiming for Net-Zero by 2040. These targets, along with the measures implemented to support them, position us to respond proactively to regulatory developments such as rising greenhouse gas (GHG) pricing.

We are also preparing for technological shifts in our sector, such as the EU Batteries Regulation. Investments in Cradle to Cradle Certified® (C2C) certification play a key role here. Our plan is to certify all newly designed products, which enhances their circularity and reduces their carbon footprint. This approach supports a broader transition to lower-emissions technologies and product offerings.

On the market and reputational front, our Luxury Timeless Technology strategy and advocacy initiatives are designed to build resilience and leadership. These efforts include public outreach to engage with over 1 million people, promoting product longevity and sustainability. For example, we provide modular design and C2C information to clients, and host events like International Repair Day, Science Day, and public panels to raise awareness and foster dialogue. The assessment of the likelihood, duration, and magnitude of potential impacts was conducted with a limited scope as part of the DMA, drawing on input from stakeholder workshops. This process led to the identification of both material and non-material topics. However, no additional detail was provided regarding the extent of effects based on likelihood, duration, or magnitude beyond this initial assessment.

We have not identified any business activities that present significant incompatibilities with our transition goals. While an increase in units sold would naturally lead to higher GHG emissions, we have set dedicated, SBTi-validated targets—including a Net-Zero goal by 2040—and have put specific levers in place to achieve them. On the product front, we are strongly committed to longevity and the circular economy. This commitment is supported by tangible evidence, such as our 6 new C2C product certifications achieved in 2024/25. In terms of materials, we use a substantial amount of aluminium but have proactively addressed this by joining the First Movers Coalition (FMC) for aluminium, with a goal of using 50% or more recycled aluminium by 2030. //

E3.IRO-1; E4.IRO-1 **Rationale for Exclusion of Topics**

During our assessment, we made a deliberate decision to exclude Sustainability Matter S3 Affected Communities from our scope. This topic was deemed not relevant to our business operations or value chain, so we believe its inclusion would not provide meaningful insights or drive significant impact within our sustainability ambition.

In addition, the topics E3 Water and Marine Resources, E4 Biodiversity and Ecosystems, and S2 Workers in the Value Chain were assessed as part of our materiality process. However, none of the related impacts, risks, or opportunities met the threshold to be considered material under the ESRS framework. As such, while these topics were within the scope of our assessment, they are not reported as material in this year's disclosures.

E3.IRO-1

In 2023/24, we began assessing nature-related impacts, risks, and opportunities across operations and its value chain, including offices, company-owned company operated stores, suppliers, and warehouses. Using the WWF's Biodiversity and Water Risk Filter Tools, the company mapped nature interfaces and evaluated dependencies across relevant industries. Key water-related risks—physical, regulatory, and reputational—were identified at both basin and operational levels. The assessment highlighted multiple risk types but did not consider policies or include stakeholder consultations. Socioeconomic factors, such as historical water conflict data, were reviewed to identify affected communities, though direct engagement has not yet occurred.

E4.IRO-1

Based on our double materiality assessment and biodiversity mapping, we currently have minimal direct impact on biodiversity, and no material risks have been identified. While many biodiversity concerns are linked to climate change and raw material sourcing, we are conducting an internal assessment to better understand our dependencies and impacts on flora and fauna. None of our own sites nor those of our suppliers are near biodiversity-sensitive areas, and no mitigation measures are currently required. Data on raw material impacts and affected communities is limited, and no consultations have been conducted. Future risks will be reassessed regularly, and actions taken as necessary. //

Double materiality assessment – process

At the start of the financial year, we completed a Double Materiality Assessment (DMA) in compliance with the ESRS. The execution process is outlined below:

Initiation & exploration

The project was initiated based on an assessment that Bang & Olufsen was subject to CSRD.

An initial core project team from key affected departments in Bang & Olufsen was established. Through this group, there is outreach to relevant network groups/connections to learn from their experiences with implementing the legislation.

Engagement of external support for sparring, tools, and expert advice was initiated.

Initial project work

Core team membership is reviewed and expanded to include all relevant, critical, internal stakeholders (sustainability, finance, compliance, quality management, privacy, enterprise risk management, people & culture).

DMA project tasks, timeline, and project plans are established and agreed.

Scoping the boundaries

Understanding and defining the boundaries of our DMA, business model, and our value chain.

These boundary assumptions are reviewed and validated by internal experts across the business.

The evaluation criteria for the impact and financial assessments are developed and agreed – includes thresholds, time horizons, and other relevant definitions.

Identifying stakeholders

This step is guided by the list of definitions in the legislation, whereby the relevant internal colleagues who could act as stakeholder representatives are identified.

After this, certain subject matter experts are identified to provide expertise and business or sustainability knowledge to support the DMA process

Generating IRO gross list; agreement on exclusion of non-material topics

Desk research pre-screening and analysis of issues that are deemed relevant sustainability matters for Bang & Olufsen. We drew on global and regional existing and expected legislation, literature and knowledge relating to sustainability; within the consumer electronics and luxury industries; Bang & Olufsen's product and operational, environmental and social impacts; peer benchmark; literature review of evolving sustainability trends.

Onboarding of stakeholders

Identified IRO's are validated by engaging a wide range of stakeholder representatives who have a deep knowledge in market dynamics, client expectations, employee concerns, supplier relations, biodiversity and environmental matters, products, and relevant regulatory matters, etc.

All stakeholder representatives from across Bang & Olufsen are invited to DMA information sessions.

Stakeholder workshops evaluating the impact and financial materiality of all relevant ESRS categories

IROs are classified into the different ESRS categories. For all ESRS categories that were determined to have IROs that should be evaluated for impact and financial materiality, there is a workshop conducted.

During these workshops, the IRO list is reviewed, assessed and each IRO individually scored. New IROs that were not previously captured are also included and evaluated.

Additional data and insight gathering to substantiate evaluations or conclude assessments

Any IROs that could not have their impact and financial materiality fully assessed due to insufficient information in the workshops, required additional data and insight gathering after the workshops. This is led by the core team (depending on topic), the relevant subject matter experts (SME), and/or external partners.

Review and sense check with Sustainability Committee and Board of Directors

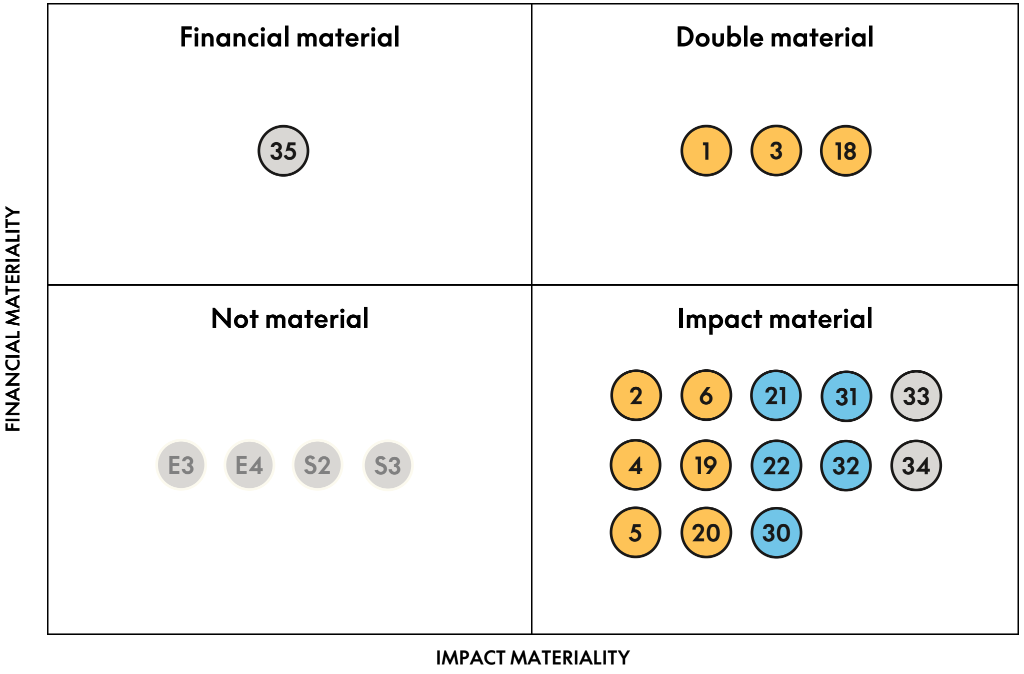
Results of the assessments are combined on a materiality matrix. The core team sense checks the output and reviews the supporting argumentation for all IROs plotted in the matrix. Any outliers or unexpected results are reviewed in detail and either confirmed or changed to reflect new information or understanding of the issue. Materiality thresholds are assessed and agreed on by the team.

Agree and approve final matrix

The recommendation is brought to the Sustainability Committee and the Audit Committee for review. Once reviewed, it is shared with the Board of Directors for their approval.

Double Materiality Assessment Matrix

Double Materiality Assessment



Note: for clarification on excluded topics, refer to page 51, Rationale for Exclusion of Topics

Environment

E1 Climate

1 Climate change adaptation
2 Climate change mitigation
3 Energy

E2 Pollution

4 Pollution of air
5 Pollution of water
6 Substances of concern
7 Microplastics
8 Pollution of soil
9 Living organisms and food resources

E3 Water and marine resources

10 Water consumption
11 Water withdrawal and discharge
12 Water discharges in the oceans
13 Extraction and use of marine resources

E4 Biodiversity and ecosystems

14 Direct impact drivers of biodiversity loss
15 Impacts on the state of species
16 Impacts on the extent and condition of ecosystems
17 Impacts and dependencies on ecosystem services

E5 Resource use and circular economy

18 Resources inflows, including resource use
19 Resource outflows related to products and services
20 Waste

Social

S1 Own workforce

21 Working conditions
22 Equal treatment and opportunities for all
23 Other work-related rights

S2 Workers in the value chain

24 Working conditions
25 Equal treatment and opportunities for all
26 Other work-related rights

S3 Affected communities

27 Economic, social and cultural rights
28 Civil and political rights
29 Rights of indigenous peoples

S4 Consumers and end-users

30 Information-related impacts
31 Personal safety
32 Social inclusion

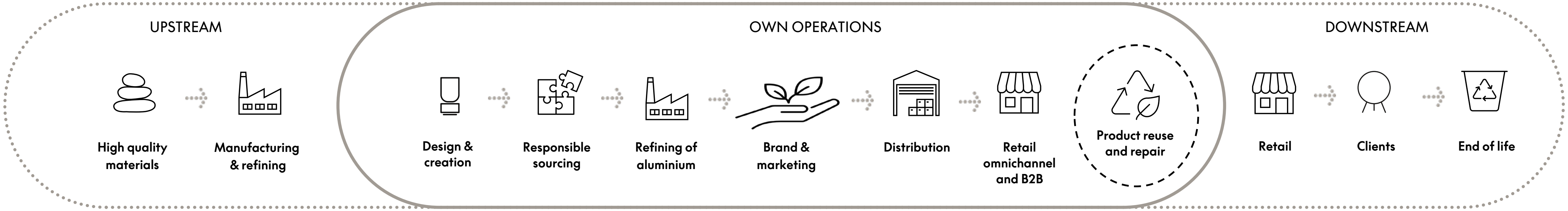
Governance

G1 Business conduct

33 Corporate culture
34 Relationships with suppliers
35 Cybercrime and cyber security
36 Protection of whistleblowers
37 Political engagement
38 Animal welfare
39 Corruption and bribery

SBM-3 Business Model and Value Chain

The value chain overview presented here reflects our sustainability perspective, highlighting the areas where we have material ESG impacts rather than solely focusing on production or operational presence. We address material impacts across our value chain to create long-term value and mitigate key risks. By managing core activities in-house and maintaining close partnerships upstream and downstream, we advance responsible growth, reduce negative impacts, and build business resilience. On page 55, our most significant sustainability-related IRO's are disclosed, including their location in our value chain. A full description of our business model can be found in the Management Review section of this report. //



High quality materials. Materials include aluminium, wood and electronics components, such as chips and sensors. All materials are responsibly sourced and undergo strict quality control.

Manufacturing and refining. We have third party production facilities in Europe and Asia to mitigate production dependencies. Production and assembly requirements differ depending on the type of product.

Design and creation. We deliver a unique combination of capabilities in sound, design, technology and craftsmanship. In the design creation phase, we engage with both in-house and partner designers. In line with our longevity promise, we adhere to circular design principles. We develop software platforms in-house (Mozart and Amadeus) and engage with ODM's on specific features. Software updates are implemented on a continuous basis for our existing products.

Responsible sourcing. We source high quality materials in a responsible way.

Refining of aluminium. We maintain key capabilities internally, including our world-leading aluminum facility and Atelier Studio to deliver bespoke solutions. Adhering to our sustainability efforts, we focus on low-emission processes, renewable energy and waste reduction.

Brand & Marketing. We have a key focus on elevating brand awareness and brand equity that is backed by data and analytics, while maintaining brand integrity and positioning us as a sustainability leader in luxury technology.

Distribution. We transport finished goods through regional hubs by prioritising sea and rail freight. Distribution is listed under own operations as it is managed in-house, despite using logistics partners and third-party regional hubs.

Retail omnichannel and B2B. Our footprint extends to 70 markets and digital presence. Our network consists of around 360 branded stores, of which 13 are company-owned, providing a full brand experience. In addition, we engage in business-to-business and strategic partnerships.

Product reuse and repair. We offer take-back schemes and repair programs for our clients, refurbishing iconic products in line with our longevity promise and product reuse. We repair and refurbish our products at our facilities in Struer, Denmark.

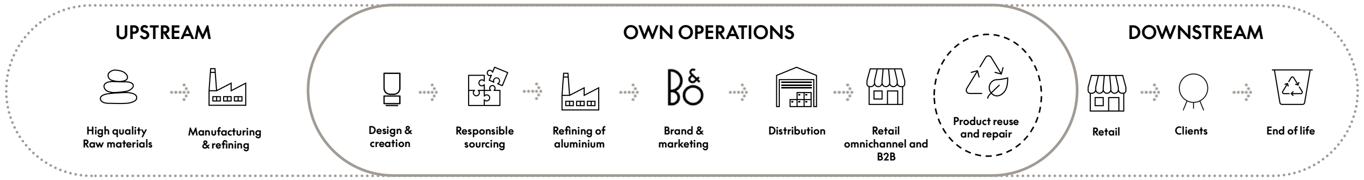
Retail. Our retail network operates through partners aligned with our sustainability and ethical business standards. In addition, we offer after-sales service and customer support via partners and in-house.

Clients. Our clients are music and design lovers, audiophiles, and design-conscious buyer. We engage with our clients through our network, events, collabs and community-building efforts.

End of life. Our partners, like us, manage end-of-life product returns or repair and take-back schemes in line with our longevity promise and product reuse. Repairs and refurbishments happen at our facilities in Struer, Denmark.

SBM-3 Material impacts, risks and opportunities

Our DMA process generated a total of 54 material IRO's. For clarity, we have organised these into the five material ESRS categories and aggregated IRO's where relevant. A description of these, including how they impact our business and value chain can be found in the table below. //



Category	IRO		Short-	Med-	Long-	Page number
ESRS E1 CLIMATE CHANGE	Risk, Potential negative impact	Changes in value chain			■	65
	Opportunity, Positive impact	Energy sources, GHG emissions, circularity	■	■	■	65
	Risk, Actual negative impact	Energy consumption, use phase emissions	■	■	■	65
ESRS E2 POLLUTION	Risk, Actual negative impact	Transport and production emissions	■			80
	Risk, Potential negative impact	Pollution from aluminium and textiles	■			80
	Risk, Actual negative impact	Pollution from substances of concern	■	■	■	80
ESRS E5 CIRCULARITY	Risk, Potential negative impact	Sourcing of aluminium	■	■		85
	Opportunity, Positive impact	Reducing resource use	■	■		85
	Risk, Actual negative impact	Use of batteries, rare earth metals	■	■		85
	Opportunity, Positive impact	Product circularity		■		85
	Risk, Actual negative impact	Longevity limitations	■			85
	Risk, Actual negative impact	Waste and recycling challenges (upstream and own operations)	■	■	■	85
	Risk, Actual negative impact	Waste and recycling challenges (post-consumer stage)	■	■	■	85
	Positive impact	Extended product lifespan			■	85
ESRS S1 OWN WORKFORCE	Risk, Actual negative impact	Secure employment	■			99
	Risk, Actual negative impact	Working time	■			99
	Risk, Actual negative impact	Health and safety	■			99
	Risk, Actual negative impact	Gender equality and equal pay for work of equal value	■			99
	Risk, Actual negative impact	Diversity				99
ESRS S4 CONSUMERS & END-USERS	Risk, Potential negative impact	Privacy	■			109
	Potential negative impact	Health and safety			■	109
	Risk, Actual negative impact	Responsible marketing practices	■			109
ESRS G1 BUSINESS CONDUCT	Opportunity, Positive impact	Employee communication and feedback	■			114
	Actual negative impact	Speaking up	■			114
	Actual negative impact	Payment practices	■			114
	Risk, Potential negative impact	Cybercrime cybersecurity	■			114

SBM-2 Interests and views of stakeholders

We want to create long-term value for all stakeholders. A close dialogue with our key stakeholders on sustainability topics is an integral part of how the company operates, and we engage with them constructively and always with a long-term perspective. It is the company's core belief that considering key stakeholders in the decision-making process will enable us to thrive and improve in both our commercial activities as well as our sustainability activities. Key external stakeholders were not consulted during the double materiality assessment nor the due diligence process, however, a broad range of internal stakeholders with deep knowledge of the stakeholders' views participated in the double materiality assessment and due diligence process. We have made minor refinements to our business model, taking stakeholder input into account as part of the broader review process; however, no material changes were deemed necessary. The Global Leadership Team[2] meets bi-weekly to discuss business progress and the views of the stakeholders are presented where relevant to a specific topic. //

2 Global Leadership Team is the wider leadership team consisting of the Executive Management Board and all the functional leads reporting to the CEO

Key Stakeholder	How is engagement organised	Purpose of engagement	Outcome of engagement
Clients	We have multiple touchpoints with clients, primarily through our stores, online channels, service points and call centres. We also engage with clients by measuring client satisfaction scores in terms of the purchasing experience, service experience and satisfaction with our products. Clients are able to provide feedback directly to our CEO through a "Feedback to the CEO" function on our website. Key messaging and stories about our sustainability efforts are done through our website and events in our stores.	• Deliver excellent client experience; • Build strong and loyal client relationships; • Gain insights into what matters to the clients in terms of sustainability; • Inform clients about the value of circular and long-lived consumer electronics.	The input from our clients is a critical piece of information used to continuously improve our services and products and calibrate our strategy. Targets are set on client satisfaction level in order to ensure our Luxury Timeless Technology strategy is achieved. The insights gained from clients include input relating to the expectations of our clients in terms of our sustainability initiatives.
Employees and their representatives	We have multiple touchpoints with our employees. We ensure employee engagement on an ongoing basis, both through organised individual meetings between an employee and their manager, and through regular online surveys. Through our BeoPulse employee survey, we gain insights into employee satisfaction across the company. Our monthly Town Hall meetings are also an opportunity for both senior leadership to convey messages and for employees to ask questions to senior leadership. We also offer online social platforms where employees can share their interests and ideas, including one group on Sustainability, where employees share how to progress on sustainability. We also have a Work Council to collect input from employees and collect feedback about health and safety through our Health & Safety representatives.	• Create a culture where employees are empowered and act according to the company's core values and principles for diversity and inclusion, • Harvest collective ideas on how to improve in our sustainability initiatives.	The employee survey results are shared with employees and each manager has to take action on results that are not satisfactory. For company-wide results that are not satisfactory, our People & Culture team instigate company-wide initiatives to address the issues. Any input and ideas on how to improve our sustainability initiatives are reviewed and considered by our Corporate Responsibility team.
Business partners	Our business partners consist of our key product related suppliers, our corporate customers such as hospitality, yachts, commercial spaces and automotive, as well as collaborations with other consumer electronics and business solutions. All of these business partners are engaged through dedicated staff and account managers.	• Build mutually beneficial relationships; • Be a reliable, responsible and engaged partner; • Be a collaborative and credible partner, and a trustworthy responsible representative of the industry; • Drive collective improvements on sustainability with our business partners	The outcome of the engagement is both to continuously improve the business relationship as well as include the feedback in future product developments and sustainability initiatives.
Retail partners	Most of our Bang & Olufsen branded stores are owned by independent third parties. Each partner has a key account manager through which continuous engagement and satisfaction/feedback is ensured.	• Build mutually beneficial relationships; • Be a reliable, responsible and engaged partner; • Attract, develop and retain competent retail partners that deliver the right client experience, enabling them to run a profitable business; • Drive collective improvements on sustainability	The outcome of the engagement is both to continuously improve the business relationship, grow the business in a sustainable way as well as include the feedback in future product developments and sustainability initiatives.
Investors and analysts	We organise engagement by: - Providing investors and analysts with structured, continuous and on-going information that meets requirements for investment decisions, including information about our sustainability initiatives and targets.	• Ensure a proactive and transparent dialogue with investors and analysts, and engage in dialogues on how our sustainability efforts contribute to investor attention	The outcome of the engagement is to continuously provide the information relevant to investors and analysts.
Media, key opinion leaders, experts, and interest organisations	We organise engagement by: - Engaging with a broad range of media and across multiple platforms - Being an active member of the Sustainability Network of the Danish Industry	• Ensure fair and balanced coverage of the company; • Proactively communicate the value of circular and long-lived consumer electronics; • Share company expertise in the Sustainability Network and engage in dialogue on how to improve sustainability efforts in the industry	The outcome of the engagement is media coverage representing Bang & Olufsen's business and sustainability initiatives as well as input from Danish Industry discussions on how to improve our sustainability efforts.

IRO-2; BP-2 General disclosures, including incorporation by reference

Disclosure Requirement	Title	Materiality	Section	Page/s
ESRS 2	**General Disclosures**			
BP-1	General basis for preparation of the Sustainability Statement	Material	Sustainability Statement	49
BP-2	Disclosures in relation to specific circumstances	Material	Sustainability Statement	49, 69, 74, 83, 90, 105, 106, 117
GOV-1	The role of the administrative, management and supervisory bodies	Material	Management Review; Sustainability Statement; Corporate Governance report; Charter for the Audit Committee; Stakeholder and Sustainability Policy	33-35, 46
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory	Material	Sustainability Statement	46
GOV-3	Integration of sustainability-related performance in incentive schemes	Material	Sustainability Statement	47
GOV-4	Statement on due diligence	Material	Sustainability Statement	48
GOV-5	Risk management and internal controls over sustainability reporting	Material	Management Review; Sustainability Statement	39, 47
SBM-1	Strategy, business model and value chain	Material	Management Review; Sustainability Statement	9-11, 16-17, 44, 54
SBM-2	Interests and views of stakeholders	Material	Sustainability Statement	56
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material	Management Review; Sustainability Statement	11, 55, 64, 79, 84, 99, 109
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Material	Sustainability Statement	49
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's Sustainability Statement	Material	Sustainability Statement	57, 60
ESRS E1	**Climate Change**			
ESRS 2 GOV-3	Integration of sustainability-related performance into incentive schemes	Material	Sustainability Statement	47

Disclosure Requirement	Title	Materiality	Section	Page/s
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material	Sustainability Statement	64
ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	Material	Sustainability Statement	49
E1-1	Transition plan for climate change mitigation	Material	Sustainability Statement	65
E1-2	Policies related to climate change	Material	Sustainability Statement	66
E1-3	Actions and resources in relation to climate change	Material	Sustainability Statement	67
E1-4	Targets related to climate change	Material	Sustainability Statement	67
E1-5	Energy consumption and mix	Material	Sustainability Statement	70
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	Material	Sustainability Statement	71
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	Material	Sustainability Statement	74
E1-8	Internal carbon pricing	-	-	-
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Phase-in	-	-
ESRS E2	**Pollution**			
ESRS 2 IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	Material	Sustainability Statement	80
E2-1	Policies related to pollution	Material	Sustainability Statement	80
E2-2	Actions and resources in relation to pollution	Material	Sustainability Statement	81
E2-3	Targets related to pollution	Material	Sustainability Statement	81
E2-4	Pollution of air, water and soil	Material	Sustainability Statement	82
E2-5	Substances of concern and substances of very high concern	Material	Sustainability Statement	82
E2-6	Potential financial effects from pollution-related impacts, risks and opportunities	Phase-in	-	-
ESRS E3	**Water and Marine Resources**			
ESRS 2 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	Material	Sustainability Statement	51
E3-1	Policies related to water and marine resources	-	-	-

Disclosure Requirement	Title	Materiality	Section	Page/s
E3-2	Actions and resources in relation to water and marine resources	-	-	-
E3-3	Targets related to water and marine resources	-	-	-
E3-4	Water consumption	-	-	-
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	-	-	-
ESRS E4	**Biodiversity and Ecosystems**			
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	-	-	-
ESRS 2 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities	Material	Sustainability Statement	51
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	-	-	-
E4-2	Policies related to biodiversity and ecosystems	-	-	-
E4-3	Actions and resources related to biodiversity and ecosystems	-	-	-
E4-4	Targets related to biodiversity and ecosystems	-	-	-
E4-5	Impact metrics related to biodiversity and ecosystem change	-	-	-
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	-	-	-
ESRS E5	**Resource Use and Circular Economy**			
ESRS SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material	Sustainability Statement	84
ESRS 2 IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities	Material	Sustainability Statement	86
E5-1	Policies related to resource use and circular economy	Material	Sustainability Statement	87
E5-2	Actions and resources in relation to resource use and circular economy	Material	Sustainability Statement	87
E5-3	Targets related to resource use and circular economy	Material	Sustainability Statement	87
E5-4	Resource inflows	Material	Sustainability Statement	88
E5-5	Resource outflows	Material	Sustainability Statement	89

Disclosure Requirement	Title	Materiality	Section	Page/s
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Phase-in	-	-
ESRS S1	**Own Workforce**			
ESRS 2 SBM-2	Interests and views of stakeholders	Material	Sustainability Statement	56
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material	Sustainability Statement	99
S1-1	Policies related to own workforce	Material	Sustainability Statement	100
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	-	-	-
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	Material	Sustainability Statement	101
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	Material	Sustainability Statement	101
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Material	Sustainability Statement	102
S1-6	Characteristics of the undertaking's employees	Material	Sustainability Statement	103
S1-7	Characteristics of non-employees in the undertaking's own workforce	-	-	-
S1-8	Collective bargaining coverage and social dialogue	Material	Sustainability Statement	103
S1-9	Diversity metrics	Material	Sustainability Statement	103
S1-10	Adequate wages	Material	Sustainability Statement	104
S1-11	Social protection	Phase-in	-	-
S1-12	Persons with disabilities	-	-	-
S1-13	Training and skills development	Phase-in	-	-
S1-14	Health and safety indicators	Material	Sustainability Statement	104
S1-15	Work-life balance	Phase-in	-	-
S1-16	Remuneration metrics (pay gap and total remuneration)	Material	Sustainability Statement	104
S1-17	Incidents, complaints and severe human rights impacts	Material	Sustainability Statement	105

Disclosure Requirement	Title	Materiality	Section	Page/s
ESRS S2	**Workers in the Value Chain**	-	-	-
ESRS S3	**Affected Communities**	-	-	-
ESRS S4	**Consumers and End-users**			
ESRS 2 SBM-2	Interests and views of stakeholders	Material	Sustainability Statement	56
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	Material	Sustainability Statement	109
S4-1	Policies related to consumers and end-users	Material	Sustainability Statement	109
S4-2	Processes for engaging with consumers and end-users about impacts	Material	Sustainability Statement	110
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Material	Sustainability Statement	110
S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	Material	Sustainability Statement	110
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Material	Sustainability Statement	111
ESRS G1	**Business Conduct**			
ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	Material	Management Review; Sustainability Statement	33-35, 114
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	Material	Sustainability Statement	50
G1-1	Business conduct policies and corporate culture	Material	Sustainability Statement	114
G1-2	Management of relationships with suppliers	Material	Sustainability Statement	115
G1-3	Prevention and detection of corruption and bribery	-	-	-
G1-4	Incidents of corruption or bribery	-	-	-
G1-5	Political influence and lobbying activities	-	-	-
G1-6	Payment practices	Material	Sustainability Statement	115, 116
G1-entity specific	Cybercrime and cybersecurity	Material	Sustainability Statement	116

IRO-2 List of datapoints in cross-cutting and topical standards that derive from other EU legislation

ESRS Disclosure Requirement	Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate law reference	Materiality	Section	Page
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	x		x		Material	SS	46
	Percentage of board members who are independent paragraph 21 (e)			x		Material	SS	46
ESRS 2 GOV-4	Statement on due diligence paragraph 30	x				Material	SS	48
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		Not material	n/a	-
	Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		Not material	n/a	-
	Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		Not material	n/a	-
	Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			x		Not material	n/a	-
ESRS E1-1	Transition plan to reach climate neutrality by 2050 paragraph 14				x	Material	SS	65
	Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		x	x		Not material	n/a	-
ESRS E1-4	GHG emission reduction targets paragraph 34	x	x	x		Material	SS	67
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x				Material	SS	70
	Energy consumption and mix paragraph 37	x				Material	SS	70
	Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x				Material	SS	70
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	x	x	x		Material	SS	72
	Gross GHG emissions intensity paragraphs 53 to 55	x	x	x		Material	SS	72
ESRS E1-7	GHG removals and carbon credits paragraph 56				x	Material	SS	74
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		Not material	n/a	-
	Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		x			Not material	n/a	-
	Location of significant assets at material physical risk paragraph 66 (c).		x			Not material	n/a	-
	Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		x			Not material	n/a	-
	Degree of exposure of the portfolio to climate- related opportunities paragraph 69			x		Not material	n/a	-
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	x				Material	SS	82
ESRS E3-1	Water and marine resources paragraph 9	x				Not material	n/a	-
	Dedicated policy paragraph 13	x				Not material	n/a	-
	Sustainable oceans and seas paragraph 14	x				Not material	n/a	-
ESRS E3-4	Total water recycled and reused paragraph 28 (c)	x				Not material	n/a	-

ESRS Disclosure Requirement	Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate law reference	Materiality	Section	Page
	Total water consumption in m ^{3} per net revenue on own operations paragraph 29	x				Not material	n/a	-
ESRS 2- SBM 3 - E4	Paragraph 16 (a) i	x				Not material	n/a	-
	Paragraph 16 (b)	x				Not material	n/a	-
	Paragraph 16 (c)	x				Not material	n/a	-
ESRS E4-2	Sustainable land / agriculture practices or policies paragraph 24 (b)	x				Not material	n/a	-
	Sustainable oceans / seas practices or policies paragraph 24 (c)	x				Not material	n/a	-
	Policies to address deforestation paragraph 24 (d)	x				Not material	n/a	-
ESRS E5-5	Non-recycled waste paragraph 37 (d)	x				Material	SS	89
	Hazardous waste and radioactive waste paragraph 39	x				Material	SS	89
ESRS 2- SBM3 - S1	Risk of incidents of forced labour paragraph 14 (f)	x				Not material	n/a	-
	Risk of incidents of child labour paragraph 14 (g)	x				Not material	n/a	-
ESRS S1-1	Human rights policy commitments paragraph 20	x				Material	SS	100
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			x		Material	SS	100
	Processes and measures for preventing trafficking in human beings paragraph 22	x				Not material	n/a	-
	Workplace accident prevention policy or management system paragraph 23	x				Material	SS	100
ESRS S1-3	grievance/complaints handling mechanisms paragraph 32 (c)	x				Material	SS	101
ESRS S1-14	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	x		x		Material	SS	104
	Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				Material	SS	104
ESRS S1-16	Unadjusted gender pay gap paragraph 97 (a)	x		x		Material	SS	104
	Excessive CEO pay ratio paragraph 97 (b)	x				Material	SS	105
ESRS S1-17	Incidents of discrimination paragraph 103 (a)	x				Material	SS	105
	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	x		x		Not material	-	-
ESRS 2- SBM3 – S2	Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	x				Not material	n/a	-
ESRS S2-1	Human rights policy commitments paragraph 17	x				Not material	n/a	-
	Policies related to value chain workers paragraph 18	x				Not material	n/a	-
	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		Not material	n/a	-
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			x		Not material	n/a	-

ESRS Disclosure Requirement	Disclosure requirement and related data point	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate law reference	Materiality	Section	Page
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				Not material	n/a	-
ESRS S3-1	Human rights policy commitments paragraph 16	x				Not material	n/a	-
	non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	x		x		Not material	n/a	-
ESRS S3-4	Human rights issues and incidents paragraph 36	x				Not material	n/a	-
ESRS S4-1	Policies related to consumers and end-users paragraph 16	x				Material	SS	109
	Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		Material	SS	109
ESRS S4-4	Human rights issues and incidents paragraph 35	x				Not material	-	-
ESRS G1-1	United Nations Convention against Corruption paragraph 10 (b)	x				Not material	n/a	-
	Protection of whistle- blowers paragraph 10 (d)	x				Not material	n/a	
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x		x		Not material	n/a	-
	Standards of anti- corruption and anti- bribery paragraph 24 (b)	x				Not material	n/a	-

Environment

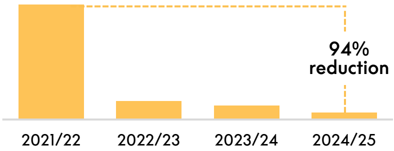
E1 Climate Change

Progress overview: climate change

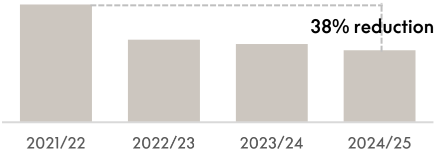
We made tangible progress towards our climate commitments, anchored in our science-based targets and Net-Zero ambition by 2040. Our actions reflect measurable improvements across operations, value chain collaboration, and product innovation. Throughout the 2024/25 financial year, we:

Reduced Scope 1 and 2 emissions by 54% year-on-year, and by 94% compared to our 2021/22 baseline, and **reduced Scope 3 emissions by 7% year-on-year** and by 38% compared to baseline.

Scope 1+2



Scope 3



Achieved 100% renewable electricity in our operations, one year ahead of schedule, using certificates sourced from Danish solar and wind projects.

Advanced our circularity transition through product design aligned with Cradle to Cradle (C2C) principles, increasing certification coverage and embedding modularity, longevity and repairability.

Decreased energy consumption at our main production site in Struer by 3%, supported by heating and electricity savings, and substantial reductions in natural gas (−68%), petrol (−61%), and diesel (−17%).

Enhanced emissions monitoring and control systems, including quarterly tracking, Scope 3 working groups, and strengthened validation of GHG data inputs and calculations.

Introduced a new car fleet policy to phase out all company vehicles and transition to an allowance-based scheme, aiming for 100% EVs by 2026/27.

We continue to expand the coverage and quality of our product carbon footprint assessments. As we prepare for future milestones, including full vehicle fleet electrification and further logistics decarbonisation, we remain firmly committed to delivering on our Net-Zero ambition.

E1.SBM-3 Climate change – impacts, risks and opportunities

Climate change presents both operational risks and strategic opportunities for Bang & Olufsen. Disruptions across our value chain, energy-intensive product use, and emissions from logistics highlight the need for resilience and emissions reduction. By advancing circular business models and collaborating with partners to scale renewable energy, we aim to drive long-term value and environmental impact. //

Material impacts, risks and opportunities		IRO	I, R or O	Description	Location in value chain*	Time horizon**
E1 Climate Change	Climate change adaptation	Changes in value chain	Risk, Potential negative impact	If value chain partners fail to adapt to climate impacts, this could pose significant risks to our operations and supply chain, affecting long-term business resilience.	US	L
	Climate change mitigation	Energy sources, GHG emissions, circularity	Opportunity, Positive Impact	Leading the shift to a circular economy offers both environmental and financial opportunity. By working with our ODMs (Original Design Manufacturers), distribution partners and value chain to scale renewable electricity and support emission reductions, we strengthen our market position. Circular business models that decouple hardware sales from revenue enable new value streams, greater resource efficiency and long-term profitability.	US, OO, DS	S, M, L
	Energy	Energy consumption, use phase emissions	Risk, Actual negative impact	Our energy consumption—across operations, product use and logistics—contributes to GHG emissions and climate change. This includes emissions from our products (some of which are always on), operational energy use, and increased emissions from longer or disrupted shipping routes, particularly when air freight is required.	US, OO, DS	S, M, L

*US: Upstream; OO: Own Operations; DS: Downstream
** S: Short; M: Medium; L: Long

E1-1 Climate change mitigation

Material IRO description	How do we manage the IRO
Scope 1 and 2 (own operations) Negative impacts arise from reliance on fossil fuels for owned vehicles, heating, and electricity consumption within own facilities	Reductions in Scope 1 and 2 emissions are a key aspect of our decarbonisation strategy, monitored quarterly by the scope 1 and 2 working group. Falling under a high impact sector, reducing reliance on fossil fuels within Struer manufacturing facilities will see positive contributions on emissions within the sector Purchasing renewable energy certifications for all of Bang & Olufsen's owned operations contributes to the net reduction of emissions.
Scope 3 emissions from decarbonising supply chain (a) Upstream emissions associated with material extraction, manufacturing, and distribution of products (b) Downstream emissions from use phase of products and end-of-life	We have strategic targets to reduce scope 3 emissions in accordance with SBTi. This includes increased supplier engagement with strategic suppliers where we have introduced decarbonisation targets into our Quarterly Business Reviews. Bang & Olufsen's strategic transitioning towards circular design will support climate mitigation through efforts to reduce reliance on virgin materials and reusable materials ending up as waste

E1-1 Transition plan for climate change mitigation

We are committed to climate change mitigation. Consequently, we have included various decarbonisation targets and levers across all scopes in order to achieve our SBTi validated targets. However, we do not have a formal transition plan or climate change mitigation policy, but will work towards having it in place by 2026/27. We have a commitment to be Net-Zero by 2040, validated SBTi targets in Scope 1 and 2 of -90%, Scope 3 of 37.8% via our decarbonisation efforts in own operations and value chain as mentioned in the following chapters. Furthermore, transition into a circular economy via repairability, longevity and the introduction of C2C certification will strongly support the climate mitigation efforts. To support the transition/target we have exchanged our gas boiler for an electrical boiler powered by wind in our production facility in Struer. In addition, we are purchasing 100% renewable electricity, introducing energy-saving measures, considering limited reconstruction and improving insulation. We also collaborate with the local Struer-based energy company on decarbonising the central heating. Our ambition to electrify our car fleet is progressing as well. In Scope 3, we focus on transitioning from airfreight to sea freight and road freight, increasing use of recycled materials instead of virgin materials, while also collaborating with suppliers on decreasing the use of water, electricity and heating during production as well as increasing the use of renewable energy.

In relation to climate change mitigation, explanation and quantification of our investments these are listed and described under the EU Taxonomy. While sustainability remains a core element of how we operate and evolve as a business, our current efforts have primarily focused on maturing key internal frameworks — including life cycle assessments, circular design strategies, and climate risk methodologies.

At this stage, we do not yet have a formal CapEx plan or concrete roadmap for Taxonomy alignment of our core activities. This is due in part to prioritisation of other foundational initiatives and the resource requirements of a full alignment assessment. Nevertheless, the EU Taxonomy is one of several frameworks we consider as we continue evolving our approach to sustainable innovation, particularly in areas such as circular business models and low-carbon design.

Addressing locked-in emissions

Complex locked-in emissions are primarily found in our product portfolio. The longer the lifetime the higher the lock-in emissions for our products. Achieving our emission reduction targets can be jeopardised by a slow transition towards decarbonising the global electricity grid. Fossil fuel powered grids can increase emissions associated with use of our products and it is difficult for us to provide insights to clients about the source of their local power supply. Yet, we are committed to optimising energy consumption and efficiency. This is explained further in E1-4. Similar issues may be associated with our digital infrastructure running on fossil fuel powered grids.

While we strive for improved modularity and circularity of products and encourages reuse, refurbishing, remanufacturing, and recycling of products, regions where these options are not fully implemented may result in improper end-of-life waste management. Key drivers in a future transition plan for climate change mitigation will include updating our climate related targets, moving into circular economy and modifying our products according to C2C principles and certifying all eligible products according to C2C. In addition, all new products must be designed to be C2C certifiable, have a high level of repairability, serviceability and availability of spare parts, as well as consider longevity design - meaning it will be a reliable product that will last a long time. As part of the C2C certification process, we are also investing in various carbon offsetting projects and biodiversity projects.

We have entered into a new revolving credit facility agreement with Nordea Bank as of 14 May 2025 that will be linked to our sustainability targets, just as our last credit facility agreement was linked to our performance within GHG emission reductions and the creation of Life Cycle Assessments (LCAs) for chosen products.

We measure progress on our targets and report quarterly to the Sustainability Committee. Progress and performance are primarily assessed against our SBTi targets, our FMC targets, our targets to reduce energy consumption from fossil fuels including achieving 100% renewable electricity in operations and a 100% electrified vehicle fleet. Overall, we deem progress towards our targets to be progressing well. While we missed our target to achieve a 100% electrified vehicle fleet in 2024/25 we are confident this target will be achieved in 2027/28. Our metrics for E1 are not validated by any other external body than our assurance provider. //

E1-2 Climate policies

Our climate commitments are guided by our Stakeholder and Sustainability Policy, with key elements addressed in the chapters titled ESG, Environmental Impact, and Longevity.

Our Stakeholder and Sustainability Policy outlines our approach to managing the material sustainability matters. The policy sets out our general objectives, which include conducting our business in a responsible and transparent manner and respecting internationally recognised principles for environmental and climate impact, ethics, human and labour rights, and anti-corruption, while engaging our key stakeholders. It specifically mentions climate change as an environmental focus, with further elaboration on the focus on impact through our Net Zero target and increased usage of recycled aluminium as also elaborated on in the previous section on transition plan for climate change mitigation.

To ensure ongoing alignment and effectiveness, the policy is supported by regular monitoring processes. These include an annual policy review by relevant stakeholders and approval by the Board of Directors, as well as an in-depth annual assessment of the level of compliance with the Stakeholder and Sustainability Policy as presented by the Director of Corporate Responsibility to the Board of Directors.

The policy applies to all Bang & Olufsen's corporate entities and all Bang & Olufsen's employees globally. Ultimate accountability for the implementation of the Stakeholder and Sustainability Policy rests with Chief Corporate Commercial Officer (a member of the Executive Management Board), who reports to the Chief Executive Officer. Operational execution and oversight are delegated to Director of Corporate Responsibility and the Sustainability Committee.

These commitments are further outlined in our sustainability ambition. While energy efficiency and the use of renewable energy are not governed by a standalone policy due to prioritisation of resources, they are integral to our science-based targets validated by the SBTi, as well as our broader decarbonisation efforts and Cradle to Cradle (C2C) certifications. We have not set a timeline for adopting a policy for energy efficiency and use of renewable energy. //

E1-3 Climate actions

As a company, we are determined to help battle climate change. Budget is allocated to drive initiatives within the Sustainability team as well as other relevant departments. However, a dedicated budget to cover all climate-related targets and actions has not been established. Scope 3 climate related resources are tied to respective partners or suppliers within the value chain.

While we have identified relevant decarbonisation levers, we have not yet related them to significant CapEx and OpEx. //

E1-4 Climate targets

In 2023/24, our climate action targets—both short- and long-term—were officially validated by the Science Based Targets initiative (SBTi). Our commitments are aligned with the goal of limiting the global temperature rise to 1.5°C above pre-industrial levels, in line with the latest climate science. This means we are committed to reducing our total emissions by 90% compared to our 2021/22 baseline, and to neutralising any remaining emissions through the use of high-quality carbon removals.

In 2022/23 we completed a full inventory of our Scope 1, 2 and 3 emissions for the first-time using 2021/22 as a baseline. Unfortunately, we are not able to confirm whether this is an outlier compared to previous years' performance as data has not been collected backwards. However, we consider this year emissions to be a close reflection of our business' normal activities.

The targets have predominantly been set through workshops with relevant internal stakeholders, as well as conversations with the SBTi and First Movers Coalition organisations.

Our validated Net-Zero climate action targets:

Near-term targets:

- To reduce our operational emissions by 90% by 2028/29 (Scope 1 and 2)
- To reduce our value chain emissions by at least 37.8% by 2029/30 (Scope 3)

Long-term targets:

- To maintain at least 90% absolute operational emission reductions from 2028/29 through 2039/40
- To reach Net-Zero in 2039/40 across our entire value chain (Scope 1, 2, and 3)

We have also set targets to reduce the energy consumption from fossil fuels.

Three years ago, we promised to achieve 100% renewable electricity in operations by 2024/25. We achieved this target ahead of time, in 2023/24. In 2024/25 we have again ensured that 100% of our electricity consumption is supplied from renewable projects, via the purchase of renewable energy certificates. We have set strict time and geography-origin criteria to ensure that we only buy the highest quality certificates available.

Another target for 2024/25 was to achieve a 100% electrified vehicle fleet (company cars, not service fleet). During the past 3 years, we have made significant progress on phasing out diesel and petrol vehicles from our fleet and enforced an internal policy to transition our fleet. Unfortunately, we have not been able to meet this target on time. However, new revised targets and

E1-4 GHG emission reduction targets

	Unit	Target
Absolute value of total Greenhouse gas emissions reduction	tCO2e	19,469
Percentage of total Greenhouse gas emissions reduction (as of emissions of base year)	%	90
Absolute value of Scope 1 Greenhouse gas emissions reduction	tCO2e	0.627 tCO2e by 2028/29 (Combined target for scope 1 and 2 market-based)
Percentage of Scope 1 Greenhouse gas emissions reduction (as of emissions of base year)	%	90% of our baseline emissions (2021/22)
Percentage of market-based Scope 2 Greenhouse gas emissions reduction (as of emissions of base year)	%	90% of our baseline emissions (2021/22)
Absolute value of Scope 3 Greenhouse gas emissions reduction	tCO2e	117,195 tCO2e by 2029/30 18.5 tCO2e by 2039/40
Percentage of Scope 3 Greenhouse gas emissions reduction (as of emissions of base year)	%	37.8% by 2039/30 90% by 2039/40
Cross sector (ACA) reductions pathway based on the year 2020 as the reference year	%	-42% by 2030 -90% by 2050

Based on Pathways to Net zero – SBTi Technical Summary (version 1.0 October 2021)

E1-4 Climate change mitigation – Decarbonisation levers

Material IRO description	How do we manage the IRO
100% electric fleet Over-reliance on fossil fuel cars can be mitigated through a transition to low-carbon alternatives or reducing the need for company owned vehicles and therefore reducing operational emissions	We have introduced policies to support the Switching the company car policy to an allowance based scheme and will continue to expand the GFS fleet with electric vehicles
FMC Commitment Upstream emissions associated with extraction and manufacturing of virgin aluminium can be mitigated through introducing recycled and low-carbon alternatives	We will be using at least 50% recycled aluminium by 2030 as part of our FMC commitment, with further plans of using additional low carbon aluminium being explored
Store emissions Reliance on electricity grid that runs on fossil fuel energy inputs can result in stores being subject to contributing to growing emissions. Following a similar strategy to Scope 2 electricity consumption can ensure stores can begin to decarbonise the electricity consumption	We have begun assessing how best to engage our monobrand retail partners on renewable energy sourcing, including providing guidance through materials such as the retail handbook. While implementation has not yet started, this marks the first step in supporting partners in transitioning to more climate-friendly energy sources.

processes have been agreed upon to ensure a swift transition to electrifying our vehicle fleet.

In 2024/25, we have enforced a new policy to phase out ALL vehicles (i.e. company cars provided as employee benefits) from our fleet and move towards an allowance-based scheme. This initiative will support the progressive reduction of our operational emissions. We are still supporting the transition towards low-carbon transport modes by building the allowance packages based on the average cost of leasing, maintaining and charging an electric vehicle. As a result, we will phase out all non-EV company cars by end 2026/27 (company cars, not service fleet).

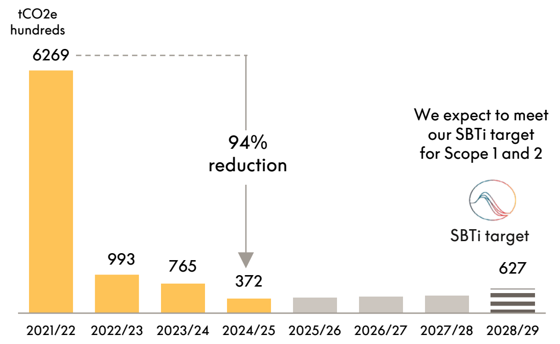
We are set to expand our Global Fleet Service (GFS) to uphold our strong commitment to high quality client service and therefore, have committed to ensuring that our current and future vehicle fleet will be 100% electric by 2028/29.

- All existing leases in EMEA will be switched from diesel to 100% EVs by end 2027/28
- All new leases in EMEA will be EV leases
- AMR vehicle fleet will be 100% electric by 2028/29

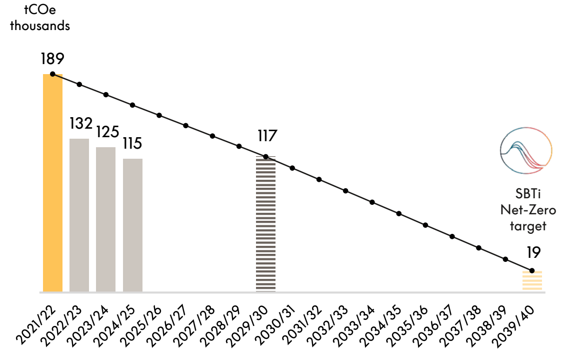
Our climate reduction targets were developed in alignment with the 1.5-degree pathway recommended by the Paris Agreement and approved and validated by the Science Based Targets initiative. Our Scope 1 and 2 targets encompass all regions where we operate. Given that Denmark represents our largest operational footprint, significant emission reduction efforts here will be instrumental in achieving our goals. As no industry-specific pathway is applicable to our company, we have used a cross-sector pathway to model our absolute contraction targets.

We have investigated numerous decarbonisation levers related to Scope 3 and evaluated the potential impact in terms of achieving our short- and long-term targets. Certain decarbonisation levers are currently in process such as our FMC (First Movers Coalition) commitment to low carbon aluminium consumption. We have committed to ensuring that at least 50% of all aluminium procured by 2030 will be secondary aluminium and an additional 10% will be produced with low-carbon technologies by 2030. This could result in a total savings of 6,999 tCO2e in the future compared to the 2021/22 base year. We have integrated new decarbonisation metrics into our Quarterly Business Reviews (QBR) scoring system, working with select tier 1 suppliers to understand the maturity of their decarbonisation efforts and how this impacts us. Moreover, in the next financial year 2025/26, we will start engaging with its monobrand store owners to begin procuring 100% clean energy (electricity). This has a reduction potential of 4.599 tCO2e (-2.5%) compared to 2021/22.

Our efforts paid off, 94% reduction in Scope 1 and 2 emissions from FY21/22 to FY24/25



Scope 3 emissions: SBTi target & performance



We aim to significantly reduce our reliance on air freight by shifting 40% of current air shipments to land and 30% to sea freight, thereby improving the sustainability of our logistics footprint. In addition, we are exploring options to reduce the energy consumption of select products.

Use phase emissions are a significant portion of our carbon footprint. As part of our ongoing efforts, we are focused on optimising energy consumption during our product's lifetime with our Mozart Platform™ for powerful home speakers. Our platform features an intelligent power management system that monitors usage and switches to low-energy modes when possible. Furthermore, we also work with AI solutions to optimise product power consumption and battery lifetime. We also aim to utilise the most efficient power supplies and optimisers to ensure maximum energy efficiency and are continuously working on future optimisations to further reduce energy losses.

We have calculated relevant IEA scenarios assessing emission reduction potentials from grid decarbonisation. Three scenarios have been tested Stated Policy Scenarios (STEPS), Announced Pledges Scenarios (APS), and Net Zero Emissions (NZE), in an attempt to understand how different policies can support us in emissions reduction through Use of Sold Products (Cat.11). Taking the most conservative approach (STEPS), we have an emissions reduction potential of 20,725 (-11%) tCO2e by 2030 compared to 2021/22, and a further 6,445 (-3.5%) tCO2e between 2030 and 2040 compared to 2021/22.

We recognise that achieving our Scope 3 targets requires strong collaboration across the value chain. That is why we engage in regular discussions with our suppliers on material sourcing and renewable energy installations. Additionally, we work closely with store owners in all regions where we operate, encouraging a transition to more sustainable energy consumption. To ensure the consistency and comparability of our emissions disclosures, we have developed a detailed calculation methodology for each and every of our emissions categories. This consists of an extensive manual which is reviewed annually by our external auditors.

In alignment with the Science-Based Targets Initiative's criteria, we have also established a rebaselining policy. Every year, we review our GHG emissions calculation, methodology and emission factors. As a result, we may find improved ways of assessing our impacts that might have an effect on our previously reported emissions. To guarantee the comparability of our results overtime, the policy defines a quantitative threshold which if surpassed will trigger the recalculation of our baseline results.

BP-2 We have updated our baseline year emissions based on significant changes in the calculation methodologies which triggered a baseline recalculation.

One of the main changes that has triggered a 2021/22 baseline recalculation is changes in the electricity emission factor databases used. This impacts both Scope 2 and specific Scope 3 categories (3.3, 3.8, 3.9, and 3.11). Improved data quality for Bang & Olufsen products through life cycle assessment has enabled us to get a more detailed understanding of the product carbon footprint emissions of specific products. Another significant change has been improvements in product information allowing for improved quality of Product Carbon Footprint (PCF) factors being used to calculate emissions of select products in category 1. //

E1-5 Energy consumption

Bang and Olufsen's NACE classification is "C26.4.0 – Manufacture of consumer electronics", making it part of the high climate impact sectors.

Energy consumption data collected is to be converted into greenhouse gas emissions by utilising suitable and consistent emission factors for each fuel type and market, if applicable..

Corporate Responsibility and Finance are responsible for executing the controls on the calculated emissions. This is performed through a set of sample checks where cross-checks are performed on our most significant hotspots with the ultimate aim of reducing our reporting risks. These controls are executed together with the controls on the underlying activity data, as described in our accounting principles.

Controlling activity data of our operations in Denmark occurs every quarter as these act as inputs for emissions being reported quarterly. The remaining emissions are controlled once a year, before publication.//

E1-5 Energy Consumption[2]

Energy consumption and mix	Comparative (2021/22)	2024/25
Fuel consumption from coal and coal products (MWh)	-	-
Fuel consumption from crude oil and petroleum products (MWh)	2,100 MWh	694 MWh
Fuel consumption from natural gas (MWh)	3,236 MWh	27 MWh
Fuel consumption from other fossil sources (MWh)	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	4,300 MWh	2,006 MWh
Total fossil energy consumption (MWh)	9,636 MWh	2,727 MWh
Share of fossil fuels sources in total energy consumption (%)	46%	16.2%
Consumption from nuclear sources (MWh)	-	-
Share of consumption from nuclear sources (%)	-	-
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	-	14,114 MWh
The consumption of self-generated non-fuel renewable sources (MWh)	-	-
Total renewable energy consumption (MWh)	2,483 MWh	14,114 MWh
Share of renewable sources in total energy consumption (%)	16%	84%
Total energy consumption (MWh)	20,866 MWh	16,866 MWh

E1-5 Energy intensity per net revenue[3]	2021/22	2024/25
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	6.91	6.58

[2] Energy and emissions data for scopes 1 and 2 refer to the consolidated company Bang & Olufsen A/S global organisational footprint and financial year from 1 June to 31 May 2025. Energy data excludes feedstocks and fuels not combusted for energy purposes. The energy calculations have avoided double counting of fuel consumption for self-generated energy and are not offsetting energy consumption. Not counting energy sourced within the organisational boundary under "purchased or acquired" energy. Accounting for steam, heat, or cooling received as "waste energy" from third-party industrial processes. Have accounted for renewable hydrogen as a renewable fuel.

[3] All energy consumption is considered to be HCIS. Energy intensity is derived only from the total energy consumption and net revenue from activities associated with the consolidated company Bang & Olufsen A/S.

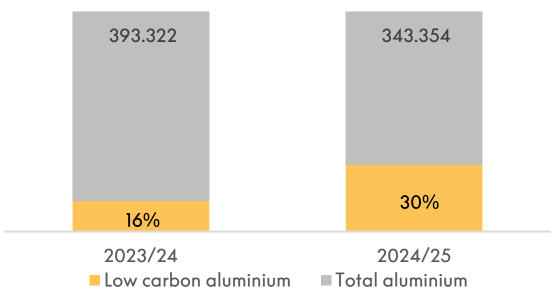
E1-6 GHG Emissions[3]

In 2024/25, operational energy consumption was reduced by 5% compared to the previous year due to a decrease in both heating and electricity consumption at our Struer campus. 2024/25 saw a significant reduction in the consumption of other fuels such as natural gas (68% reduction), petrol (61% reduction), and diesel (17% reduction). This continues the trend seen in 2023/24 with further progress being made by focusing on electrifying processes and vehicles.

Our GHG emissions continued to see significant reductions this year. The main reason is energy inputs for heating production at Struer Energi shifting further towards renewable inputs. Scope 1 and 2 emissions fell to 372 toCO2e (market-based) dropping 54% YoY and a 94% reduction compared to our base year (2021/22). Disaggregation of Scope 1 and 2 emissions by gas type can be found on page 73.

Total Scope 3 emissions fell by 8% compared to last year and by 39% compared to the base year. Similar to last year, two categories contributed to the majority of the emissions. In 2024/25, Category 1 accounted for 50% of total emissions and Category 11 accounted for 35%. The reduction in emissions predominately comes from a drop in total units sold. Moreover, we increased the total aluminium consumption that was low-carbon (2.7 kgCO2/kg) to 30%. Category 9 downstream transportation and distribution emissions saw an increase due to improvements in data collection methodology for 2024/25. Emissions by market segment by product type can be found on page 73.

Low Carbon Aluminium (kg)



Contractual Instruments

Data breakdown by subsidiaries is not available at the moment. However, since +95% of our scope 1 and 2 emissions arise from our facilities in Denmark we do not consider it relevant for our stakeholders to tier down our results by subsidiaries.

We source 100% of our renewable electricity using renewable electricity certificates. These certificates are source, geography and time bounded. In other words, we only buy certificates that:

i) Come from wind and/or solar power plants

ii) Were produced by energy farms in the same grid area as the point of consumption. (In Europe, all our consumption is covered by certificates from Denmark-based projects. Due to our low electricity consumption outside of Denmark, we are not able to source certificates from each individual market in a cost-effective way. However, since the Danish grid is connected to the ENTSOE network, renewable production in this country can benefit other countries in the network.)

iii) Are linked to electricity produced during the same calendar year of consumption

We only use contractual instruments to track the origin of our electricity consumption, i.e. heating is not covered. All our renewable electricity contracts are unbundled from our electricity purchases. In collaboration with Energi, certificates are purchased retroactively based on electricity consumption from 2023/24. Additional certificates are purchased if required. The calculations are made in line with the GHG Protocol Scope 2 methodology. Emission factors can be found under GHG emissions calculation factors.

E1-6 Percentage of contractual instruments related to Scope 2 GHG emissions

Total energy consumption (scope 2 only) linked to bundled energy attribute claims / Total energy consumption (scope 2 only)	0%
Total energy consumption (scope 2 only) linked to unbundled energy attribute claims (aka electricity) / Total energy consumption (scope 2 only)	51%

Note: Unbundled energy represent renewable energy certificates purchased separately from the physical electricity.

Energy consumption and GHG emission are internally monitored through the Scope 1 and 2 working group and the Scope 3 Peer working group, ensuring relevant stakeholders are aligned with metrics used to monitor progress. Additionally, we report our sustainability progress to Nordea.

Scope 1 and 2 emissions arise mainly from our energy consumption. Therefore, the calculation of these emissions is dependent on the prior collection of energy consumption during the reporting period.

[3] Notes: Our consolidated GHG emissions inventory includes emissions from all entities within our financial consolidation scope, including joint ventures, associates, and contractual joint arrangements, where applicable, in line with the GHG Protocol and financial control approach, and financial year from 1st June to 31st May 2025. This data is presented as collected and calculated using the operational control approach to classify our emission sources into Scope 1, 2, and 3 as defined by the GHG Protocol Corporate Standard The energy calculations have avoided double counting of fuel consumption for self-generated energy and are not offsetting energy consumption. Not counting energy sourced within the organisational boundary under "purchased or acquired" energy. Accounting for steam, heat, or cooling received as "waste energy" from third-party industrial processes. Have accounted for renewable hydrogen as a renewable fuel

Energy consumption data collected is converted into greenhouse gas emissions by utilising suitable and consistent emission factors for each fuel type and market, if applicable. We use emission factors from our suppliers when available, and ecoinvent and DEFRA databases (the Danish Department for Environment, Food & Rural Affairs), to translate this activity data into CO2e or greenhouse gas emissions, which we update yearly.

Corporate Responsibility is responsible for assigning a suitable emission factor from the previous databases and converting kilowatt-hours into tones of each of the seven greenhouse gases as required by CSRD ESRS 1 AR 39 (i.e., CO2e, CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3). In many cases, emission factors are primarily presented as CO2e, and in the best scenarios, there are distinct factors available for CO2, CH4, and N2O. Therefore, we will strive to expand the scope of gases reported but our efforts will be limited by the availability of databases.

Scope 3 emissions arise from various sources. Our value chain emissions cover the extraction and processing of raw materials, the assembly of our products, transport and distribution to stores and clients, electricity during the use phase and the end-of-life. Differences in the nature of these emission sources explain the complexity of accounting for these emissions.

We prioritise utilising primary data instead of spend-based data whenever possible. As of the end of 2023/24,

E1-6 Disaggregated GHG emissions	Retrospective				Milestones and target years			
	2024/25	2021/22	Delta	% Delta/Delta-1	**2025**	2030	(2050)	Annual % target/ Base year
Scope 1 GHG emissions								
Gross Scope 1 GHG emissions t(CO_2e)	190	1,212^	(1,022)	(81%)	No Scope 1 specific target	No Scope 1 specific target	No Scope 1 specific target	No Scope 1 specific target
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scope 2 GHG emissions								
Gross location-based Scope 2 GHG emissions (tCO_2e)	1,159	1,868^	(709)	(38%)	No Scope 2 specific target	No Scope 2 specific target	No Scope 2 specific target	No Scope 2 specific target
Gross market-based Scope 2 GHG emissions (tCO_2e)	183	5,057^	(4,874)	(96%)	No Scope 2 specific target	No Scope 2 specific target	No Scope 2 specific target	No Scope 2 specific target
Biogenic emissions	60	18	42	70%	No specific target	No specific target	No specific target	No specific target
Significant Scope 3 GHG emissions								
Total Gross indirect (Scope 3) GHG emissions (tCO_2e)	115,191	188,416^	(73,285)	(39%)	N/A	117.195	18.5 (2040)	(5%)
Purchased goods and services	58,021	91,512^	(32,559)	(35%)	No specific target	No specific target	No specific target	No specific target
Capital goods	1,145	6,181	(5,035)	(81%)	No specific target	No specific target	No specific target	No specific target
Fuel and energy-related activities	1,278	2,268^	(989)	(56%)	No specific target	No specific target	No specific target	No specific target
Upstream transportation and distribution	1,717	11,164	(9,447)	(84%)	No specific target	No specific target	No specific target	No specific target
Waste generated in operations	102	113	(12)	(9%)	No specific target	No specific target	No specific target	No specific target
Business travel	1,106	1,182	(76)	(6%)	No specific target	No specific target	No specific target	No specific target
Employee commuting	880	1,002	(122)	(12%)	No specific target	No specific target	No specific target	No specific target
Upstream leased assets	108	93	16	16%	No specific target	No specific target	No specific target	No specific target
Downstream transportation and distribution	9,398	7,772^	1,626	21%	No specific target	No specific target	No specific target	No specific target
Processing of sold products	65	101^	(36)	(36%)	No specific target	No specific target	No specific target	No specific target
Use of sold products	40,714	66,078^	(25,364)	(38%)	No specific target	No specific target	No specific target	No specific target
End-of-life treatment of sold products	656	951	(296)	(31%)	No specific target	No specific target	No specific target	No specific target
Downstream leased assets	N/A							
Franchises	N/A							
Investments	N/A							
Total GHG emissions								
Total GHG emissions (location-based) (tCO_2e)	**116,350**	**191,496^**	**(75,146)**	**(39%)**				
Total GHG emissions (market-based) (tCO_2e)	**115,374**	**194,685^**	**(79,311)**	**(41%)**	**N/A**	**117,195**	**18,842 (2040)**	**(5%)**

our largest emission hotspots are calculated using different levels of primary data either provided by our suppliers (e.g., transportation emissions reports, energy consumption in assembly) or from internal databases (e.g., products' energy consumption, bill of materials and usage patterns). On the other hand, spend-based factors are used to account for capital goods and services emissions.

We report scope 3 emissions for a total of 12 emission categories, as defined by the GHG Protocol. Categories 13 (Leased assets), 14 (Franchises) and 15 (Investments) have been deemed as immaterial to our business.

The data collection process varies from category to category, as data is usually collected from different points of contact in the organisation and from our suppliers. When available, we utilise supplier and product-specific emission factors. As we advance in our LCA programme, we will keep expanding the base of our products, covered by detailed carbon assessments, therefore diminishing the role of secondary data in our emissions accounting. We also utilise the results of in-house conducted LCAs as proxies for similar products. We also depend on ecoinvent's and DEFRA's databases (Department for Environment, Food & Rural Affairs) to convert activity data into CO2e or greenhouse gas emissions, which we update yearly when possible.

Data collection occurs once a year and is led by the Corporate Responsibility department. Data is compiled into the corresponding tabs of our GHG Inventory model (ESG Masterfile) where a suitable emission factor from the previous databases is assigned to each data point. These factors are used to convert kilos of materials, DKK of spend, etc., into tones of each of the seven greenhouse gases as required by CSRD ESRS 1 AR 39 (i.e., CO2e, CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3). In many cases, emission factors are primarily presented as CO2e, and in the best scenarios, there are distinct factors available for CO2, CH4, and N2O. We will therefore strive to expand the scope of gases reported but our efforts will be limited by the availability of databases.

Corporate Responsibility has set a predefined number of controls on our emissions hotspots across different emission categories. These controls are carried out by two different sustainability experts with the aim of identifying miscalculations, incorrect assignment of emission factors or any other error that might result in erroneous results.

The nature of scope 3 emissions accounting ensures that there are various experts accountable for their input, including Finance, Retail and Procurement. Whenever a significant deviation is found in the data provided by these data providers, explanations are requested and registered to ensure a transparent track of our emissions performance.

If an error in previous years' calculations and/or reported results is detected, these shall be registered and tracked in our internal systems. If the accumulated impact of the tracked errors is over the threshold defined in our GHG Inventory recalculation procedure, then we proceed with the recalculation of our baseline emissions. Please refer to this procedure in the Accounting Policy Energy and GHG emissions chapter for further details. //

E1-6 Disaggregation of Scope 1 emissions

Scope 1	Unit	2023/24	**2024/25**	CO_2	CH_4	N_2O
Stationary combustion						
Natural gas	tCO_2e	17	6	6	-	-
Mobile combustion						
Petrol	tCO_2e	101	39	38.78	0.11	0.08
Diesel	tCO_2e	174	145	143.21	0.02	1.72

E1-6 Disaggregated Scope 1 activity data

	Unit	2023/24	**2024/25**
Natural gas	MWh	84	27
Vehicle Fuel (Petrol)	MWh	397	153
Vehicle Fuel (Diesel)	MWh	650	541

E1-6 Disaggregation of Scope 2 emissions

Scope 2	Unit	2023/24	**2024/25**	CO_2	CH_4	N_2O
Location-based						
Electricity	tCO_2e	1,093	977	976	0.20	0.92
Heating	tCO_2e	510	183	179	1.15	3.03
Market-based						
Electricity	tCO_2e	-	-	-	-	-
Heating	tCO_2e	510	183	179	1.15	3.03

E1-6 GHG intensity per net revenue	2021/22	2024/25
Total GHG emissions (location-based) per net revenue (tCO2eq/DKK)	64.9	45.7
Total GHG emissions (market-based) per net revenue (tCO2eq/DKK)	66.2	45.3

Revenue can be found on page 128 of financial statements

E1-7 GHG removals

We currently utilise carbon offsets in line with Cradle to Cradle (C2C) certification requirements for all Bang & Olufsen products in order to receive a C2C certificate. As of 2024/25, the current products that have C2C certifications and subsequent carbon credits are in the table to the right:

All certifications purchased are either from the UN Framework Convention on Climate Change (UNFCCC) or Climate + and are Gold Standard certified.

The offsets associated with these C2C certified products are specifically connected to the respective factory's energy consumption over a three-year period (5% offset for Bronze certified products and 20% for Silver certified products) as required by the C2C Certification. Hence, either 20% or 5% of the energy consumption in the manufacturing facilities is accounted for. This is not part of our emissions reduction strategy to reach our near-term nor long-term reduction targets. However, we do have a strategy to continue attaining C2C certifications for existing and future products, and therefore will indirectly continue to offset a proportion of electricity consumed by manufacturers.

E1-7 Cradle-to-Cradle certified products

Products	tCO2e	Carbon offset (%)
Beoplay H100	23	20
Beosound Level	35	20
Beosound Theatre	30	5
Beoconnect Core	20	20
Beosound A1 3rd Generation	169	20
Beolab 8	84	5
Beosound A5	54	5
Beosound Level (RE)	54	20
Beosound Emerge	25	20

We do not invest in carbon offsetting projects for our residual emissions from their value chain; however, we will assess the viability of developing a plan in the future that aligns with our reduction targets. //

BP-2 Accounting policy – energy and GHG emissions

1. Environmental data

We consume energy from vehicle fuel, natural gas, electricity, and district heating for the operation of its business. This consumption is global in nature and comes from manufacturing sites, offices, retail locations, and company-owned or operated vehicles. This consumption generates greenhouse gas emissions, and our business operations consume water and generate waste. As a result, we have methodologies for the following data:

1.1. Energy consumption calculation methodology

- **Electricity, district heating, and natural gas:** This data is taken directly from supplier invoices as volume or cost, or from smart meters.

  Every year, we integrate more EVs and hybrid vehicles into our fleet. However, collecting the electricity consumption for these vehicles is not an easy task. We strive to use actuals, but when these are not available, we estimate power consumption based on each car model's efficiency. In the case of hybrid vehicles, we only account for the actual fuel consumption since power consumption data is unavailable, and estimations would be highly uncertain.

- Total energy consumption (scope 2 only) linked to unbundled energy attribute claims / Total energy consumption (scope 2 only): we source 100% of its renewable electricity using renewable electricity certificates. These certificates are source, geography and time bounded. See Chapter E1-6 for more details.

- Petrol and Diesel: Data from all company-owned and leased vehicles' fuel consumption (rental cars' fuel consumption is included in Scope 3 Category 6 Business Travel). The data used for energy calculation varies per market. Actual fuel consumption data is collected in our major markets (e.g., Denmark, most of EMEA, and APAC). When fuel data is not available, we use km driven based on odometer readings or agreed kilometres in the lease contracts and convert this to litres of fuel based on average vehicle fuel efficiencies.

  When using kilometres driven, fuel conversion factors from DEFRA are used to convert our fuel use into kWh for both petrol and diesel.

  We are committed to high data quality. In 2024/25, 90% of the total energy consumption in kWh came from actual consumption data.

1.2. The percentage of electricity sourced from zero-emission sources:
To calculate the percentage of electricity that is from zero-emission sources, we use data collected as part of the energy activity data collection and the relevant attributable emission factor from the supplier, as shown on the invoices. This zero-emission electricity is sourced from either renewable (e.g., solar, wind, hydro, a mix of various renewable sources, etc.) or non-renewable sources (e.g., nuclear). For electricity consumption that is not covered by a supplier electricity emission factor of 0 gCO2/kWh, we have purchased renewable energy certificates. These are geographically bound by region and are from renewable generation only.

1.3. Greenhouse gas emissions calculation methodology
We measure our greenhouse gas emissions (GHG) because it is a material issue for our business. We report our emissions in line with the World Business Council for Sustainable Development GHG Protocol Standard methodology, which classes emissions into three groups: Scope 1, 2, and 3. The data and the calculation methodology vary across the emissions scopes and categories, and are explained in detail below.

Scope 1 & 2:
To calculate our Scope 1 & 2 greenhouse gas emissions, we use the data collected as energy activity data, for example, the kWh of electricity consumed in our Factory 5 aluminium production facilities, litres of fuel consumed by our company vehicles and MWh of district heating purchased across our operations on an annual basis. Using this energy consumption data, we convert it to greenhouse gas emissions (tCO2e) using applicable and updated emission factors.

We use emission factors from our suppliers when available, and ecoinvent (2021) and DEFRA databases (Department for Environment, Food & Rural Affairs, 2024), to translate this activity data into CO2e or greenhouse gas emissions. When accounting for our Scope 2 market-based emissions, we utilise a zero GHG emission factor for the portion of our electricity sourced from clean electricity sources, as described in accounting principle 1.2.

Fugitive emissions from refrigerant gases are also part of Scope 1 as per the GHG Protocol Standard. However, these emissions were excluded from our Scope 1 and 2 SBTi-validated targets due to their very low relevance (0.16% of Scope 1 and 2 market-based baseline in 2023/24), and therefore are not included in our 2024/25 reported figures to ensure consistency and enable more transparent progress tracking.

As part of CSRD reporting, biogenic emissions from renewable energy sources have been disclosed for the first time in 2024/25. The biogenic emissions are primarily related to our district heating consumption. Emissions have been calculated using the DEFRA database.

We do not apply the EU ETS methodology for reporting Scope 1 emissions, nor do we consider GHG emissions from installations subject to regulated Emission Trading Schemes (ETS), as such schemes are not relevant to our operations.

GHG removals: Currently, we do not invest in carbon offsetting projects for residual emissions from our value chain. However, we will assess the viability of developing a plan in the future that aligns with our reduction targets.

Scope 3:
Value chain emissions are classified into fifteen emissions categories and are calculated individually, using different sources of data. We use internationally recognised databases for our emission factors, such as ecoinvent and DEFRA, unless otherwise stated. When our suppliers provide us with GHG emissions reports, we ensure that calculations are aligned with the GHG Protocol requirements.

- **Category 1 – Purchased goods and services:** The cradle-to-gate emissions from the manufacturing of our products are included in this category. For this, we group our products into different categories and use the carbon footprints of representative products as the basis for the calculation. We continually improve this assessment with new LCAs. Emissions from services and non-product-related purchases are estimated based on spend. This category also includes

emissions from purchased cloud computing and data centre services.

- **Category 2 – Capital spend:** Emissions from new building acquisitions and improvements, as well as, and machinery are calculated using spend conversion factors from a database developed by the Sustainability Consortium at the University of Arkansas.
- **Category 3 – Fuel and energy-related activities:** In this category, we account for the upstream emissions of all energy consumption in Scope 1 and 2.
- **Category 4 – Upstream transportation and distribution:** we account for the well-to-tank emissions of all transportation paid by the company. Unless emissions calculations are provided by our suppliers, we estimate them based on weight, distance and transport mode.
- **Category 5 – Waste:** Our largest waste producer is our HQ, where we have implemented a waste management system tracking the volume generated by stream and treatment. For the rest of our offices and stores, we estimate the total waste produced based on the number of employees.
- **Category 6—Business travel:** we account for all business travel emissions in this category, including air travel, and rental cars. Emissions are calculated using spend data and supplier-provided emissions reports.
- **Category 7 – Employee commuting:** Emissions from all employees commuting to the office and back to their reported home addresses. We use country-level proxies to assume the utilisation share of each transportation mode.
- **Category 8 – Upstream leased assets:** Comprises stores, offices and other sites' emissions that fall outside our operational boundaries and were not included in Scope 1 & 2. Emissions are calculated based on the average energy consumption per sqm for our operationally controlled sites. Transportation, when not paid by the company, is also accounted for in this category.
- **Category 9 – Downstream transportation and distribution:** Emissions from warehousing and the retailing of our products are estimated based on estimated energy consumption per sqm and applicable emission factors to the source of energy use (e.g. local grid or fuel-specific emission factors, etc.).n
- **Category 10 – Processing of sold products:** As part of our business, we also sell products to other companies that undergo further processing before being integrated into a larger product, e.g. cars. Emissions from these activities are calculated based on the allocated energy consumption provided by our suppliers on a unit-basis.
- **Category 11 – Use of sold products:** Lifecycle emissions from the expected electricity consumption of our products throughout their lifetime are accounted for in this category. Based on typical use patterns, power consumption and the country where the product was sold, we estimate the lifetime emissions of each product sold during the reporting year.
- **Category 12 – End-of-life emissions:** After many years of service, our clients may decide to let their beloved product go. Although, products are in many cases repaired and kept in the loop for even longer than estimated in our GHG inventory (e.g. Beogram 4000s are still being repaired after many decades of use), at Bang & Olufsen, we estimate these emissions in a conservative fashion, assuming that when the expected lifetime of the product is reached, all products are disposed and treated according to regulations.
- **Categories 13** (Downstream leased assets), 14 (Franchises), and 15 (Investments) were excluded as they do not apply to our business.

1.4. Greenhouse gas emissions per DKK 1m revenue
This intensity metric is included to give the reader a view of the efficiency of our operations. This metric is based on Scopes 1, 2 (market-based), and 3 greenhouse gas emissions divided by our revenue in DKKm.

1.5. GHG emissions calculation factors
Energy consumption data collected is converted into greenhouse gas emissions by utilising suitable and consistent emission factors for each fuel type and market, if applicable. We use emission factors from our suppliers when available, and ecoinvent and DEFRA databases (Department for Environment, Food & Rural Affairs), to translate this activity data into CO2e or greenhouse gas emissions, which we update yearly.

Corporate Responsibility is responsible for assigning a suitable emission factor from the previous databases and converting kilowatt-hours into tones of each of the seven greenhouse gases as required by CSRD ESRS 1 AR 39 (i.e., CO2e, CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3). In many cases, emission factors are primarily presented as CO2e, and in the best scenarios, there are distinct factors available for CO2, CH4, and N2O. We will therefore strive to expand the scope of gases reported but our efforts will be limited by the availability of databases.

Scope 1 emissions
- Global warming potential of greenhouse gases
- CO2e, CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3
- Total gross scope 1 emissions in equivalent kilos of CO2 are calculated by multiplying each subtotal by

the corresponding GWP from the IPCC's fifths assessment report (AR5) for 100-year time horizon.

Carbon emissions from fossil fuels

- Diesel, gasoline (petrol), and natural gas
  UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2024

Scope 2 emissions

- Carbon emissions from power purchased in Denmark
  - EnerginetDK, 2023: Generel deklaration og Miljødeklaration, 2023 (General declaration and environmental declaration, 2023
  - Fjernvarmedeklaration 2024 (EN) - Denmark - Struer - Heating – 202425
  - Vestforbrænding Fjernvarmedeklaration 2023
  - Tårnby Fjernvarmedeklaration 2022

Carbon emissions from power purchased in other European countries

Association of Issuing Bodies (AIB): European Residual Mixes, 2023

Carbon emissions from power purchased in countries outside Europe

- UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2024
- US Environmental Protection Agency (EPA): US EPA 2024 (eGRID2023 data)

Data collection occurs once a year and is led by the Corporate Responsibility department. Data is compiled into the corresponding tabs of our GHG Inventory model (ESG Masterfile) where a suitable emission factor from the previous databases is assigned to each data point. These factors are used to convert kilos of materials, DKK of spend, etc., into tones of each of the seven greenhouse gases as required by CSRD ESRS 1 AR 39 (i.e., CO2e, CO2, CH4, N2O, HFCs, PFCs, SF6 and NF3). In many cases, emission factors are primarily presented as CO2e, and in the best scenarios, there are distinct factors available for CO2, CH4, and N2O. Therefore, we will strive to expand the scope of gases reported but our efforts will be limited by the availability of databases.

Scope 3 emissions

- Emissions from raw material extraction and manufacturing (category 1)
  Ecoinvent emission factor database 3.9.1, 3.10. 3.11
  - Waste generated in operation (category 5)
    UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2024

Business travel (Category 6)

- UK Department for Environment, Food & Rural Affairs (DEFRA), UK government GHG conversion factors for company reporting, 2023

Use of sold products (category 11)

- ecoinvent emission factor database 3.9.1, 3.10. 3.11

1.6. Emissions calculation formulas

Total GHG emissions$_{\text{location-based}}$ (tCO_2eq) = Gross Scope 1 + Gross Scope 2$_{\text{location-based}}$ + Gross Scope 3 Total

GHG emissions$_{\text{market-based}}$ (tCO_2eq) = Gross Scope 1 + Gross Scope 2$_{\text{market-based}}$ + Gross Scope 3

$$\frac{\begin{array}{c}\textit{Total energy compensation from activites}\\ \textit{in high climate impact sectors (MWh)}\end{array}}{\begin{array}{c}\textit{Net revenue from activities in}\\ \textit{high climate impact sectors (monetary units)}\end{array}}$$

$$\frac{\boldsymbol{Toal\ GHG\ emissions\ (tCO2eq)}}{\boldsymbol{Net\ revenue\ (Monetary\ unit)}}$$

1.7. Emissions restatement policy

Every year we strive to improve our reporting. This includes improving the data we use to calculate our greenhouse gas emissions and the estimations around them and selecting the most accurate emission factors. Consequently, we may restate our historical emissions to ensure that results are always comparable and reflect real tendencies.

In alignment with the GHG Protocol and the Science-based Targets Initiative, we have set a 5% threshold for recalculating our baseline or previous years emissions. This means that if the accumulated impact of improvements in data quality, emission calculations, errors or even changes in the company structure surpass this threshold when compared against our SBTi-validated baseline year, our emissions baseline will be recalculated. Every time an update on our historical data is reported, this will be indicated along the reasons. As noted in the Data Tables, we have restated our baseline emissions (21/22) published last year. These changes have seen the threshold of our recalculation policy being exceeded (21% change in absolute emissions compared to previously reported Scope 1, 2, and 3 market-based emissions). We have implemented these adjustments to enhance transparency and alignment with our SBTi validated baseline, which serves as the basis for our performance tracking.

For Scope 1 and 2, changes have come from several areas. We have introduced the ecoinvent database (3.9.1, 3.10, and 3.11) for scope 2 electricity factors, and changed the DK market-based factor from EnergiDanmark to AIB (Association of Issuing Bodies) to reflect European Residual Mixes when renewable energies are extracted from the grid, better reflecting the time period when B&O was not buying renewable energy. This has seen a sizeable increase in market-based emissions for the year 2021/22. We have included the heating consumption of our Lyngby office and estimated historical emissions based on rented sqms and total surface has been calculated. Although this is still not actual consumption, we believe it is important to include these emissions on our scope 1 and 2 baseline as this will i) increase transparency, ii) ensure we focus on reducing our heating consumption at this location too. We have updated the natural gas emission factor for scope 1. Previously, we used a supplier specific emission factor, but this was too different from the literature. We also changed natural gas supplier. Since each of them providing different factors, we decided instead to use DEFRA for sake of consistency. Use of net calorific values for converting volumes of fuel consumption into kWh. Inconsistencies were found when using net or gross calorific values for converting volumes of fuel to energy. To ensure comparability across time, B&O has now ensured that all conversions are done using net calorific values.

Scope 3 updates are as a result of improved product information as well as emission factor changes. We revised the Beosound A5's Product Carbon Footprint (PCF) based on an internal lifecycle assessment and extended its lifetime from 8 to 10 years due to the C2C certification. The improved accuracy of the carbon assessment significantly reduced the emissions associated with the Beosound A5 for 2022/23 and 2023/24. Similar methodology improvements were made for the Beosound A1 which saw a significant reduction in the PCF used to calculate the product's emissions. Further product information improvements have been analysed as a result in updates in battery size, power consumption, standby consumption, power supply, charging times etc. on certain products has further enhance our understanding of use phase emissions and have been updated accordingly. Similarly to Scope 2, B&O introduced the ecoinvent database (3.9.1, 3.10, and 3.11) to calculate scope 3 category 8, 9 (stores power consumption), and 11 electricity emission factors. As a result of these changes, absolute emissions for Category 1 saw a 17% reduction, while Category 11 saw a 37% increase in emissions.

1.8. Data collection tools

We utilise a number of data collection tools in order to collect actual data to make more accurate calculations. These tools include collection of local energy consumption, as well as tools to help quantify transportation and distribution emissions.

E2 Pollution

Progress overview: pollution

We continued to reduce pollution across our operations, while strengthening our monitoring and supplier engagement. Although we have not yet established formal pollution targets, our existing initiatives are contributing to tangible environmental improvements. In FY 2024/25:

Pollution from our own operations remained negligible, tightly monitored, and subject to robust health and safety protocols including training, emergency plans, and safety data procedures.

We **undertook a site visit to suppliers in Southern China** to foster joint sustainability ambitions and reduce pollution.

One substance of concern was identified in our operations, with estimated usage of less than 3 kilograms during the year.

We **reduced the use of adhesives** that limit recyclability in packaging, with a projected 90% decrease expected in the coming months following a redesign.

We **audited our Tier 1 suppliers** on ESG metrics and continued our use of Supplier Self-Assessment Questionnaires, reinforcing due diligence in the value chain.

As we scale our Cradle to Cradle product certifications and improve material traceability, we are laying the groundwork for more advanced pollution prevention and reporting in the years ahead.

SBM-3 Pollution – impacts, risks and opportunities

As a company engaged in the design, production, and global distribution of electronics and lifestyle products, our operations and value chain give rise to various forms of pollution. These include air and water pollution – due to transportation and production – and pollution due to substances of concern. Certain substances in our products may also pose environmental risks. We are committed to reducing these impacts and ensuring compliance with relevant environmental standards. //

Material impacts, risks and opportunities

			IRO	I, R or O	Description	Location in value chain*	Time horizon**
E2	Pollution	Pollution of air	Transport and production emissions	Risk, Actual negative impact	We contribute to air pollution through particle emissions such as NOx from product transportation and repair logistics, as well as from coal-based energy used in manufacturing processes and component production in China.	US, OO, DS	S
		Pollution of water	Pollution from aluminium and textiles	Risk, Potential negative impact	We contribute to water pollution through various stages of its supply chain, including bauxite waste from aluminium production and textile dyeing processes, and pollutants from printed circuit board (PCB) moulding used in electronics manufacturing.	US, OO	S
		Substances of concern	Pollution from substances of concern	Risk, Actual negative impact	Substances of concern, such lead and PFA's, are released and are harmful to the environment.	US, OO, DS	S, M, L

*US: Upstream; OO: Own Operations; DS: Downstream
** S: Short; M: Medium; L: Long

E2.IRO-1 Process to identify IROs

We strive to innovate not only its products but also processes related to sustainability topics. We have partially screened the potential impacts, risks and opportunities connected to pollution in business activities and site locations throughout our DMA (double materiality assessment) and related stakeholder workshops and have considered relevant locations. Pollution in our own operations is negligible, strictly monitored and prevented. Pollution in our immediate supply chain is minimised to use of water and heating by our Tier 1 suppliers. Related business activities are prevalently the use of aluminium components, assembly of electronics, and pollution from transportation. For this, we have acquired data from Tier 1 suppliers. We do not have a specific policy on pollution, due to prioritisation of resources and no timeframe has been set for the adoption of such policy. However, our Stakeholder and Sustainability Policy and our Business Conduct and Ethics Policy include relevant content regarding stakeholder engagement, all facets of ESG (environmental, social and governance), longevity, and business ethics. Our entire organisation is in scope for these policies while our suppliers are in scope of our Supplier Code of Conduct covering supplier relevant sustainability topics. Our policy implementation is supported by third party standards like ISO 9001 (Quality Management) and Cradle to Cradle Certified® certification and our Communication on Progress under the UN Global Compact. The mentioned policies are publicly available on our investor relations website and owned by the Chief Corporate Commercial Officer, who is also a member of the Executive Management Board. We have not included any consultations with affected communities, as we did not find sufficient material impacts, risk or opportunities related to them. //

E2-1 Policies related to pollution

We do not currently have an all-encompassing policy on mitigating the impacts of pollution due to prioritisation of resources. However some pollution aspects are covered by policy such as substances of concern covered by our Stakeholder and Sustainability Policy and our Business Conduct and Ethics Policy. The Stakeholder and Sustainability Policy covers pollution as approved by the Board of Directors in early July 2025 and this policy will be further expanded by 2026/27 to describe our actions to reduce pollution.

We partially mitigates negative impacts by conducting audits with product-related suppliers that include pollution and other environmental metrics. We conduct Quarterly Business Reviews at our primary product-related suppliers and regular Supplier Self-Assessment Questionnaires (SAQs) and have created a working group on various ESG topics, including pollution prevention and mitigation. As no all-encompassing policy on mitigating the impacts of pollution has been established, no stakeholders have been consulted in the creation of such a policy.

Substances of concern have become a major global challenge due to widespread pollution and are therefore addressed in our Stakeholder and Sustainability Policy as well as our Business Conduct and Ethics Policy, under the broader ESG and Sustainability framework. We monitor their contents in the bill of materials and minimise their use via the Cradle to Cradle (C2C) certification. Their use in our products is negligible. We take employee safety, environmental precautions, and potential risks to the environment very seriously. We implement regular Health and Safety training, and plans and instructions in our own operations that cover pollution incidents. We also have dedicated first responder employees, emergency plans, and tracked evidence of incidents or near-misses. Safety data sheets (SDS) are also available to employees in case of chemical spillage or related incidents. In the value chain, this is handled by local legislation and third-party audits.

We have achieved reduction in air and water pollution by optimising the design and production of some products that are C2C certified (or are in process of certification) and implementing water-saving and energy-saving measures within our value chain. Our plans to further reduce pollution are strongly correlated with our decarbonisation target of Net-Zero by 2040, which will help us reduce air pollution significantly. This will be further developed by continuing the rigorous C2C certification as well as our commitment to the First Movers Coalition (FMC) to use 50% and more recycled aluminium by 2030, reducing waste, as well as, air, soil and water pollution in the value chain. //

E2-2 Actions related to pollution

We have not established formal action plans specifically dedicated to pollution reduction, as our pollution-related impacts are limited in scope and are effectively addressed through existing business-as-usual processes. Pollution is not currently considered a priority risk requiring targeted mitigation actions beyond the measures already embedded in our operations.

Nevertheless, we manage pollution-related aspects through ongoing activities across relevant functions. For example, supplier audits–conducted every two years–include environmental criteria such as pollution prevention and compliance. Health and safety training, managed by our Health & Safety team, also includes guidance on environmental risks and handling of substances of concern.

Budget is allocated to drive sustainability initiatives through the central Sustainability team and supporting departments, including an audit budget within Procurement and training resources in Health & Safety. However, since no formal pollution reduction targets have been set, no dedicated budget has been established for pollution-specific actions.

Pollution-related resource use in our upstream value chain—particularly Scope 3 pollution—is managed in collaboration with our suppliers and partners, who are responsible for compliance and environmental controls within their own operations. //

E2-3 Pollution targets

While E2 Pollution has been identified as a material aspect under the ESRS framework, we have not yet established formal pollution reduction targets for air, water, soil or substances of concern. This is due to the ongoing development of our data collection systems and internal processes, which are necessary to set meaningful and achievable goals. At this stage, we do not plan to establish external, measurable outcome-oriented targets for water pollution, as our operations involve limited discharge and current pollutant levels remain significantly below regulatory thresholds (e.g. under Annex II of Regulation (EC) No 166/2006). We are committed to enhancing our pollution management strategy and may define specific targets as our capabilities mature. Meanwhile our targets on decarbonisation and our work on use of recycled materials and overall reduction of environmental impact of our products will have a direct effect on the overall decrease in pollution, including substances of concern.

Despite the absence of formal targets, we track the effectiveness of our pollution-related policies through internal monitoring processes. For example, wastewater discharges from our Struer facility are measured and verified annually by a third-party laboratory, including pollutant concentrations and annual loads of nitrogen and phosphorus. Our ambition is to maintain these levels well below regulatory thresholds, and we use 2022 as a baseline for year-over-year comparisons. As no formal pollution reduction targets have been set, no stakeholders have been included in such conversations. //

E2-4
Measured Water Pollutant Concentrations and Annual Loads at Struer

	Unit	2024
Wastewater	Cubic meters	18,365
BOD_5 (Biochemical Oxygen Demand over 5 days)	mg/L	n/a
BOD_5	kg/year	n/a
Nitrogen concentration	mg/L	131
Total annual Nitrogen load	kg	2,405
Phosphorus concentration	mg/L	0.5
Total annual Phosphorous load	kg	9.2

E2-4 Metrics related to pollution

We monitor water pollution from our Struer factory in Denmark, which is the only site where water is used in a way that has a material environmental impact. All other company locations either do not use water for production or only use it for sanitary purposes and are therefore excluded from this disclosure.

Our Struer site operates an on-site water treatment facility. To track our environmental impact, we conduct quarterly water quality testing through an external accredited laboratory. These measurements focus on key pollutants covered by EU regulations, specifically:

- Biochemical Oxygen Demand (BOD_5)
- Total Nitrogen (N)
- Total Phosphorus (P)

This monitoring helps us stay compliant with national requirements and provides transparency over our water-related emissions. Results are reported both in terms of concentration (mg/l) and total annual discharge (kg/year). These amounts can be found in the table below.

In accordance with Annex II of Regulation (EC) No 166/2006, we confirm that pollutant discharge levels at our Struer facility remain well below the reporting thresholds. For 2024, total nitrogen load was 2,405 kg/year and phosphorus load was 9.2 kg/year, significantly under the respective thresholds of 50,000 kg and 5,000 kg.

Water discharges from our Struer facility are monitored in accordance with Danish regulatory requirements, which are aligned with the EU Industrial Emissions Directive. Where applicable, monitoring parameters, frequency, and analytical methods are designed to be consistent with the relevant BREF documents and BAT Conclusions, as integrated into our site's environmental permit. We do not conduct independent verification of the measurements beyond the contracted laboratory. There is also no calibration of automated measuring systems, as these are not used in our setup.

As first year reporters under the ESRS, no comparable pollution-related data from prior reporting periods is available. Future reporting cycles will include year-over-year comparisons as data continuity is established.

In accordance with the Greenhouse Gas (GHG) Protocol, we calculated the emissions generated from our waste disposal processes during the 2024/25 financial year. These activities resulted in an estimated 11,911 kg of CO_2 equivalent (CO_2e). //

E2-5 Substances of concern

We are committed to monitoring and minimising the use of substances that pose risks to human health or the environment. In line with ESRS, we have assessed our use of substances of concern (SoC) and substances of very high concern (SVHC) across our operations and supply chain.

We do not currently use or place on the market any SVHC's as defined by the ESRS, including the criteria set forth under the REACH Regulation.

Our assessment of substances of concern was based on a review of:

- REACH-based SoC lists (REACH: the Regulation on the registration, evaluation, authorisation and restriction of chemicals)
- CLP-based SoC classifications (CLP: Classification, Labelling and Packaging of substances and mixtures)
- Persistent Organic Pollutants (POP) Regulation lists
- Circularity-based SoCs (i.e. substances that negatively impact the re-use or recycling of materials)

Each year, we issue supplier questionnaires to screen for the presence of these substances in components and materials. Based on responses, the only substance of concern identified in our operations this year was lead and lead compounds. We estimate that no more than 3 kilograms of lead were placed on the market during the reporting year. This estimate is based on supplier reporting and internal material tracking.

In addition, we identified the use of an adhesive classified as a circularity-based SoC. Approximately 200 kilograms of glue were used in the packaging of three product lines. This glue, while compliant with all applicable safety regulations, was applied in a way that made it difficult to separate plastic components for recycling. The use of this glue was limited to packaging applications and is being phased out, with a projected 90%[3] reduction expected in the coming months following a redesign of the packaging.

We continue to engage suppliers and internal teams to reduce and, where possible, eliminate the use of

[3] Estimate

substances of concern in both our products and processes. While we do not currently track all circularity-based substances of concern, we will begin doing so from August 2026, in line with upcoming EU packaging legislation. This will enhance our ability to monitor and report on materials that hinder recyclability and support our efforts to improve product circularity across the value chain. //

BP-2 Accounting policy – pollution

1. The number of products that are Cradle to Cradle certified

A count of the number of Cradle to Cradle product certifications obtained by Bang & Olufsen A/S products certified to any level (bronze or above) by the internationally renowned Cradle to Cradle Products Innovation Institute in the financial year.

2. Substances of concern

Scope: This disclosure covers substances of concern (SoCs) and substances of very high concern (SVHCs) that are used in or present within our own operations and procured goods.

Calculation: The estimated mass (kg) of SoCs placed on the market is calculated using the following formula:

- Amount of SoC (kg) = Number of units sold × Estimated mass of substance per unit
- For this FY, this applies to:
- Lead compounds, based on supplier reporting;
- Adhesive (glue) used in packaging of three specific product lines (estimated at 1g per unit).

Where weight per unit is not directly reported by suppliers, product compliance estimates based on component specifications and production data are used.

We monitor regulatory updates from the European Chemicals Agency (ECHA), including changes to the SVHC Candidate List. Each year, suppliers are asked to declare the presence of substances of concern (SoCs), including those under REACH, CLP, POP, and circularity-based frameworks. If a substance is declared as used, it is recorded in B&O's compliance database, reported to the SCIP database, and an avoidance or substitution strategy is initiated. If not used, no further action is taken. For newly banned substances, B&O requests replacements and may trigger product changes or end-of-life processes if use is confirmed.

Governance and Oversight

- The Product Compliance team is responsible for collecting, validating, and maintaining SoC- and SVHC-related data across all product types.
- All compliance data is centrally stored and maintained, ensuring traceability and enabling accurate annual reporting.
- We do not use any substances of concern that are banned and require special authorisation.

Units and Reporting Format

- All amounts are reported in kilograms (kg), as appropriate to the volume and use case.
- Lead and adhesive are tracked and reported separately to reflect differences in type and environmental impact.

3. Wastewater data

This disclosure is based on actual on-site monitoring data from the Struer factory. No estimates or extrapolations were applied from other sites.

Quarterly measurements of water quality are carried out by a third-party accredited laboratory. As per ESRS

- Pollutant loads (kg/year) are calculated using the formula:
  Annual load = Concentration (mg/l) × Volume (m^3/year) × 1.0 (conversion factor to kg/year)

Data covers the pollutants listed in Annex II of Regulation (EC) No 166/2006, namely:

- Biochemical Oxygen Demand (BOD_5)
- Total Nitrogen (N)
- Total Phosphorus (P)

E5 Resource Use and Circular Economy

Progress overview: circularity

We advanced our circularity agenda with meaningful results across design, certification, innovation, and advocacy. Our efforts are grounded in Cradle to Cradle principles, product longevity, and resource efficiency, supporting our ambition to lead the consumer electronics industry toward a more regenerative future. During the 2024/25 financial year:

Six new products were Cradle to Cradle Certified® at Bronze level, bringing our certified portfolio to eight products.

We **expanded our Recreated Classics programme** with the launch of Beosystem 3000c, continuing the remanufacturing of iconic legacy products to extend their lifespan and reduce waste.

Our **use of circular design principles**—such as modular construction, reversible joints and disassembly-friendly components—continues to enable reuse, repair and recyclability across product lifecycles.

We **launched a two-year innovation project (REECirkEL)** to explore recycling solutions for rare earth elements in collaboration with industry experts and with partial funding from the Danish Environmental Protection Agency.

Our **participation in the First Movers Coalition aluminium working group** reflects our ongoing commitment to sourcing low-emission and recycled aluminium. We aim for at least 10% near-zero carbon aluminium and 50% recycled aluminium by 2030.

We **disclosed for the first time our resource inflows and outflows** for all Cradle to Cradle certified products and are expanding this approach to cover our full product portfolio in the future.

By integrating circular design from concept to end-of-life, we are creating long-term environmental and business value while actively supporting global circular economy goals.

SBM-3 Circular economy – impacts, risks and opportunities

The circularity efforts at Bang & Olufsen are centred around our ambition of leading and inspiring a movement towards a more long-lasting and circular future for the entire consumer electronics industry. In order to secure a science-based, well-structured and innovation-oriented approach to driving circular change across the full life cycle of our products, we have committed fully to adopting cradle to cradle design principles and securing the validation of these through the Cradle to Cradle Certified® Product Standard. The standard is widely recognised as the most ambitious product standard available for designing products for a circular economy.

We see clear opportunities for leveraging our heritage of durable design to drive circularity with the objective of reducing dependency on non-renewable resources, reducing e-waste through enhanced product lifespans and circulating our products longer through reuse beyond the first useful lifecycle.

However, challenges remain including aluminium which is a critical raw material in relation to our brand and design identity. There is an environmental impact linked to the extraction and processing of aluminium from bauxite mining over alumina refining to finished aluminium goods, which is causing GHG emissions.

Material impacts, risks and opportunities			IRO	I, R or O	Description	Location in value chain*	Time horizon**
E5	Circular economy	Resources inflows, including resource use	Sourcing of aluminium	Risk, Potential negative impact	We use of aluminium, while not drawing on a scarce resource, still relies on a globally limited and highly demanded material, with sourcing spanning countries like China, Germany, Brazil, and Norway. Although aluminium in Bang & Olufsen's products is high-quality and recyclable, there is limited global availability, potential cost increases, and possible effects on product quality.	US	S, M
		Resources inflows, including resource use	Reducing resource use	Opportunity, Positive impact	Responsible sourcing across our value chain offers a clear opportunity to lead in circularity, enhance brand trust, and create long-term value. As we increase product certification and engage dealers, we strengthen our market position, meet growing sustainability demands, and unlock financial benefits through improved resilience and client loyalty.	US, OO	S, M
		Resources inflows, including resource use	Use of batteries, rare earth metals	Risk, Actual negative impact	We face risks from the limited lifespan and environmental impact of materials like non-recyclable batteries, rare earth elements, and structural metals. These resources are resource-intensive, with limited sustainable alternatives, and current efforts focus mainly on new products, leaving existing designs less sustainable. While alternatives like sodium batteries are being explored, they are not yet available at scale.	US, OO	S, M
		Resource outflows related to products and services	Product circularity	Opportunity, Positive Impact	We have a strong foundation in designing luxury timeless technology products, positioning itself as a front-runner in product longevity and resource efficiency. Initiatives like the TV swap program, repair library suitcases, and advocacy for long-lived electronics reflect a clear opportunity to further reduce material use across a significant portion of its resource footprint.	OO	M
		Resource outflows related to products and services	Longevity Limitations	Risk, Actual negative impact	While we offer spare parts and supports repairs for many products, the irreparability of certain items (e.g., earphones) shorten product lifespans. These limitations reduce circularity and affect a broad range of products and clients, especially after warranty periods or when technological alternatives are unavailable.	OO	S
		Waste	Waste and recycling challenges	Risk, Actual negative impact	We generate significant aluminium waste during production, especially from virgin materials, and faces challenges with complex, non-recyclable packaging. While most waste at Factory 5 is recycled, current efforts are concentrated there, limiting insight across other internal sites.	US, OO	S, M, L
		Waste	Waste and recycling challenges	Risk, Actual negative impact	There is limited data and control over waste handling by ODMs and at the post-consumer stage. Inconsistent recycling practices and the presence of end-of-life components like batteries hinder circularity and create risks to achieving sustainability goals.	DS	S, M, L
		Waste	Extended Product Lifespan	Positive impact	By providing product care and service support that exceeds standard market practice, we extend product lifetimes, reducing resource consumption and waste. This contributes to a positive environmental impact by promoting more sustainable product use.	DS	L

*US: Upstream; OO: Own Operations; DS: Downstream
** S: Short; M: Medium; L: Long

Furthermore, part of our product portfolio needs battery technology to support on-the-go use cases. Li-ion battery technology has a negative impact to the environment attached to the process of extraction, processing and synthesis to the final battery components, which is causing GHG emissions and challenges in relation to post-consumer waste handling. An additional attention area is our use of high-performing permanent magnets mainly used in speaker drivers. A proportion of the permanent magnets used, mainly for very compact product designs, are based on neodymium and other rare earth metals. Rare-earth elements are causing a negative impact on the environment as the extraction and refining of rare-earth elements contribute to habitat destruction, water pollution, and GHG emissions.

To advance circularity, we are strengthening engagement with suppliers and partners, exploring alternative materials and technologies. By reducing resource use and extending product lifespans, we not only improve environmental outcomes but also enhance brand trust and long-term value. //

E5.IRO-1 Process to identify IRO's

As part of our double materiality assessment, we have systematically screened our activities to identify actual and potential impacts, risks, and opportunities (IROs) related to resource use and the circular economy. This assessment covers our own operations as well as our upstream and downstream value chain, allowing us to capture a holistic view of material impacts and opportunities.

To conduct this screening, we utilise Life Cycle Assessments (LCAs), which provide quantitative insights into the environmental impact of our products and processes across their entire lifecycle. These LCAs inform our decisions on material selection, process optimisation, and circularity strategies. Additionally, we hold a Cradle to Cradle certification, reinforcing our commitment to designing products that contribute to a transition towards a circular economy.

While we have not conducted formal consultations with affected communities as part of this screening process, we actively participate in working groups focused on advancing circular economy principles and resource efficiency. These collaborations enable us to stay at the forefront of best practices and evolving methodologies in circular material use and product lifecycle management.

Inherent in our corporate strategy is our approach to product longevity, which drives our ongoing efforts to reduce material consumption, to extend the lifetime of our products and prepare them for a life after their first one. Enablers of a prolonged product lifetime include selecting high quality materials and applying modular design principles to ensure easy disassembly, service,

upgrades and refurbishment in the future. Through continuous innovation and refinement, we strive to enhance resource efficiency, minimise waste, and create long-term value for our stakeholders. //

E5-1 Circular policies

Our Stakeholder and Sustainability Policy address resource use and circular economy IROs related to our operations, value chain and specific stakeholder groups. It is the company's ambition to lead and inspire a movement towards a circular, regenerative future by creating Luxury Timeless Technology products and experiences – from the first client to the last.

Our Stakeholder and Sustainability Policy includes our ambition within Longevity and Environmental Impact to focus on activities related to the circular economy and circular resource management. The policy is available to the public on our corporate website.

When determining what and how to prioritise the company's activities when it comes to ESG related issues, we take a science-based, data-driven approach, utilising a double materiality lens. This means we consider the impact of Bang & Olufsen and the company's products and value chain on the outside world, as well as the actual and potential financial impact of the outside world on the company.

To ensure ongoing alignment and effectiveness, the policy is supported by regular monitoring processes. These include an annual policy review by relevant stakeholders and approval by the Board of Directors, as well as an in-depth annual assessment of the level of compliance with the Stakeholder and Sustainability Policy as presented by the Director of Corporate Responsibility to the Board of Directors.

The policy applies to all Bang & Olufsen's corporate entities and all Bang & Olufsen's employees globally. Ultimate accountability for the implementation of the Stakeholder and Sustainability Policy rests with Chief Corporate Commercial Officer (a member of the Executive Management Board), who reports to the Chief Executive Officer. Operational execution and oversight are delegated to Director of Corporate Responsibility and the Sustainability Committee.//

E5-2 Actions related to circularity

A number of actions have been taken in 2024/25 to drive circularity as part of our sustainability ambition.

Six new Cradle-to-Cradle Certified® projects at the Bronze level have been successfully completed this year along with our first Cradle-to-Cradle Certified® recertification project for our product Beosound Level demonstrating continuous improvements across several sub-categories of the certification scope. These achievements now makes the following portfolio of products certified Beosound Level, Beolab 8, Beosound A5, Beosound Theatre, Beosound A1 3rd Gen, Beosound Emerge, Beoplay H100 and Beoconnect Core.

We continued the remanufacturing of products in our selected Bang & Olufsen Classics programme (Beogram 4000c and Beosound 9000c), while further expanding the program with the launch of Beosystem 3000c Recreated Limited edition based on a recreated version of the Beogram 3000 turntable.

We have, in March 2025 in collaboration with the Danish Technological Institute, waste management companies and rare earth processing specialists, initiated a two-year innovation and demonstration project called REECirkEL with partial funding from the Danish Environmental Protection Agency. The objective of the project is to explore and develop technical solutions for the recycling of rare earth metals from e-waste to reduce impacts from the extraction and processing of rare earth metals.

As part of our advocacy initiatives to promote circularity, we participated in a number of conferences and contributed to the new Circular Design Guide by the Circular Design Forum.

Our primary focus has been on mitigating and preventing negative environmental and social impacts through circular design, responsible sourcing, and supplier engagement. We acknowledge the importance of also addressing actual harms that may have occurred. In 2024/25, we have not identified instances where stakeholders may have been adversely affected by our resource use and activities relating to circular economy.

Budget is allocated to drive initiatives within the Sustainability team, the Circularity team as well as other relevant departments. However, a dedicated budget to cover all resource use and circular economy activities has not been established. //

E5-3 Targets related to circularity

In order to address the environmental impact from our use of aluminium, we joined the First-Movers Coalition Aluminium working group under the World Economic forum in 2023, working actively to develop and implement low-emission technologies for aluminium extraction and processing. Our commitment is to ensure that at least 10% of the company's primary aluminium purchases must have near-zero carbon emissions by 2030 and ensure at least 50% of the aluminium we use in our production is recycled by 2030. This target falls under the recycling order of the waste hierarchy, and is a voluntary target not required by legislation.

We have set a target to certify future products with the Cradle to Cradle® certification across several categories, supporting our broader sustainability strategy by embedding circular design principles into product development and reducing environmental impact. To ensure the target was relevant, it was developed collaboratively by our product development and sustainability teams. The target is absolute as we aimed to achieve 10 certified products by the end of FY 2024/25. The baseline year is 2021, when the first product was certified, and progress is measured from that point. We base our methodology on the Cradle to Cradle Certified® Product Standard, which evaluates products across five categories and aligns with EU circular economy goals. The framework is grounded in scientific principles, ensuring the target is robust. As of FY 2024/25, we achieved eight certifications, falling short of the target by two products – this is due to the resource-intensive nature of the certification process. Progress is monitored annually, and we remain committed to certifying future products and advancing circular design.

Our targets support the Circular Economy objective under the EU Taxonomy by increasing the share of secondary raw materials in our products, thereby contributing to material efficiency and circular resource flows. The targets have been designed to be consistent with the Substantial Contribution criteria and do not conflict with the Do No Significant Harm requirements, including considerations such as the absence of hazardous substances and the environmental performance of recycling processes.

We track the effectiveness of our circular economy-related policies and actions through these measurable targets. //

E5-4 Resource inflows

Resource inflows are only applicable to us in connection with aluminium processing, which is the only material inflow that we directly work with. We do not mine or melt any aluminium materials by ourselves. Our suppliers purchase already refined aluminium billets, ingots and slabs for all their clients. Melting of aluminium is done by our suppliers in Europe or China. In Europe the aluminium we procure for processing and anodisation at our factory in Struer comes from refineries in Austria, Belgium, Germany, and Norway. The aluminium used by our partners in China was either processed at our Factory 5 in Struer or sourced locally. In Struer, the process includes inspection, machining, surface treatment, anodisation, decoration, and quality control using CNC machines, robots, presses, lasers, and engravers. Finished parts are then sent to contract manufacturers for assembly.

E5-4 Resource inflows - C2C certified products and materials	Unit	2024/25
Product Section*		
Total weight of C2C certified products	kg	93,326
Weight of materials from technical cycle	%	98%
Weight of materials from biological cycle	%	2%
Cycled content	%	14%
Renewable content	%	1%
Material breakdown		
Metals	kg	35,672
Structural materials	kg	47,970
Cables and supporting materials	kg	7,869
Retail packaging Section		
Weight of materials from technical cycle	kg	7,368
Weight of materials from biological cycle	kg	55,613
Subcategory of biological	kg	

* Beoplay H100, Beosound A1 3rd gen., Beosound Level, Beosound Emerge, Beosound A5, Beolab 8, Beosound Theatre, and Beoconnect Core

The table to the right presents detailed sustainability and resource inflow data for a selection of our products that are part of our C2C-certified portfolio. This includes information on material composition, recycled and responsibly sourced content, and packaging materials. This data is currently only available for C2C-certified products and does not yet represent the full B&O product range. We are actively working toward collecting and reporting this information across all products in the future. It is important to emphasise that C2C certified products are designed with enhanced sustainability standards, and therefore, their data cannot be used to extrapolate or estimate the environmental profile of non-C2C certified products. //

Source: List of EWC cosed from the Danish Environment Agency

E5-5 Resource outflows

Our products are designed with circularity in mind, emphasising durability, reusability, repairability, and disassembly. Recycling is facilitated by design choices such as reversible joints and screws instead of glue, allowing materials to be efficiently separated and reused. These principles are embedded across initiatives like the "Recreated Classics" programmes, which extend product life through remanufacturing and refurbishment. For in-home wireless speakers like Beolab 8, the designed lifetime is longer than industry average, with an additional many years' service commitment. Durability is validated through rigorous testing and modelling based on real-world usage patterns and environmental conditions.

While we do not yet apply a formal rating system such as the EU Repairability Index, our products are designed for long service lives and are validated through rigorous durability testing and disassembly modelling. Features like reversible joints and screws (instead of adhesives) enable easier repairs and recycling.

Our metrics for resource inflows and outflows have only been validated by our assurance provider and have not yet undergone external validation by an additional third party.

E5-5 End-of-Life Waste Streams	Waste type	Unit	2024/25
EoL Products	Electronics	Tonnes	1,589
EoL Discontinued	Electronics	Tonnes	110
EoL Cardboard Packaging	Paper	Tonnes	917
EoL Plastic Packaging	Plastics	Tonnes	167
Total		**Tonnes**	**2,783**

Relevant EoL waste streams

- As a company operating in the luxury audio sector, our most relevant end-of-life waste streams include:
- Electronic waste from returned, discontinued, or end-of-life products,
- Cardboard and plastic packaging from product shipments, and
- Manufacturing waste, including material scraps and defective components.
- These streams reflect typical sector practices, where electronic waste and mixed-material packaging represent the highest material outflows at end of life.

Materials present in waste

Our end-of-life and operational waste includes the following material categories:

- Metals (e.g. aluminium, steel components in electronics)
- Plastics (from product housing and packaging)
- Cardboard (from packaging)
- Electronic components (e.g. PCBs, wires)

E5-5 Resource outflows, waste	Unit	2024/25
Hazardous waste	Kg	**21,542**
Diverted from disposal	Kg	21,296
Preparation for reuse	Kg	10
Recycling	Kg	6,819
Other recovery	Kg	14,467
Diverted to disposal by waste treatment type	Kg	246
Incineration	Kg	-
Landfill	Kg	246
Other disposal	Kg	-
Radioactive	Kg	-
Non-Hazardous waste	Kg	**421,396**
Diverted from disposal	Kg	417,116
Preparation for reuse	Kg	-
Recycling	Kg	279,213
Other recovery	Kg	137,903
Diverted to disposal by waste treatment type	Kg	4,280
Incineration	Kg	-
Landfill	Kg	4,280
Other disposal	Kg	-
Total waste generated	Kg	**442,938**
Non-recycled waste		
Absolute value	Kg	4,526
Percentage	%	1

- Biomass is not relevant to our product composition
- Critical raw materials and rare earths may be present in trace amounts in electronics, although not separately tracked at waste level.

BP-2 Accounting policy – circular economy

1. Resource outflows, waste

We measure our waste because resource efficiency through circularity is a material issue for our company. All waste handling from our site in Struer is managed by Stena Recycling A/S. Waste data is reported solely for our Struer facilities, as waste generated at other locations is considered immaterial due to their limited operational activities and volumes.

Waste data is calculated using measured weights from supplier records. The rates for recovery and recycling are calculated using the total waste generated (442,938 kg) as the denominator.

- Total Waste generated: Sum of Hazardous wasted diverted from disposal, Non-hazardous wasted diverted from disposal, Hazardous wasted directed to disposal and Non-hazardous wasted directed to disposal.
- Hazardous waste diverted from disposal: Sum of Hazardous waste diverted from disposal due to preparation for reuse, Hazardous waste diverted from disposal due to recycling and Hazardous waste diverted from disposal due to other recovery operations.
- Non-hazardous waste diverted from disposal: Sum of Non-hazardous waste diverted from disposal due to preparation for reuse, Non-hazardous waste diverted from disposal due to recycling, Non-hazardous waste diverted from disposal due to other recovery operations.
- Hazardous waste directed to disposal: Sum of Hazardous waste directed to disposal by incineration, Hazardous waste directed to disposal by landfilling and Hazardous waste directed to disposal by other disposal operations.
- Non-hazardous waste directed to disposal: Sum of Non-hazardous waste directed to disposal by incineration, Non-hazardous waste directed to disposal by landfilling, Non-hazardous waste directed to disposal by other disposal operations.
- Non-recycled waste: Sum of Hazardous waste directed to disposal and Non-hazardous waste directed to disposal.
- Percentage of non-recycled waste: Sum of Non-recycled waste divided with Total Waste generated.
- Total amount of hazardous waste: Sum of Hazardous waste diverted from disposal and Hazardous waste directed to disposal.
- Quantities are rounded to the nearest whole number.
- Recycling rates: Waste is reported on the basis of invoices received from waste supplier in Struer, who follows the Danish Environmental Agency's standards regarding waste and the calculation of recycling rates.

2. End of life waste streams

We calculate our waste streams in line with the GHG Protocol Scope 3 Calculation Guidance data collection methodology in order to estimate total EoL of products and packaging from products sold by us in the 2024/25 financial year.

Each product is assumed to consist of three materials: electronics, plastic, and cardboard. We track data from the end-of-life management of:

- E-waste (electronics): discarded electrical or electronic devices that are no longer in use or have become obsolete. Includes headphones, speakers, televisions etc. EoL products and discontinued products cover all of our product categories. All the product weight is made up of electronics.
- Packaging (plastic and cardboard): discarded cardboard materials used for packaging products. Covers all packaging for product protection and transportation. Plastic packaging waste includes plastic materials used for wrapping, containing, or protecting products during transport or storage. Includes items such as plastic bags, films, and wraps.

Calculation methods:

<u>E-waste (electronics):</u> Calculated using sales volume dashboard data and sum of all products. Discontinued products are assumed to be fully disposed of with no material recovery. We add all negative figures to represent products that were discontinued and called back. This process assumes that all products returned are sent to waste and no material recovery takes place. Each product's weight is multiplied by the number of sold and discontinued units to determine total e-waste. <u>Packaging (plastic and cardboard):</u> Plastic and cardboard weights are estimated based on available bill of materials data and extrapolated across 11 unique product families. Once we have assigned a plastic and carboard content to each product, we multiply it by the number of units sold to obtain the total packaging waste in the market.

3. Resource Inflows

We measure our resource inflow to track material efficiency and circularity in our product design and production. The data includes materials used in Cradle-to-Cradle (C2C) certified products sold in FY 2024/25. Cradle-to-Cradle (C2C) certified products at Bang & Olufsen are those assessed for environmental and social performance across material health, circularity, renewable energy, water stewardship, and social fairness.

Responsible sourcing: we follow the C2C principles of sustainable sourcing, which means that materials and ingredients are safely sourced, responsibly sources, and social fair, with a preference for renewable or recycled inputs, traceability, and positive impacts on people and planet throughout the supply chain.

Calculation methods:

- **Total weight of C2C certified products**: product of unit weight by sales volume and sum of all products.
- **Weight of materials from technical cycle:** includes plastic, aluminium, PCBs, rare magnets, steel, Li-ion batteries and soft polymers (rubber and silicone). Calculated by applying the ratio of technical cycle materials to the total product weight, then multiplying by sales and summing across products.
- **Weight of materials from biological cycle:** includes wood, leather, and textiles. Calculated using the same method as technical cycle.
- **Cycled content:** includes recycled aluminium and plastic. Calculated using the same method as technical cycle.
- **Renewable content:** includes Forest Stewardship Council (FSC) certified wood. Calculated using the same method as technical cycle.
- **Metals**: includes aluminium and steel. Calculated by summing the weights of aluminium and steel per product, multiplying by sales and aggregating across all products.
- **Structural materials**: includes rigid plastic, wood, textile, leather and soft polymers. Calculated using the same method as metals.
- **Cables and supporting materials**: includes cables, accessories and other supporting materials. Calculated using the same method as metals.
- **Weight of materials from technical cycle in packaging**: includes **plastic**, metals, and other materials. Calculated using the same method as metals.
- **Weight of materials from biological cycle in packaging**: includes paper and bamboo. Calculated using the same method as metals.
- **Subcategory of biological**: includes FSC-certified wood, a subcategory of biological cycle materials. Calculated using the same method as metals.

EU Taxonomy

In accordance with the EU Taxonomy Regulation (Regulation (EU) 2020/852) and related Delegated Acts, Bang & Olufsen discloses the proportion of its economic activities that are environmentally sustainable. The Taxonomy provides a classification system for identifying activities that are classified under one or more of six environmental objectives, based on defined technical screening criteria.

For the financial year 2024/25, our disclosures reflect activities classified under:

- Climate Change Mitigation
- Transition to a Circular Economy

Activities have been screened for taxonomy eligibility (whether the activity is listed in the Delegated Acts) and taxonomy alignment (whether it meets all substantial contribution criteria, DNSH, and minimum safeguards).

We have followed the definitions provided in Annexes I and II of the Delegated Acts under Article 8. The assessment has been conducted jointly by our Finance and Sustainability teams. Detailed definitions of revenue, CapEx and OpEx can be found in our accounting policies on page 93.

Activities have been assessed against the technical screening criteria for their classification under the Climate Change Mitigation and Circular Economy objectives. Other environmental objectives were screened and deemed not applicable in the reporting year.

Eligibility and Alignment in FY 2024/25*

KPI	Unit	Eligible	Aligned
Revenue	%	88.7 %	0%
CapEx	%	100 %	0%
OpEx	%	100 %	0%

*The exact percentages will be calculated based on the Revenue, Capex, and OpEx tables in this section.

Climate change mitigation

We identified the following eligible but not aligned activities classified under the Climate Mitigation and Adaptation objectives:

- Activity 5.1 (Construction, extension and operation of waste water collection and treatment)
- Activity 7.2 (Renovation of existing buildings)
- Activity 7.3 (Installation, maintenance and repair of energy efficiency equipment)
- Activity 7.4 (Installation, maintenance and repair of charging stations for electric vehicles)
- Activity 7.5 (Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings)
- Activity 7.7 (Acquisition and ownership of buildings)

Transition to a circular economy

We identified the following eligible but not aligned activities classified under the Circular Economy objective:

- Activity 1.2 (Manufacture of electrical and electronic equipment)
- Activity 5.1 (Repair, refurbishment and remanufacturing)
- Activity 5.2 (Sale of spare parts)
- Activity 5.4 (Sale of second-hand goods)

Assessing taxonomy alignment of eligible activities

The manufacturing activity is our primary business and is Taxonomy-eligible under Climate Change Mitigation. However, no alignment has been reported this year, as we are currently working to assess and document compliance with the Substantial Contribution Criteria, Do No Significant Harm (DNSH) requirements, and Minimum Safeguards. For example, climate risk assessments and lifecycle analysis frameworks are still under development for our core product portfolio. At present, we do not have a formal CapEx plan that demonstrates Taxonomy-alignment for our manufacturing operations within the required 5-year time horizon. Nonetheless, we are evaluating how future investments, particularly those aimed at improving energy efficiency and circularity in design, may support alignment in coming years.

None of our activities have been classified as taxonomy-aligned. While eligibility was met, full alignment was not achieved due to incomplete satisfaction of DNSH criteria, insufficient documentation of climate risk assessments, and/or gaps in minimum safeguards.

We recognise that several of our eligible activities — particularly within electronics manufacturing — are addressed in the EU Taxonomy under both climate and circularity objectives. However, due to limited internal resources and ongoing work to strengthen ESG data systems and documentation, we have not yet initiated a formal alignment process. This remains a potential focus area for future development.

Nuclear and fossil gas related activities

The undertaking carries out, funds or has exposure to:

Nuclear energy related activities	
1. Research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2. Construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3. Safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities	
4. Construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5. Construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6. Construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Accounting policy – EU Taxonomy

Revenue

Total revenue is defined as revenue from contracts with customers, sale of goods, licence fees and royalty income as defined under IFRS. The share of taxonomy-eligible revenue is defined as the proportion of revenue derived from sales of products and services, that is included in the scope of the EU taxonomy delegated acts divided by the total revenue.

OpEx

Total OpEx is defined as non-capitalised costs relating to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of items of property, plant, and equipment that are necessary to ensure the continued and effective functioning of such assets. Leases relating to OpEx is only leases not covered by capex, as they are defined as short-term leases. Our total OpEx has been classified as eligible under the EU Taxonomy.

CapEx

Total CapEx is defined as the capital expenditure related to tangible and intangible assets during the financial year before any remeasurements (including revaluations and impairments), depreciation and amortisation charges for the year and excluding fair value changes. Additions of tangible and intangible assets are presented in notes 5.1 and 5.2 in our Consolidated Financial Statements. Our total CapEx has been classified as eligible under the EU Taxonomy.

Revenue

Economic activities (1)	Code (a) (2)	Revenue (3)	Proportion of Revenue, 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safe-guards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) revenue, 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
		2024/25		Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
		DKKm	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%		
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)			**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-	**0.0%**		
Of which enabling			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-	0.0%		
Of which transitional			0.0%	0.0%						-	-	-	-	-	-	-	0.0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	2,209	86.5	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								-		
Repair, refurbishment and remanufacturing	CE 5.1	11	0.5	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								0.5%		
Sale of spare parts	CE 5.2	4	0.2	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								0.1%		
Sale of second-hand goods	CE 5.4	36	1.4	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								1.2%		
Acquisition and ownership of buildings	CCM 7.7	3	0.1	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Revenue of Taxonomy-eligible but not environmentally sustainable activities(not Taxonomy-aligned activities) (A.2)		**2,263**	**88.7%**	0.1%	%	%	%	88.6%	%								1.8%		
A. Revenue of Taxonomy- eligible activities (A.1+A.2)		**2,263**	**88.7%**	0.1%	%	%	%	88.6%	%								1.8%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Revenue of Taxonomy-non-eligible activities		**290**	**11.3%**																
TOTAL		**2,553**	**100%**																

Operating Expenditure (OpEx)

Economic activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, 2024/25 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
	2024/25			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm') (h)									
		DKKm	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-			-	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	0.0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-	0.0%		
Of which enabling			-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-	0.0%		
Of which transitional			-	0.0%						-	-	-	-	-	-	-	0.0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	222	97.5%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								-		
Repair, refurbishment and remanufacturing	CE 5.1	0	0.2%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								0.4%		
Installation, maintenance and repair of charging stations for electric vehicles	CCM 7.4	0	0.1%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.1%	E	
Acquisition and ownership of buildings	CCM 7.7	5	2.2%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**228**	**100%**	2.3%				97.7%									0.5%		
A. OpEx of Taxonomy- eligible activities (A.1+A.2)		**228**	**100%**	2.3%				97.7%									0.5%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**-**	-																
TOTAL		**228**	**100%**																

Capital Expenditure (CapEx)

Economic activities (1)	Code (a)(2)	CapEx (3)	Proportion of CapEx, 2024/25 (4)	Substantial contribution criteria: Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	DNSH criteria (Does Not Significantly Harm)(h): Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023/24 (18)	Category enabling activity (19)	Category transitional activity (20)
		2024/25																	
		DKKm	%	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y; N; N/EL (b)(c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
-			-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)			**0.0%**	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-	**0.0%**		
Of which enabling			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-	-	-	0.0%		
Of which transitional			0.0%	0.0%						-	-	-	-	-	-	-	0.0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)				EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL	EL, N/EL										
Manufacture of electrical and electronic equipment	CE 1.2	265	96.0%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								-		
Construction, extension and operation of waste water collection and treatment	CCM 5.3	0	0.0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Repair, refurbishment and remanufacturing	CE 5.1	8	2.8%	N/EL	N/EL	N/EL	N/EL	**EL**	N/EL								2.8%		
Renovation of existing buildings	CCM 7.2	0	0.0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.8%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.1%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%	E	
Installation, maintenance and repair of charging stations for electric vehicles	CCM 7.4	-	0.0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								-	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	3	1.0%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								-	E	
Acquisition and ownership of buildings	CCM 7.7	0	0.1%	**EL**	N/EL	N/EL	N/EL	N/EL	N/EL								-		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**276**	**100%**	1.2%				98.8%									3.6%		
A. CapEx of Taxonomy- eligible activities (A.1+A.2)		**276**	**100%**	1.2%				98.8%									3.6%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		-	-																
TOTAL		**276**	**100%**																

Social

S1 Own workforce

We made substantial progress in strengthening employee well-being, inclusion, safety, and engagement. Our people are central to our success, and we continue to invest in creating a fair, inclusive, and safe workplace that supports long-term organisational stability and employee development. In the 2024/25 financial year:

Work-related injuries dropped by nearly 40% year-on-year, supported by enhanced onboarding, chemical safety training, and strengthened Health & Safety procedures at our production sites.

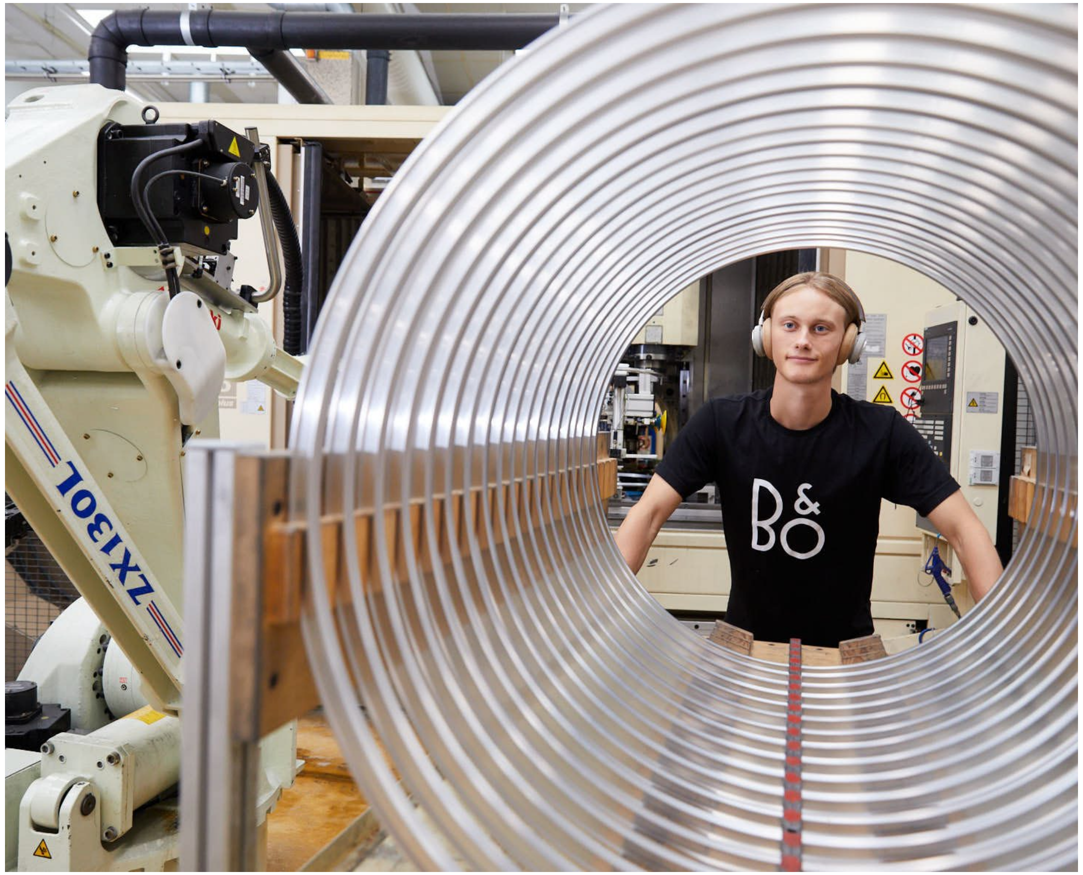
We **launched new leadership and team development initiatives**, including stress management workshops, Insights training, and flexible working support, improving employee experience across teams.

Female representation in senior leadership increased to 25%, with continued momentum toward our 40% target by 2026/27.

Our **employee surveys** (BeoPulse and BeoVoice) continue to guide progress on equal opportunities, career pathing, and perceptions of fairness.

A **global workplace assessment** was conducted to track employee experiences and identify areas for improvement related to psychological safety and workplace culture.

Through focused initiatives and ongoing dialogue, we continue to build a workplace that is inclusive, resilient, and aligned with our long-term strategy and values.



S1.SBM-3 Own workforce – impacts, risks and opportunities

We include all employees in our assessment of workforce-related impacts. We acknowledge several people-related challenges that affect organisational stability and employee well-being. These include vulnerability to macroeconomic shifts, job insecurity due to time-limited contracts (particularly among hourly workers), and workloads during peak periods. Such issues may contribute to stress, absenteeism, and turnover. Our material impacts originate from our business model's reliance on flexible staffing and responsiveness to seasonal demand, while also catering for ongoing adjustments to strategy—such as resourcing reviews, inclusion initiatives, and future workforce planning.

We have not identified widespread or systemic negative impacts across all locations, but have noted isolated or context-specific risks, such as overtime or physical strain in some factory settings. There are no known operations at risk of forced or child labour, as our own operations are based in countries with strong labour protections, and third-party employment partners are subject to due diligence requirements.

We see strong opportunities to foster a more inclusive and engaging workplace by leveraging collective agreement and promoting equity. Examples include continued dialogues with employee representatives, leadership diversity initiatives, and flexible work practices that positively impact all employees.

Our transition to lower-emissions operations is not expected to lead to material workforce restructuring; however, reskilling may be needed as our digital and service offerings expand. We have not yet identified workforce dependencies linked to green transition impacts but continue to monitor them.

We recognise that our female employees may face higher risk of bias and career stagnation, and our material risks and opportunities are particularly relevant to them. //

Material impacts, risks and opportunities		IRO	I, R or O	Description	Location in value chain	Time horizon
S1 Own Workforce	Working conditions	Secure employment	Risk, Actual negative impact	There is a risk that employee perceptions of job stability may be impacted by Bang & Olufsen's vulnerability to macroeconomic fluctuations, particularly in light of its organisational size and ongoing changes, such as resource constraints. Additionally, the use of time-limited contracts for hourly paid workers is perceived to create job insecurity to them	OO	S
	Working conditions	Working time	Risk, Actual negative impact	There is a risk of stress, as our employees are from time to time impacted by overtime during peak periods and ambitious deadlines.	OO	S
	Working conditions	Health and safety	Risk, Actual negative impact	The demands of factory work may pose a risk to employees health, potentially leading to physical strain.	OO	S
	Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Risk, Actual negative impact	Ensuring all employees feel confident in the fairness of our promotion and people review processes is important for long-term engagement. Ongoing attention is needed to address potential perception gaps, particularly among women and other underrepresented groups, to support inclusive career development and leadership progression.	OO	S
	Equal treatment and opportunities for all	Diversity	Risk, Actual negative impact	The representation of female leaders in Bang & Olufsen is currently lower than representation of male leaders. This may influence how gender equality and long-term career growth are viewed within the company.	OO	S

*US: Upstream; OO: Own Operations; DS: Downstream
** S: Short; M: Medium; L: Long

S1-1 Policies related to own workforce

We are committed to fostering a supportive and inclusive work environment through a variety of procedures aimed at improving employee well-being, job security and satisfaction. The procedures apply to our entire work force and are overseen by the Chief Human Resources Officer (CHRO). All procedures are available on our global intranet. We have local employee handbooks specifying local procedures, guidelines and customs in day-to-day people-related matters.

Human & employment rights

Our People & Diversity Policy outlines our fundamental people principles and approach to upholding human rights and ensuring that all employees are treated with dignity and respect. Our People & Diversity Policy aligns with the UN Guiding Principles on Business & Human Rights and the OECD Guidelines for Multinational Enterprises and the International Labour Organisation's (ILO) Declaration on Fundamental Principles & Rights at work. Human rights refer to basic standards of treatment to which all people are entitled to, such as the right not to be discriminated, the right not to be subjected to forced labour, human trafficking or child labour in accordance with the ILO.

Our commitments are implemented through our Business Conduct & Ethics Policy, through our leadership principles and internal employee handbooks, as well as through internal policies, such as the "Prevention and Handling of Offensive Behaviour".

We are dedicated to adhering to the highest standards of national and human rights law, prioritising the higher standard when discrepancies arise. Furthermore, the policy articulates our respect for cultural differences and efforts to treat all employees with dignity, welcoming a diverse and inclusive workforce to drive success. Employees at Bang & Olufsen are encouraged to express themselves freely and engage in open dialogue throughout the organisation.

We are dedicated to creating a working environment, free from discrimination and harassment of any kind, as articulated in the "Prevention and Handling of Offensive Behaviour" procedure. We do not tolerate discrimination in the workplace. We want a safe working environment, and we do not tolerate harassment of any kind including, but not limited to sexual, racial or religious harassment. Harassment is any unwelcomed act that makes a person feel offended, humiliated and/or intimidated. We respect employees' rights to organise and engage in collective bargaining, fostering open and constructive dialogue regarding working conditions. We are committed to providing fair wages and all legally mandated benefits, while acknowledging that the legal minimum wage in the regions where we operate may not always meet basic needs. In line with this understanding, we pledge to offer a living wage, as recognised by the International Labour Organisation (ILO) and actively seek to maintain employee compensation levels at or above the living wage of a given country. We conduct periodic reviews of our compensation levels, benchmarking them against Mercer3 salary data for relevant roles and incorporating country-specific wage statistics to ensure competitiveness and fairness.

At Bang & Olufsen, we have established a Compliance Committee to support the Global Compliance Officer, the Global Leadership Team, and the Board of Directors in ensuring that our operations align with regulatory

[3] Mercer is a global consultancy company providing worldwide benchmarking salary data and job evaluation frameworks to support compensation strategy and organisational design

requirements and ethical business standards, including respect for human rights. The committee is empowered to initiate immediate action in cases involving violations of human rights principles, serious allegations of misconduct, and other critical issues. The procedures for initiating such actions are outlined in our BeoShare (whistleblower) initiatives.

The Executive Management Board has overall responsibility for ensuring that the human & employment rights are respected throughout the organisation. The Sustainability team, in close collaboration with People & Culture, is responsible for the implementation of the People & Diversity Policy.

Focus on well-being and a safe workplace
Our Health and Safety procedure addresses specific prevention procedures and outlines the daily management systems in place to support a healthy and safe working environment. These systems aim to ensure that all work—whether executed or planned—is carried out in compliance with national and international legislation. The Health and Safety Policy is implemented through Health & Safety procedures that are available on the Health & Safety Portal on the company's intranet. The Health and Safety procedures include risk assessment processes and continuous improvement, training and dialogues on mitigating actions. The metrics for incidents are being shared through our health and safety dashboard.

We acknowledge that our production areas involve physical work and operational machinery, and our Health & Safety Policy outlines our approach to safeguarding employees in these environments.

We also acknowledge that macroeconomic fluctuations and periodic heavy workloads have a negative impact on mental health for our employees; this is why we have developed the BeoMinds procedure and an online portal on our global intranet with the purpose of defining our commitment and approach to preventing and managing stress. We strive to encourage healthy work-life balance and have implemented a Remote Working procedure aimed at making our workplace increasingly flexible, where tasks and conditions allow.

The CHRO holds overall accountability for these procedures. People & Culture, in close collaboration with the Health & Safety Organisation, has responsibility for implementing and maintaining them, as well as to develop new tools that support continuous improvement. //

S1-3 Channel for own work force to raise concerns

At Bang & Olufsen, we prioritise open communication and active engagement with our employees to foster a positive and productive working environment. We have established multiple channels through which employees can raise concerns, share ideas and influence their working conditions.

We provide a secure and confidential platform, BeoShare, for employees to report any concerns or misconduct. There is a thorough process in place, including the involvement of internal stakeholders, to ensure the appropriate handling of what is being reported. Detailed information about the process can be found on our intranet as well as in our Business Conduct and Ethics Policy.

We conduct one to two employee surveys annually, allowing employees to provide feedback on various aspects of the company. All comments shared in these surveys are read by our People & Culture team, who ensures that a process is initiated for taking actions, tracking progress and involving the relevant stakeholders. This ensures that employee feedback is not only heard but also acted upon. After each survey all managers share the results with their team to foster open dialogue and continuous improvement. We promote a feedback culture between employees and managers. Feedback dialogues provide a platform for employees to discuss their concerns. The process is designed to be ongoing and supportive, promoting a culture of mutual respect and collaboration.

In addition, we seek to foster close ties with our trade union and our health & safety representatives. We have an active Works Council through which we ensure to have an open social dialogue. On an ongoing basis we work together identifying ways to mitigate risks and impact to our workforce and are identifying areas in the workplace where we can improve. This collaborative approach ensures that employee welfare is a top priority and that any potential issues are addressed proactively.

Through these channels, we ensure that employees have multiple avenues to express themselves and share honest feedback. Our commitment to open communication and dialogue reflects our dedication to creating a supportive and inclusive workplace. //

S1-4 Actions taken related to own workforce

In 2024/25, we made significant progress in strengthening our organisational capabilities by expanding our people resources to ensure we are well-equipped to execute our Luxury Timeless Technology strategy. This was complemented by a continued focus on employee well-being, particularly mental health. We conducted both pulse and comprehensive engagement surveys to monitor employee sentiment and identify areas requiring attention. Our ability to attract and retain the right talent, coupled with motivation and engagement scores, remains central to tracking

progress in this area. We also monitor internal mobility, time-to-hire for critical roles, and overall productivity indicators.

In parallel, we intensified efforts to promote leadership development and stress prevention. We facilitated dedicated workshops for leaders on managing stress and delivered team-building sessions using the Insights Discovery framework for several teams. A renewed focus on flexible working practices was also initiated, and these efforts will continue into 2025/26. Effectiveness is measured through trends in stress-related absences, employee feedback on work-life balance, and data on overtime and sick leave, especially during peak periods.

Workplace health and safety remained a key priority. We completed comprehensive chemical risk assessments at our manufacturing facilities and implemented clear work instructions for the handling of substances. To further strengthen our safety culture, we introduced an extended onboarding process for employees operating in higher-risk areas, requiring documented completion. These initiatives are monitored through incident reporting, physical workplace assessment results, and absence rates related to work-related accidents. Effectiveness is measured through trends in the total number of work-related injuries which from 2023/24 to 2024/25 dropped by almost 40% down from 21 to 12.

Career development was another focus area in 2024/25. We continued to build a structured framework for career pathing to support data-driven decision-making in areas such as promotions, diversity, and pay transparency. This approach enables us to identify gaps and take targeted action to ensure equitable opportunities for advancement. Effectiveness is measured through the feedback in our employee engagement surveys (BeoPulse, BeoVoice), which we conduct one to two times per year, and is where we monitor trends in the perception of equal opportunity. We also track the distribution of gender representation across promotions at all levels.

To support a culture of fairness and inclusion, we also continued training leaders on conducting unbiased people reviews and calibration sessions. The impact of these efforts is reflected in employee survey responses related to inclusion and fairness in people decisions. Our employee engagement surveys (BeoPulse and BeoVoice) include targeted questions on inclusion, and perceptions of equity in the workplace. These insights help us assess progress and inform future actions to strengthen our inclusive culture. Finally, we maintained our strategic focus on improving gender balance in leadership. This included targeted initiatives to increase representation of underrepresented genders in promotions and succession pipelines. We have set a target to achieve 40% representation of the underrepresented gender in senior leadership by 2026/27[4], and we monitor progress through leadership demographics and succession planning outcomes.

We do not currently have a formalised process to assess whether our practices within some of our business may cause or contribute to material negative impacts on our own workforce. However, we remain committed to fair employment practices and are working towards strengthening our internal governance to better identify and address such risks. At present, potential impacts on employees are considered on a case-by-case basis, including in decisions to terminate business relationships, but this process is not yet systematic. We aim to develop more structured approaches in future reporting cycles.//

S1-5 Targets

We are internally tracking our progress on actions related to our own workforce and that address our material IROs.

While a comprehensive overview of our targets and metrics is available in sections S1–4, we highlight selected targets here as they are directly linked to our material IROs. We have set targets to improve mental wellbeing with the focus on reducing the number of stress-related cases. The targets for reducing the 12-month average % of stress related cases 25% to benchmark year by 2027/28. The benchmark year is set to be 2024/25. These targets will be monitored regularly to ensure continuous improvement.

In addition, we have set an engagement target score of 75 for the “Satisfaction & Motivation “score and a target of 82 for the “Loyalty” score.

For senior leadership[5], we have set a target of achieving 40% representation of the underrepresented gender by 2026/27. In addition, our target is to achieve equal representation[6] in our Board of Directors by the end of 2026/27. These targets[7] address the importance of diversity and to promote the equal opportunities throughout the organisation. //

4 This target does not apply to our US subsidiary.
5 Leaders reporting to the EMB
6 Equal representation as defined by the Danish Gender Balance Act
7 These targets do not apply to our US subsidiary

S1-6 Characteristics of own workforce

This section provides an overview of our workforce, outlining key employment characteristics to contextualise our broader social disclosures and support our quantitative metrics. //

1 Total headcount in our Financial Statements (FS) is 1,013. The variance is due to S1-6 calculating headcount at EoP, while average throughout the year is used in FS.

S1-6 Characteristics of own workforce

Country	Unit	2024/25
Denmark		787
China		45
Singapore		48
UK		45
USA		40
Hong Kong		31
Bulgaria		23
France		21
Germany		18
Spain		10
Switzerland		10
Italy		8
Sweden		8
Austria		7
Japan		7
Portugal		2
Belgium		3
Netherlands		2
United Arab Emirates		1
Korea		1
Finland		1
Canada		1
Total[1]		**1,119**

Terminations and Termination Rate	Unit	2024/25
Terminations	Headcount	229
Termination Rate	%	20.5%

S1-6; S1-9 Employee type and diversity metrics

Headcount by contract type	Female	Male	Total
Employees (headcount)	405	714	1,119
Permanent employees	339	642	981
Temporary employees	66	72	138
Non-guaranteed hours*	3	11	14
Headcount by age group			
Unallocated			1
Under 30 years old			184
Between 30 - 50 years old			551
Above 50 years old			383

*Non-guaranteed hours employees are a sub-category of Temporary Employees.

S1-8 Collective bargaining and social dialogue

This section outlines the status of collective bargaining coverage within our organisation. The data presented applies specifically to our operations in Denmark. As of the reporting period, nearly 40% of our employees in Denmark are covered by collective bargaining agreements. //

S1-6; S1-8 Denmark: employees and collective bargaining

Employees under Danish employment terms	2024/25
Female	284
Male	503
Other	-
Not reported	-
Total employees	**787**

Collective bargaining coverage - Denmark	Unit	2024/25
Covered	Headcount	316
Not covered	Headcount	479
Covered (% of headcount)	%	39.6
Not covered (% of headcount)	%	60.4

S1-9 Diversity

We recognise that diverse leadership strengthens us. In this section, we present data on gender and age distribution within our senior leadership, reflecting our commitment to fostering an inclusive and balanced workplace.

The underrepresented gender within our organisation is being identified as female. As of May 31 2025, female representation in senior leadership is 25%. We remain committed to improving gender diversity and will continue our efforts throughout 2025/26 focusing on the development of internal female talent and strengthening our recruitment strategies to attract more women into leadership roles.

For the majority of the 2024/25 period, the shareholder-elected representatives of the Board of Directors met the target for gender-balanced representation. Following the departure of a female board member, our focus for 2025/26 is to restore and maintain a more balanced gender composition.//

S1-9 Gender distribution in management

	Unit	Director+	Senior Leadership
Male	Headcount	49	15
Female	Headcount	15	5
Staffing Rate - Male	%	77%	75%
Staffing Rate - Female	%	23%	25%

S1-10 Adequate wages

We are committed to maintaining fair and competitive compensation practices across our organisation. For all salaried positions, we utilise global Mercer benchmarks to gain insights into how our salary levels compare to market standards. These benchmarks provide a reliable foundation for ensuring that our compensation remains competitive and aligned with industry norms.

In addition to this, we regularly conduct market wage analyses as part of both our scheduled salary planning and off-cycle review processes. These assessments are tailored to reflect local market conditions in the regions where we operate.

For hourly paid employees, we apply the Danish job classification system (DISCO) to benchmark wages and ensure they are appropriate and in line with market expectations. Furthermore, we fully comply with all applicable minimum wage regulations as defined by national legislation and collective bargaining agreements. //

S1-14 Health and safety

At Bang & Olufsen, we prioritise the health and safety of our workforce, ensuring that all employees work in a safe and supportive environment.

100% of our workforce is covered by a health & safety management system based on local legal requirements. This ensures that all employees are protected under a comprehensive framework that meets or exceeds regulatory standards. Our system includes regular risk assessments, safety training, incident reporting mechanisms, and continuous monitoring to identify and mitigate potential hazards.

We are committed to maintaining and continuously improving our health and safety performance through proactive measures and employee engagement. In particular, during the 2024/25 reporting period, we placed increased focus on accident prevention at our production sites, especially in the area of handling and use of chemicals and substances.

Key initiatives included:

- Conducting **chemical risk assessments** and developing **work instructions** for all chemicals and substances used at our manufacturing facilities.
- Ensuring **implementation and accessibility** of these risk assessments and instructions for all relevant employees, making this a central focus of our safety efforts.
- Introducing an **extended onboarding program** for employees working in higher-risk areas, which includes mandatory, documented completion of safety training modules.

In the second half of 2024/25, we also conducted a global workplace assessment using an expanded questionnaire. This initiative was designed to gain deeper insights into employee perceptions and experiences, helping us identify further opportunities to enhance workplace safety and well-being.

The table below shows the number of work-related fatalities, recordable accidents and injuries. At present we only have the information for Denmark. In 2025/26 we will research a system to capture data for the total global workforce. However, there has been no work related fatalities nor severe work-related incidents in our own workforce outside Denmark. //

S1-14 Health and safety	Unit	2024/25
Fatalities	Count	-
Days of absence	Count	11
Injuries without lost time	Count	8
Injuries with lost time	Count	4
Total injuries	**Count**	**12**
Rate of work-related injuries (per 1 mil hours)	%	2.9%

S1-16 Remuneration

We are committed to providing transparent and meaningful information regarding our approach to compensation, with a particular focus on the gender pay gap. Our remuneration practices are designed to be market competitive and equitable, ensuring that all employees are rewarded fairly for their role & contributions.

Our compensation framework is guided by the principle of salary differentiation both within and between employee groups. This differentiation is based on objective and measurable criteria, including individual performance and results, potential, experience, educational background, and the complexity of the role.

In line with our commitment to fairness and transparency, we are actively preparing for compliance with the EU Pay Transparency Directive. As part of this effort, we are enhancing our internal job structure to establish a robust and transparent job architecture. This will enable us to systematically compare roles of equal value and ensure pay equity across comparable positions.

We recognise the importance of addressing pay disparities and are working to develop the necessary systems and processes to monitor and report on gender pay gaps and total compensation metrics. These efforts are part of our broader strategy to foster an inclusive and equitable workplace.

As of 31 May 2025, the aggregated gender pay gap is 12% in favour of men. We will continue to work actively with equal pay. //

S1-16 Remuneration metrics	Unit	2024/25
Gender Pay Gap	%	12.2
Annual total remuneration ratio	Ratio	34.6

S1-17 Incidents and complaints

At Bang & Olufsen, we are committed to upholding the highest standards of integrity, transparency, and respect for human rights across our operations. We recognise the importance of providing safe, accessible, and confidential channels for employees to raise concerns or report incidents without fear of retaliation.

We are conducting global workplace assessments to get insights into the employee experience in relation to offensive behaviour (i.e. sexual harassment, threats, violence and bullying) in the workplace. The most recent assessment being conducted in Spring 2025.

In the event of discrimination occurring, we have our dedicated whistleblower system, BeoShare, which is available to all employees and external stakeholders.

All reports submitted through BeoShare are handled with strict confidentiality and are reviewed by our Head of Corporate Responsibility.

In addition to BeoShare, we monitor and track all reported incidents and complaints to identify trends and systemic issues. This helps us continuously improve our policies, training, and workplace culture. In 2024/25, we also launched a company-wide campaign to promote open dialogue within teams, with a specific focus on preventing and addressing sexual harassment. The campaign aimed to raise awareness, encourage respectful communication, and empower employees to speak up. It included tools for team discussions and the distribution of materials to reinforce our zero-tolerance stance on harassment.

In 2024/25, we had one substantiated people-related case, which is based on people who have filed a complaint and which have been confirmed. The substantiated case was related to harassment. The case was reviewed and closed in line with our internal procedures, and appropriate remedial actions were taken. There were no cases deemed as severe human rights incidents. //

S1-17 Incidents, complaints and severe human right impacts	Unit	2024/25
Substantiated cases of harassment, incl. discrimination	Count	1
Substantiated cases of severe human rights incidents	Count	-
- Hereof breaches of the UNGPs	Count	-
- Hereof number of complaints filed against Bang & Olufsen to National Contact Points for OECD Multinational Enterprises	Count	-
Substantiated people-related cases	Count	1
Amount of material fines, penalties and compensation related to the above mentioned incidents	mDKK	-

BP-2 Use of phase-in provisions

We have chosen to make use of the phase-in provision under Appendix C of ESRS 1. We do this for S1-11 and S1-15 as we acknowledge that for the current reporting period, we do not yet have access to sufficiently comprehensive data to fully meet the disclosure requirements under S1-11(Social Protection) and S1-15 (Work-life Balance). To address this, we are committing to retrieving and consolidating the necessary data during the upcoming reporting year. This will enable us to provide a complete and compliant disclosure on these topics in our next annual report 2025/26. S1-16 (Training and Skills Development) due to the absence of consolidated data in a central system. Throughout 2025/26 we will explore the possibilities of compiling training and skills development data in a more structured and consistent manner across the organisation. This assessment will help determine the feasibility of future disclosures. //

BP-2 Accounting policy – own workforce

1. Social data
Our social data is reported as of 31 May 2025 (end of period, EOP), is based on headcount, and includes only people employed at Bang & Olufsen, unless otherwise stated. Data is extracted from SuccessFactors, our Human Resources system.

1.1. Total employees
Accounts for the total headcount, divided by gender (female / male).

1.1.a. Total employees by country and headcount
Accounts for the total headcount by physical location registered in Success Factors.

1.2. Employee category
Accounts for the number of employees with managerial / non-managerial responsibilities, divided by gen-der (female / male).

1.3. Women in management
Accounts for the number of women in the employee category "Director+" compared to the number of men. The Director+ category consists of our directors, senior directors, vice presidents, senior vice presidents and EMB (Executive Management Board) members.

1.4. Employment types
Accounts for the total number of employees who were employed on a full-time, part-time, permanent or temporary contract divided by gender (female / male).

1.4a Full-time employees: employees who work the standard number of according to the local labour standards and employment regulations

1.4b Part-time employees: employees who are working fewer hours than the standard number of according to the local labour standards and employment regulations

1.4c Permanent employees: all employees on non-time bound contracts

1.4d Temporary employees: all employees on time-bound contracts

1.4e Non-guaranteed hours employees: employees who have no fixed minimum working hours and are only scheduled to work as needed. These are a sub-category of either permanent or temporary employees.

1.5. Employee age group
Accounts for the total number of employees illustrated by age group.

1.6. Employees covered by a collective agreement in Denmark
This metric reflects the number of employees covered by collective bargaining agreements as a proportion of all employees employed under Danish employment terms. In deviation from the ESRS requirement to report coverage across the entire workforce, we have limited this disclosure to Denmark. We have not collected the data on collective bargaining agreements for the rest of our global operations.

1.7. Board of Directors members
Accounts for the total number of members to the Board of Directors, both employee- and shareholder-elected.

1.8. Board of Directors – Independent Members
The definition of Board of Directors independence can be found in our Corporate Governance report, section 3.1.

1.9. Executive and Non-Executive Members
ESRS 2, GOV-1: Executive members are members of the Executive Management Board (EMB); non-executive members are members of the Board of Directors.

1.10. Board of Directors – Employee-elected members
Accounts for the total number of members to the Board of Directors elected by Bang & Olufsen employees .

1.11. Board of Directors – Percentage of Female members (shareholder-elected)
Accounts for the total number of female shareholder elected members to the Board of Directors compared to the total number of shareholder elected members to the Board of Directors.

1.12. Board of Directors – Percentage of Male members (shareholder-elected)
Accounts for the total number of male shareholder elected members to the Board of Directors compared to the total number of shareholder elected members to the Board of Directors.

1.13. Terminations and Termination Rates (referred to as turnover in ESRS)
Headcount of employees who have left B&O during the reporting period of the given FY. This includes: dismissals, own resignations, end of contract, retirement or death. Termination rate is calculated as a per-centage of average headcount throughout the reporting period.

1.14. Gender distribution for Director+
Reported as the percentage split by gender in the Director+ positions. Director+ positions are defined as employees in the global job levels EMB, senior vice presidents, vice presidents, senior directors and directors.

1.15. Gender distribution for Senior Leadership
Reported as the percentage split by gender at the Senior Leadership level. Senior Leadership level is defined as employees in the EMB and People Managers reporting to a member of the EMB. This definition is in line with the ESRS definition of top management.

1.16. Gender Pay Gap
Calculated as the difference between the average annualised salary for male and female divided by the average annualised salary for men. In deviation from the ESRS methodology, this calculation excludes variable pay and benefits, is based solely on base salary figures, and includes only employees classified as salaried (thereby excluding hourly paid employees). This is due to current limitations in our system, which does not yet support consistent extraction of all additional pay components and benefits at the individual employee level. All job levels and countries are included, and part-time salaries have been converted to full-time equivalents. These limitations reflect current system constraints and will be addressed as we prepare to meet future EU Pay Transparency requirements.

1.17. Annual total remuneration rate
Calculated as the ratio between the annual remuneration of the highest paid individual and the annual remuneration for all salaried employees (excluding the highest paid individual). In deviation from the ESRS requirement to use the median, we currently apply the average to maintain consistency with our Remuneration Report and internal monitoring practices. From next year onward, we plan to adopt the median remuneration in line with ESRS guidance. Calculations include base salary and benefits, converted into DKK.

1.18. Engagement score
Employees score their engagement annually using a scale (1-10) that is converted into an index ranging from 1-100. The engagement score consists of two drivers 1) Satisfaction & Motivation and 2) Loyalty.

1.19. Substantiated people-related cases
Substantiated people-related cases are defined as work-related incidents and/or harassments, including discrimination, complaints, or severe human rights impacts involving our own workforce that are reported through our whistleblower system (Beoshare) and formally investigated throughout the financial year.

1.20. Global Leadership Team
Global Leadership Team is the wider leadership team consisting of the Executive Management Board and all the functional leads reporting to the CEO.

2. Occupational health and safety data
Our occupational health and safety data is only accounting for our own workforce employed in our legal entities in Denmark. The definitions are:

- **Fatalities:** Work-related accidents in the reporting period resulting in the death of an employee. All employ-ees in our own work force in Denmark (headcount) have been included in this metric.
- **Accidents without lost time:** This is the count of the number of work-related accidents without lost time-during the reporting period.
- **Accidents with lost time:** This is the count of the number of work-related accidents with lost time where employees did not come to work the following day due to the accident or incident during the reporting period.
- **Lost time:** This is the total number of days of absence where employees were absent from work due to work-related incidents during the reporting period.

Rate of Lost Time injuries: Rate of work-related accidents for our own workforce measured in accidents per 1 million hours (as per ESRS definition) worked also defined as LTI. LTI is based on the annual working hours per headcount.

S4 Consumers and end-users

We maintained our focus on delivering a safe, respectful, and high-quality experience for our clients across all touchpoints. Our commitment to consumer trust, data privacy, and responsible innovation underpins our approach to product development, service delivery, and brand representation. In the 2024/25 financial year:

We **recorded zero health and safety incidents involving consumers** and no need to terminate any contracts with brand ambassadors or influencers due to misconduct.

All our client service operations in Denmark and Germany are guided by a target Customer Satisfaction (CSAT) rate of 85%.

We **upheld robust data privacy protocols**, with only four minor privacy incidents and one data breach, which was reported and closed without action by the Danish Data Protection Agency.

We **launched a review of our client service processes** in 2024/25 based on client feedback, reinforcing our commitment to continuous improvement.

We ensured that **responsible marketing standards are upheld**, including due diligence and value alignment for all brand ambassadors and influencers.

We continue to place the client experience at the centre of our Luxury Timeless Technology strategy, delivering lasting value and fostering long-term trust in our brand.

At Bang & Olufsen, we are committed to delivering exceptional user experiences while safeguarding the well-being, privacy, and trust of our clients. As creators of luxury audio products, we recognise our responsibility to promote safe listening habits, protect sensitive personal data, and ensure our brand representatives reflect our values. Through careful design, secure data practices, and thoughtful partnerships, we strive to uphold the highest standards of consumer care and brand integrity.

Material impacts, risks and opportunities		IRO	I, R or O	Description	Location in value chain*	Time horizon**
S4 Consumers and end-users	Information-related impacts for consumers and/or end-users	Privacy	Risk, Potential negative impact	The use of external partners and our own client data storage both pose risks to data privacy, with potential breaches outside of our control, including sensitive information from the Product Health Centre, CRM lists, and e-commerce data.	OO, DS	S
	Personal safety of consumers and/or end-users	Health and safety	Potential negative impact	The use of audio products may pose a risk to long-term hearing health, potentially leading to hearing damage if not used responsibly.	DS	L
	Social inclusion of consumers and/or end-users	Responsible marketing practices	Risk, Actual negative impact	There is a risk that influencers or ambassadors behaving contrary to our values could harm the brand's reputation, leading to client disappointment or discrimination, despite due diligence and formal agreements.	DS	S

S4.SBM-3 Material impacts, risks and opportunities

We provide clear product manuals and warnings to ensure safe use and avoid misuse. To ensure consumer privacy and security, we comply with relevant regulations, including GDPR, and implement stringent IT security measures to safeguard personal data. Consumers who purchase our products or register for warranties may provide personal data, though sensitive data is not required. We respect consumer privacy, do not discriminate or interfere with freedom of expression, and do not sell client data to third parties.

We do not design products or services that target vulnerable groups such as children or financially unstable individuals, nor do we use marketing strategies that exploit such vulnerabilities. Product and service-related information is made readily available via packaging and online, including for discontinued products. Repairs must be carried out by certified technicians to ensure safety.

Material risks to consumers have so far been isolated (e.g., product defects or minor privacy breaches). We have not identified systemic or widespread negative impacts, nor do our products relate to state surveillance or rights violations.

Our client experience strategy focuses on data privacy, safe product use, and responsible marketing to maintain trust and brand integrity. We build trust through transparency and responsible innovation.

At this stage, we have not identified any consumer subgroups at materially higher risk of harm or opportunity. //

S4-1 Policies

We have five policies available here that govern our operations and impact consumers. Reference is made to G1. The primary policy describing our approach to our clients is our Stakeholder and Sustainability Policy, describing that our ambition is to deliver excellent client experience across all touchpoints, build strong and loyal client relationships and inform clients about the value of circular and long-lived consumer electronics. Our approach to this is to ensure that the clients are at the heart of all activities, including placing the client experience at the centre of technology and ensuring meticulous attention to detail in products and services, address enquiries, client feedback and complaints effectively together with partners, and ensure such are considered valuable contributions to constantly ensuring high levels of service and quality, and finally proactively communicate about the value of circular and long-lived consumer electronics in client facing channels. We recognise that satisfied clients are the basis for the long-term growth and profitability of the company.

Our Business Conduct and Ethics Policy address our approach to data privacy, IT security and data ethics

*US: Upstream; OO: Own Operations; DS: Downstream
** S: Short; M: Medium; L: Long

ensuring responsible practices relating to the treatment and security of personal data.

Both policies are approved by the Board of Directors, owned by the Chief Corporate Commercial Officer and applies globally to all employees, who are expected to support the execution of the policies and comply with their content.

We also have internal procedures addressing consumer-related topics such as IT security, data privacy and health and safety. Our Supplier Code of Conduct aims to ensure that external stakeholders comply with relevant standards, including human rights and environmental certifications like Cradle to Cradle Certified®.

Each policy is overseen by a senior leader responsible for implementation. We are committed to global standards, including as a member of the UN Global Compact, to ensure responsible business conduct and align with consumer interests.

In our engagement with brand ambassadors and influencers, we perform pre-engagement due diligence as well as ensure contractual obligations enabling us to terminate contracts if behaviour is found to be contrary to our values. //

S4-2 Processes for engagement

Engagement with consumers and end-users is central to our operations, shaping our efforts to manage actual and potential impacts. We gather feedback through multiple channels, including NPS scoring of products and brand perception surveys, which help identify opportunities for improvement. Consumers can furthermore directly email the CEO with praise or concerns. Based on client feedback a review of our client service processes was initiated in 2024/25.

Our Chief Sales Officer, a member of the Global Leadership Team, oversees consumer engagement, with responsibility for sales and service touchpoints. The VP of Client Service reports directly to the Chief Sales Officer, ensuring that feedback is addressed promptly.

As outlined in our Stakeholder and Sustainability Policy, our ambition is to deliver excellent client experiences, build loyal relationships, and communicate the value of circular, long-lasting electronics. We ensure that client feedback, including inquiries and complaints, is actively considered and addressed to maintain high service and product quality. Additionally, ongoing client satisfaction surveys help us continuously improve our products and services, placing the client experience at the heart of our Luxury Timeless Technology strategy.

A dedicated Privacy Team in the Corporate Responsibility function ensures all consumer facing activities are reviewed for compliance with data privacy regulations while also maintaining our Privacy Policy describing the rights of a data subject. //

S4-3 Remediating negative impacts

We have established a comprehensive process to address concerns raised by consumers and end-users, as outlined in our internal quality management system, BeoMap. This process ensures client inquiries and complaints are handled in alignment with our company objectives. Upon receiving a client inquiry, it is categorised, and if a complaint is identified, it is assigned to the appropriate support person for further resolution. Each case follows a defined workflow, from initial inquiry to a follow-up Customer Satisfaction (CSAT) survey, ensuring transparency and accountability. We are ISO 9001 certified, ensuring the process is consistent with quality standards.

Consumers can reach us via multiple accessible channels, including phone, email, contact forms, and a CEO feedback form. These are tracked and client satisfaction is monitored through KPIs such as CSAT and response times. While we do not directly assess awareness of these channels, feedback collected through product and service surveys indirectly shows their usage.

Additionally, for privacy related issues, a dedicated email to the Privacy Team is available to all consumers ensuring fast response to any enquiry.

Finally, our whistleblower channel, protected by a no-retaliation policy, ensures consumers can raise concerns confidentially. //

S4-4 Actions

We mitigate material risks for the undertaking arising from its impacts and dependencies on consumers and/or end-users through mitigating activities in multiple functions.

Product safety and quality risks: In the manufacturing of our products all safety and quality requirements are adhered to in order to ensure our products are safe to use for the client.

We have a dedicated Product Compliance function to also ensure that we are aware of not only current safety/quality legislation but also adapt to upcoming legislation which may place higher safety requirements on our products. When our products are manufactured, they undergo several quality checks in the manufacturing stage to ensure not only functionality but also safety. Any deviations are addressed immediately in the manufacturing stage, and should any products cause a safety risk once it has been sold, we have a full recall process in place as well as an ad hoc task force which immediately seeks to address any safety concerns with products which have already been sold to clients.

Learnings from historic product developments is incorporated into the design and manufacturing of new products in line with our continuous improvement approach, cf. our ISO9001 certification. Furthermore, our zero-lead policy in new products eliminates relevant levels of SVHCs, further reducing risk exposure, even in internal components.

We also carry a product-liability insurance to ensure any financial claims relating to safety concerns can be adequately met. Our insurance broker, AON, confirms that we carry an insurance portfolio which is adequate compared to benchmark companies.

Loss of business continuity: risks related to business continuity, such as economic crisis making consumers unable to afford certain products or services; is also addressed in current processes. We have identified its key client segments for its products and makes continuous assessment of its pricing strategy to match the capabilities of its key client segments. Macro-economic events are identified as one of the top enterprise risks for Bang & Olufsen in this financial year (2024/25) and a task force is regularly tracking any events, such as economic crisis, and agree on mitigating activities to address such events. Sales data is also tracked in order for the company to seek to adjust manufacturing rates to consumer purchasing behaviour.

The Data Privacy Team follows an annual wheel ensuring that data privacy policies and procedures are reviewed and updated, that an overview of systems and processes where personal data is being treated is maintained and that awareness and training is offered to both employees and retail partners.

Finally, we terminate contracts with brand ambassadors and influencers who act contrary to our values.

All our actions mentioned in this section are continuous annual processes with no end deadline or time horizon. By applying these processes annually we ensure a continuous focus on safeguarding our clients' privacy and health and safety and ensuring responsible marketing practices are maintained. The scope of these actions are with a global focus for all our markets and primarily in our down-stream activities relating to our clients. As stated in the next section, while we have not communicated official targets, our ambition is to have no significant events relating to privacy, health & safety and responsible marketing practices in any given year.//

S4-5 Targets

While we have not set an official target for privacy related incidents or health and safety incidents related to consumers, our ambition is to have no significant events in any given year. In 2024/25 we have not had any health and safety related events. In 2024/25 we have had 4 minor privacy incidents and 1 data breach which we reported to the Danish Data Protection Agency. The data breach case was closed by the Danish Data Protection Agency with no further actions taken. We have not had to terminate any contracts with brand ambassadors or influencers in 2024/25 due to behaviour contrary to our values.

As no official targets have been set, a process for target setting has not been established. Clients have not been involved in setting the ambition level, as the understanding of clients' perspectives through our structured approach to achieving client insights was assessed as sufficient and consequently only needing involvement of internal departments of Bang & Olufsen.

Our target for Customer Satisfaction (CSAT) for our client service in Germany and Denmark is 85% of all clients must be satisfied with the service they have received from us. Our CSAT target for our client service in other markets, operated through a service partner, is 73%.//

Governance

G1 Business conduct

We strengthened our commitment to responsible business conduct through robust governance, ethical leadership, supplier engagement, and cybersecurity. Our approach continues to embed transparency, compliance, and integrity across our operations, supporting stakeholder trust and long-term resilience. In the 2024/25 financial year:

We **met our target for BeoShare cases**, with 11 reports (1 per 100 employees) submitted and reviewed, indicating a healthy speak-up culture and trust in our whistleblower system, protected by a no-retaliation policy.

92% of at-risk employees completed annual compliance e-learning, surpassing our 90% target. Training topics were directly informed by previous case learnings, reinforcing practical relevance.

We **established an AI Committee** to guide the ethical use of artificial intelligence across our operations and ensure alignment with emerging standards.

Supplier engagement remained strong, with Quarterly Business Reviews and the planned integration of environmental sustainability into performance evaluations for 2025/26.

90% of supplier payments were made in line with standard terms, with tailored approaches for smaller or more vulnerable suppliers to ensure fair treatment.

We recorded no legal proceedings for late payments and continue to refine responsible payment practices without the need for a formalised policy.

Our cybersecurity system successfully detected and stopped 100% of major threats, including four “adversary-in-the-middle” phishing attacks, without operational disruption.

Through structured compliance, open dialogue, and continuous improvement, we remain committed to doing business responsibly and transparently, supporting our brand’s integrity and stakeholder confidence.

Business conduct at Bang & Olufsen

At Bang & Olufsen, we are committed to conducting business with integrity, transparency, and respect for all our stakeholders. Our business conduct principles set out in our global policies guide how we engage with our employees, partners, and suppliers, shaping a culture where ethical practices and open dialogue are encouraged and supported. We recognise that maintaining trust requires continuous attention to issues such as employee voice, fair supplier treatment, and digital security. The following section outlines key risks and opportunities related to our business conduct, as well as the measures we are taking to strengthen transparency, accountability, and resilience across our operations. //

Material impacts, risks and opportunities		IRO	I, R or O	Description	Location in value chain	Time horizon
G1 Business conduct	Corporate culture	Employee communication and feedback	Opportunity, Positive Impact	We have the opportunity to strengthen employee engagement and retention by fostering a transparent culture with clear values, regular CEO communication, and structured feedback through initiatives like BeoPulse surveys and townhalls.	OO	S
	Corporate culture	Speaking up	Actual negative impact	There is a risk that employees and partners may feel unsafe speaking up due to concerns about potential consequences, such as affecting career advancement and/or annual feedback on performance. This fear of reprisal, whether in BeoPulse surveys or partner feedback, could create a disconnect between what is communicated and what is actually experienced, potentially leading to lower transparency, disengagement, and trust issues.	OO, DS	S
	Relationships with suppliers	Payment practices	Actual negative impact	There is a risk that we might face challenges in managing payment terms and processing for indirect procurement suppliers, which could lead to occasional delays beyond agreed timelines. Suppliers could be subjected to unclear demands in terms of delivery times and unclear briefs. Future changes to late payment regulations could further increase financial impacts.	US, OO	S
	Cybercrime cyber security (entity-specific)		Risk, Potential negative impact	There is a risk that we is a target for cybercrime due to the nature of its connected electronic products and its well-known brand. A risk of unauthorised access to client data, intellectual property, and operational systems could compromise product integrity, disrupt business continuity, and damage brand reputation.	OO	S

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G1.GOV-1

To promote responsible and transparent operations, we have established a Global Compliance Programme that upholds high standards of integrity in our business conduct, overseen by our Head of Corporate Responsibility. He is mandated by the Board of Directors to ensure that we live up to laws and ethical standards and has unrestricted access to the Board. Our Compliance Committee advises on the ongoing development of the Compliance Programme and conducts an annual compliance risk assessment to guide its activities. The Compliance Committee consists of mid-level managers representing relevant sides of our business, meeting on a quarterly basis. The programme's progress is reported quarterly to the Board of Directors' Audit Committee. //

G1-1 Business conduct policies

At Bang & Olufsen, integrity, transparency, and responsible business conduct are embedded in our culture and governance. Our approach is guided by our five global policies: the Business Conduct and Ethics Policy, the People & Diversity Policy, the Stakeholder and Sustainability Policy, the Remuneration Policy, and the Tax Policy. Besides the Remuneration Policy which is approved by the annual General Meeting, each is approved by the Board of Directors, owned by a member of the Global Leadership Team (GLT), and reviewed annually based on stakeholder input. Our five policies are managed through our quality management system, which is annually audited in accordance with our ISO 9001 certification. Our primary policy addressing our business conduct IROs is our Business Conduct and Ethics Policy, which includes sections on both employee conduct, duty to report incidents of

non-compliance and general rules targeting our workforce, as well as dedicated sections on IT security, data privacy and data ethics.

Our commitment extends to our supply chain through our Supplier Code of Conduct, which key suppliers are contractually bound to. It reflects global standards including Human Rights, ILO conventions, and Cradle to Cradle Certified® certification requirements. We also uphold our responsibility through participation in international initiatives such as the UN Global Compact, the Science Based Targets initiative, and the First Movers Coalition.

Fostering a strong corporate culture is a strategic priority, supported by both the People & Culture and Compliance teams. Culture-enhancing initiatives include interactive "Learning Bites" and regular BeoPulse surveys to gather employee feedback. Our speak-up platform, BeoShare, encourages employees and external stakeholders to report concerns confidentially and anonymously, with strict no-retaliation protections. All cases are reviewed and investigated with oversight from the Head of Corporate Responsibility and reported quarterly to the Audit Committee. In 2024/25 a target of 10 BeoShare cases was set and a total of 11 BeoShare cases were reported and investigated. The BeoShare, speak-up culture and reporting tool's impact is assessed by the Audit Committee once per year,

To promote awareness and integrity, all at-risk employees complete annual compliance e-learning, and new hires undergo onboarding training. In 2024/25 a target was set of 90% completion rate and a total of 92% at-risk employees completed. Ad hoc topic specific training is furthermore offered to select departments, topics include Data Ethics, Confidentiality and Competition Law training.

The Board of Directors actively monitors employee motivation and workplace culture, revisiting the company's purpose each year to ensure long-term relevance and sustainability. Through these efforts, we continue to nurture a responsible, modern, and inclusive workplace.//

Actions related to business conduct

2024/25 proved to be a year showing good progress in the maturity of the Global Compliance Programme. We have met our target of expected BeoShare cases, indicating that we have a good speak-up culture where employees and external stakeholders have trust in the integrity of how we investigate reported cases.

Our annual e-learning focused on topics which had been part of the reported cases in 2023/24 and was well received as well and the completion rate met our target.

Awareness activities included a global data privacy campaign raising the awareness of safeguarding consumer data. A new AI Committee was furthermore established focusing on ensuring ethical use of AI in our business operations. //

G1-2; G1-6 Management of relationships with suppliers

Our business model is asset-light and is fundamentally reliant on close relationships with our suppliers to enable the execution of our Luxury Timeless Technology strategy. Over the years, we have cultivated deep, collaborative relationships with our skilled and innovative product-related suppliers. These vital supply chain relationships are key enablers of our success, and we are committed to maintaining and developing them responsibly.

We actively engage with our supply chain and product-related suppliers to ensure that global standards for labour conditions, freedom of association, human rights, and environmental protection are met. Our Compliance Programme plays a crucial role in this process by ensuring contractual obligations reflecting global standards within human rights are set and met, as well as our key suppliers are subject to our due diligence process where suppliers are assessed on a range of typical compliance risks including any history of adverse media and identification of politically exposed persons associated with management of the suppliers.

To ensure continuous improvement and alignment, we conduct Quarterly Business Reviews (QBRs) with our key suppliers. These reviews focus on performance evaluation, issue resolution, alignment of expectations, knowledge sharing, relationship management, and providing a forum for two-way communication. Our process includes a scoring system (0-5 scale) conducted by us, a supplier self-scoring, and alignment on final scores. On-site meetings are held where necessary corrective actions are discussed and monitored. In our financial year of 2025/26, we are including environmental sustainability as part of the scoring system.

By fostering strong, responsible relationships with our suppliers, we ensure the resilience and sustainability of our supply chain, ultimately contributing to our long-term success.

G1-6 Payment practices

While we do not have a formal policy in place to prevent late payments, we have established control processes, including standard operating procedures and payment flowcharts, to manage timely payments. Our standard payment terms are 90 days; however, we assess all suppliers individually—particularly smaller or more vulnerable vendors such as sole consultants—to ensure fair treatment and prevent undue pressure. The percentage of payments aligned with our standard payment terms was 90%. Although we do not plan to implement a formal policy, we continue to refine our practices to support responsible payment behaviour. We currently have no legal proceedings currently outstanding for late payments. //

G1-6 Payment practices	Unit	2024/25
Average number of days to pay invoice		
Small suppliers	Days	34
Large suppliers	Days	53
Percentage of payment aligned with standard payment terms		
Small suppliers	%	90.5%
Large suppliers	%	89.7%
Legal proceedings		
Outstanding legal proceedings for late payments	Number	-

G1-entity specific Cybercrime and cybersecurity

We recognise the critical importance of safeguarding our IT infrastructure, key systems, and our clients' products against potential security incidents. Failure to adequately protect these assets poses significant risks, including the unavailability of services, unintended disclosure of confidential or sensitive personal data, and the loss of business-critical information. Such incidents could have severe consequences, potentially undermining our competitive position, damaging our reputation, and resulting in substantial fines.

Noticeable risks include:
- Risk of losing confidential information, breaches of data integrity and availability, or information system failures due to security incidents such as ransomware attacks.
- Risk of cyber criminals exploiting Bang & Olufsen products to access client networks or perform unauthorised recordings through voice products. It also includes the risk of theft of confidential data or leakage of personal data, which could result in fines from Data Protection Authorities.
- Risk of being unable to sustain revenue in the event of a security incident.

To address these risks, we implemented a comprehensive cyber security program in five phases with initiatives designed to mitigate cyber security risks. Currently phase four is being completed. Our IT security maturity is assessed up against global standards and our risk profile. Additionally, we carry a cyber security insurance at a reputable insurance company to ensure business continuity in the event of a cyber security incident.

Our Information Security Policy is detailed in the Business Conduct and Ethics Policy, which is approved annually by the Board of Directors. The Information Security Policy details the Information Security strategy to ensure employees know the key preventive measures taken to ensure an appropriate level of safeguarding against cyber threats. The policy is a global policy applicable to all employees.

The company has appointed a Chief IT Security Officer responsible for executing mitigating initiatives to reduce the potential impact of cyber security incidents.

Furthermore, an IT Security Committee has been established to oversee the implementation of the IT Security program, our global risk tolerance, and our investment choices within cybersecurity and information security. The committee is cross-functional and consists of the Chief Financial Officer, the Chief Corporate Commercial Officer, the Vice President of IT, the Chief Information Security Officer, the Head of Corporate Responsibility and the VP of Digital and Product Experience. The IT Security Committee meets four times a year as well as ad hoc if IT threats arise. The Vice President of IT reports quarterly to the Audit Committee on IT security related issues.

Within cybercrime and cybersecurity, the target is to prevent any cyberattack from causing a stop to our daily business operations.

In 2024/25, we experienced a total of 3255 incidents raised by the Bang & Olufsen Security Information & Event Management (SIEM) system, which were processed by a Managed Detection and Response (MDR) service partner. The methodology used for identifying and classifying incidents involves several steps:

1. **Incident Detection and Classification**: The SIEM system continuously monitors network traffic and system logs for unusual activities. When an anomaly is detected, it is classified as an incident. The classification is based on predefined rules that consider factors such as the source, destination, and nature of the activity.

2. **True Positive Incidents:** Out of the 3255 incidents, 52 were escalated from the MDR partner to Bang & Olufsen as true positives. A 'true positive' incident is one that has been verified as a genuine security threat. The determination of a true positive involves a thorough analysis by the MDR partner, which

includes cross-referencing with threat intelligence databases and conducting behavioural analysis.

3. **Escalation Criteria**: Incidents are escalated from the MDR partner based on their severity and potential impact. The criteria for escalation include the type of attack, the assets involved, and the potential damage. The MDR partner uses a combination of automated tools and expert analysis to decide which incidents require further investigation.

4. **Major Severity Incidents:** Of the 52 true positive incidents, 4 were classified as major severity incidents. These incidents involved "adversary-in-the-middle" attacks, where threat actors obtained legitimate login tokens using phishing email techniques. The classification of major severity is based on the potential impact on the organisation, including data loss, financial damage, and reputational harm.

5. **Automated Detection and Response**: The SIEM system successfully detected and stopped all four major severity attacks automatically using "Unusual user behaviour detection." This involves monitoring user activities for deviations from normal behaviour patterns and triggering automated responses to mitigate the threat.

In order to ensure all relevant incidents are captured the SIEM system is connected to all corporate IT systems to detect incidents. A regular review is made to ensure all new IT systems are connected to the SIEM system for completeness in the detection of incidents. We have not experienced any cases where incidents were not discovered by the SIEM system.

By maintaining robust security measures and continuously monitoring our systems, we are committed to protecting our valuable data and maintaining the trust of our clients and stakeholders.

Target

Our target within cybercrime and cybersecurity is to prevent any cyberattack from causing a stop to our daily business operations. The target is an annual reoccurring target and not time-bound. We assess the overall progress towards the target to be good as we have not experienced any cyberattacks causing a stop to our daily business operations in the financial year. The IT Security Committee has been involved in setting the target and no other stakeholders have been deemed relevant to include in this target setting.//

BP-2 Accounting policy – business conduct

1. Payment terms

Calculations for payment practices—specifically, the average number of days to pay invoices and the percentage of payments aligned with standard payment terms—are based on all supplier invoices over the full reporting period.

- Average days to pay: calculated as the difference between the invoice date and the actual payment date.
- Payments aligned with standard payment terms: refer to invoices paid within 90 days of the invoice date, in line with CSRD and ESRS guidance.

All calculations are based on simple averages (unweighted), meaning invoice amounts are not taken into account.

Suppliers are classified as small or large based on an annual spend threshold of DKK 1 million.

2. Governance Data

2.1. BeoShare (whistle-blower) cases

Accounts for the total number of cases reported both by employees and external stakeholders throughout the financial year.

2.2. Cybersecurity

1.2a Major Severity Incidents

A major severity cybersecurity incident is defined as any externally-originating event that results in:

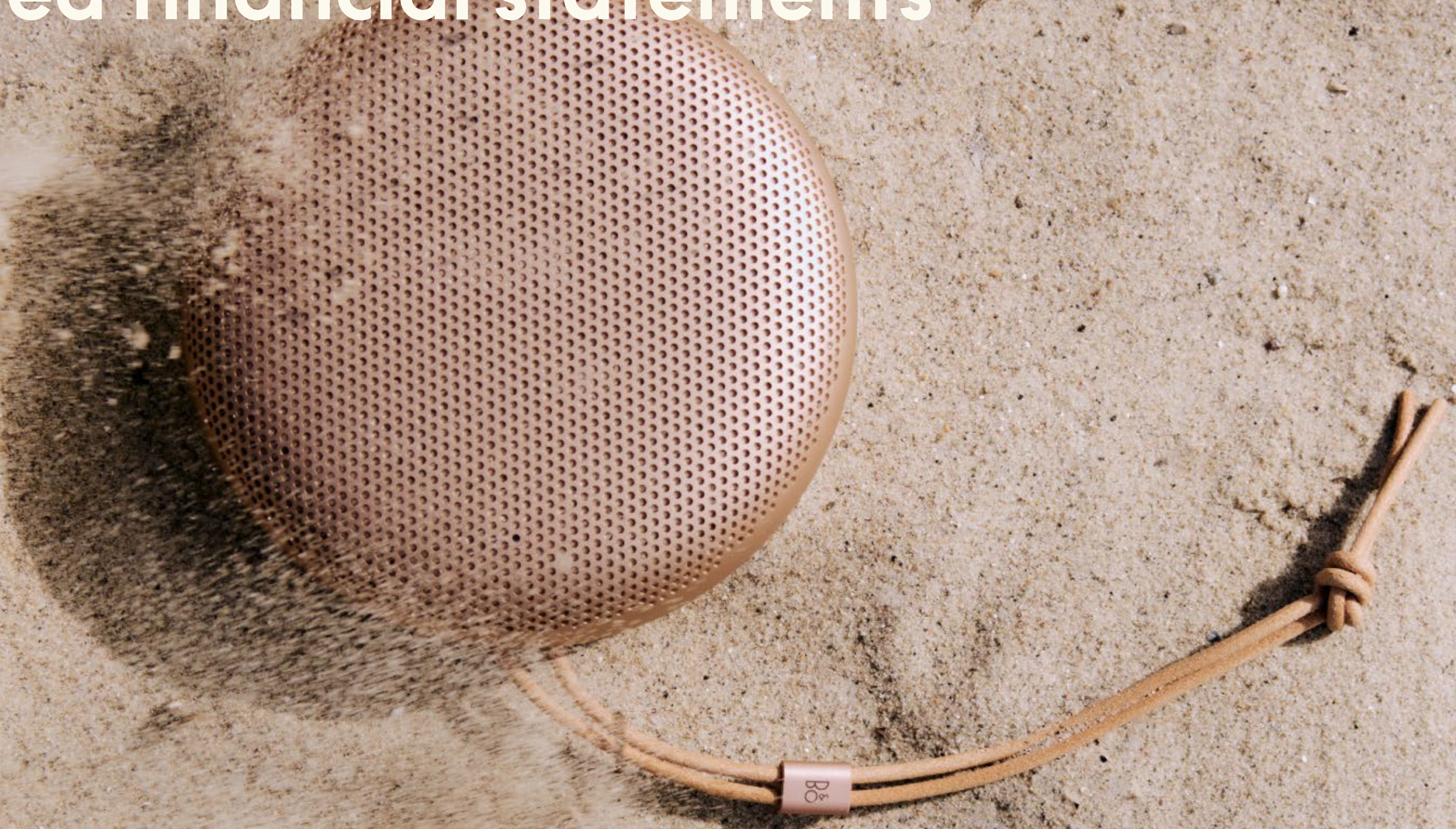
i) Impact – A measurable adverse effect on the confidentiality, integrity, or availability of B&O's digital infrastructure, including:

- Connected product ecosystems (e.g., smart audio systems)
- Client data and privacy
- Intellectual property and design assets
- Business continuity of digital sales, service, or operational platforms
- Brand reputation

ii) Urgency – Defined by the severity and sophistication of the attack method, speed of propagation, and the potential for escalation, using predefined response time standards.

B&O applies a structured incident classification model combining impact and urgency to assess, prioritise, and respond to cybersecurity incidents, supported by a scoring framework aligned with best-practice threat intelligence and business risk thresholds.

Consolidated financial statements



Income statement

1 June – 31 May

(DKK million)	Notes	2024/25	2023/24
Revenue	2.1	**2,553**	**2,588**
Production costs	2.2, 2.3, 2.4	-1,149	-1,209
Gross profit		**1,404**	**1,379**
Development costs	2.2, 2.3, 2.4	-340	-286
Distribution and marketing costs	2.2, 2.3, 2.4	-895	-940
Administrative costs	2.2, 2.3, 2.4	-153	-135
Operating profit/(loss) (EBIT)		**16**	**18**
Financial income	6.5	68	50
Financial expenses	6.5	-82	-75
Financial items, net		**-14**	**-25**
Profit/loss before tax (EBT)		**2**	**-7**
Income tax	2.5	-31	-10
Profit/loss for the year		**-29**	**-17**
Earnings per share			
Earnings per share (EPS), DKK	8.2	-0.2	-0.1
Diluted earnings per share (EPS-D), DKK	8.2	-0.2	-0.1

Statement of comprehensive income

1 June – 31 May

(DKK million)	Notes	2024/25	2023/24
Profit/loss for the year		**-29**	**-17**
Items that may be reclassified subsequent to the income statement:			
Exchange adjustments of subsidiaries		-9	-4
Fair value adjustments of hedging instruments		-7	-5
Value adjustments of hedging instruments reclassified in			
Revenue		10	3
Production costs		-3	5
Tax on other comprehensive income	2.5	-	-1
Items that will not be reclassified subsequent to the income statement:			
Actuarial gains/losses on defined benefit plans		-4	-
Tax on other comprehensive income	2.5	1	0
Other comprehensive income/loss for the year, net of tax		**-12**	**-2**
Total comprehensive income/loss for the year		**-41**	**-19**

Statement of financial position

Assets

(DKK million)	Notes	31-05-25	31-05-24
Goodwill		42	42
Acquired rights and software		98	72
Completed development projects		159	150
Development projects in progress		148	132
Intangible assets	5.1	**447**	**396**
Property, plant and equipment	5.1	211	220
Right-of-use assets	5.2	136	136
Tangible assets		**347**	**356**
Non-current other receivables		20	20
Deferred tax assets	2.5	75	92
Total non-current assets		**889**	**864**
Inventories	4.1	447	447
Trade receivables	4.2	348	309
Tax receivable	2.5	28	32
Other receivables		61	53
Prepayments		42	27
Securities	6.1, 6.2	380	388
Cash	6.1, 6.2	145	177
Total current assets		**1,451**	**1,433**
Total assets		**2,340**	**2,297**

Equity and liabilities

(DKK million)	Notes	31-05-25	31-05-24
Share capital	6.4	737	613
Translation reserve		7	16
Reserve for cash flow hedges		-2	-2
Retained earnings		402	329
Total equity		**1,144**	**956**
Lease liabilities	6.2, 6.3	104	117
Pensions	3.4	15	10
Deferred tax	2.5	8	8
Provisions	6.6	37	46
Mortgage loans	6.3	50	53
Non-current other liabilities	4.3	2	2
Total non-current liabilities		**216**	**236**
Lease liabilities	6.2, 6.3	59	45
Mortgage loans	6.3	3	3
Bank loans	6.1, 6.2	175	381
Provisions	6.6	42	84
Trade payables	6.2	453	401
Tax payable	2.5	21	20
Other liabilities	4.3, 4.4	227	171
Total current liabilities		**980**	**1,105**
Total liabilities		**1,196**	**1,341**
Total equity and liabilities		**2,340**	**2,297**

Statement of cash flows

1 June – 31 May

(DKK million)	Notes	2024/25	2023/24
Profit/loss before tax (EBT)		2	-7
Financial items, net		14	25
Depreciation, amortisation and impairment		245	239
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		**261**	**257**
Other non-cash items		-23	33
Change in net working capital	4.4	47	-41
Interest received		64	50
Interest paid		-83	-63
Income tax paid		-10	-10
Cash flows from operating activities		**256**	**226**
Purchase of intangible non-current assets		-200	-163
Purchase of tangible non-current assets		-39	-55
Sublease payment		1	2
Other cash flows from investing activities		-2	1
Operational investments		**-240**	**-215**
Free cash flow		**16**	**11**
Sale of securities	6.1	9	6
Financial investments		**9**	**6**
Cash flows from investing activities		**-231**	**-209**

(DKK million)	Notes	2024/25	2023/24
Repayment of lease liabilities	6.1, 6.3	-46	-45
Repayment of mortgage loans	6.1, 6.3	-3	-3
Repayment of loans and borrowings	6.1, 6.3	-206	-6
Purchase of treasury shares	6.4	-20	-
Rights issue	6.4	217	-
Cash flows from financing activities		**-58**	**-54**
Cash and cash equivalents, opening balance		**177**	**216**
Foreign exchange gain/loss on cash and cash equivalents		1	-2
Change in cash and cash equivalents		**-33**	**-37**
Cash and cash equivalents, closing balance		**145**	**177**
Available liquidity	6.1	350	184

Accounting policies

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are calculated according to the indirect method as profit/loss before tax adjusted for non-cash operating items, changes in working capital, payments of financial items and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of intangible assets, property, plant and equipment, acquisitions and disposals of securities with respect to repo, and other non-current assets.

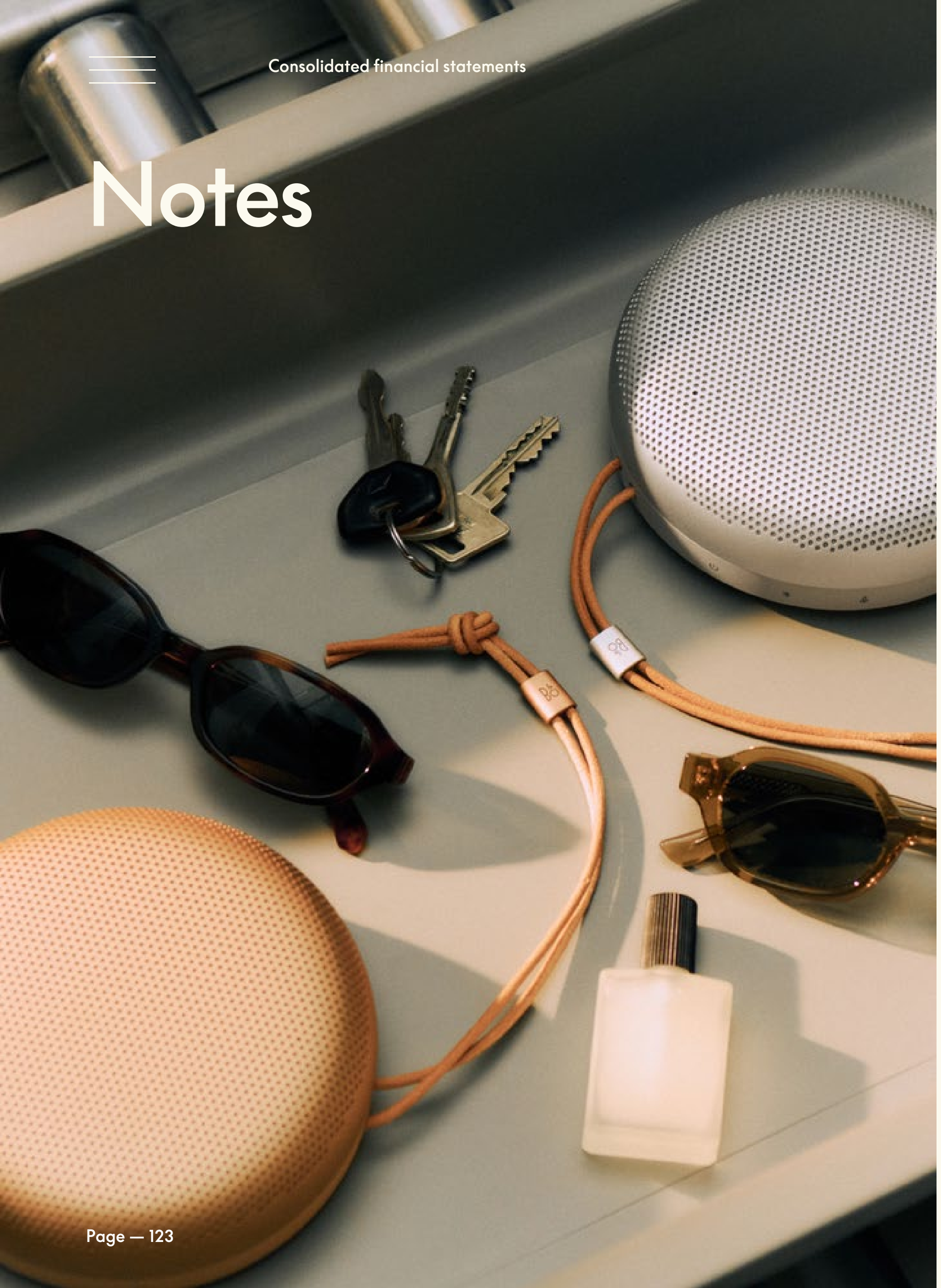
Cash flows from financing activities comprise changes in the size or composition of the share capital and related costs, the raising of loans including repo, as well as repayment of interest-bearing debt including lease liabilities.

Cash and cash equivalents comprise cash at bank and in hand.

Statement of changes in equity

1 June – 31 May

(DKK million)	Share capital	Translation reserve	Reserve for cash flow hedges	Retained earnings	**Total**
Equity at 1 June 2024	**613**	**16**	**-2**	**329**	**956**
Profit/loss for the year	-	-	-	-29	-29
Other comprehensive income/loss:					
Foreign exchange adjustments of foreign entities	-	-9	-	-	-9
Fair value adjustments of derivatives	-	-	-7	-	-7
Value adjustments of derivatives reclassified in					
Revenue	-	-	10	-	10
Production costs	-	-	-3	-	-3
Income tax on items that will be reclassified to the income statement	-	-	-	-	-
Actuarial gains/(losses) on defined benefit plans	-	-	-	-4	-4
Income tax on items that will not be reclassified to the income statement	-	-	-	1	1
Total other comprehensive income/loss	**-**	**-9**	**-**	**-3**	**-12**
Comprehensive income/loss for the year	**-**	**-9**	**-**	**-32**	**-41**
Share-based payments	-	-	-	32	32
Capital increase	124	-	-	104	228
Cost related to rights issue	-	-	-	-11	-11
Acquisition of own shares	-	-	-	-20	-20
Equity at 31 May 2025	**737**	**7**	**-2**	**402**	**1,144**
Equity at 1 June 2023	**613**	**20**	**-4**	**329**	**958**
Profit/loss for the year	-	-	-	-17	-17
Other comprehensive income/loss:					
Foreign exchange adjustments of foreign entities	-	-4	-	-	-4
Fair value adjustments of derivatives	-	-	-5	-	-5
Value adjustments of derivatives reclassified in					
Revenue	-	-	3	-	3
Production costs	-	-	5	-	5
Income tax on items that will be reclassified to the income statement	-	-	-1	-	-1
Actuarial gains/(losses) on defined benefit plans	-	-	-	-	-
Total other comprehensive income/loss	**-**	**-4**	**2**	**-**	**-2**
Comprehensive income/loss for the year	**-**	**-4**	**2**	**-17**	**-19**
Share-based payments	-	-	-	17	17
Equity at 31 May 2024	**613**	**16**	**-2**	**329**	**956**



Notes

Section 1
Basis of reporting

1.1 Basis of reporting

Basis of preparation
Bang & Olufsen is a Danish company listed on Nasdaq Copenhagen. The Group reports in accordance with the rules and principles for accounting class D. The Annual Report is published on 3 July 2025 and will be presented to the shareholders for approval at the Annual General Meeting.

The Group's consolidated financial statements have been prepared on a going concern basis, and in accordance with IFRS as adopted by the EU and additional Danish disclosure requirements for annual reports of listed companies.

The accounting policies set out below have been consistently applied with respect to the financial year and comparative figures, except as described in note 1.3 regarding changes in accounting policies. The accounting policies for the respective areas are explained in the relevant note sections.

Applying materiality
Significant items are presented individually in the financial statements as required by IAS 1. Items that are not individually significant but which support the understanding of Bang & Olufsen's business model and performance in the reporting period are also presented in the financial statements.

Currency
The Group's consolidated financial statements are presented in Danish kroner (DKK). Figures are rounded to the nearest DKK million, unless otherwise stated.

Basis of consolidation
The consolidated financial statements are prepared as a consolidation of the financial statements of the Parent Company, Bang & Olufsen A/S, and its subsidiaries in accordance with the Group's accounting policies. All intra-group income, expenses, balances and dividends are eliminated in full when consolidated.

The accounting items of subsidiaries are included in full in the consolidated financial statements.

Translation of foreign currency
A functional currency is determined for each of the Group’s reporting entities. The functional currency of the Parent Company is Danish kroner (DKK). Transactions denominated in currencies other than the functional currency are considered transactions denominated in foreign currencies.

On initial recognition, transactions denominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Differences arising between the exchange rates at the transaction date and at the date of payment are recognised as financial income or expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date at which the receivable or payable arose or the exchange rate applied in the latest consolidated financial statements is recognised as financial income or financial expenses.

On recognition in the consolidated financial statements of entities with a functional currency other than the presentation currency (DKK), the income statement and statement of cash flows are translated at the exchange rates prevailing at the transaction date, and the statement of financial position is translated at the exchange rates prevailing at the reporting date.

Differences arising from the foreign currency translation of the opening balance of equity of foreign entities at the exchange rates prevailing at the reporting date, and on translation of the income statement from the transaction date to the reporting date, are recognised in other comprehensive income and attributed to a separate translation reserve in equity.

iXBRL reporting
Bang & Olufsen A/S has filed the Annual Report in the European Single Electronic Format (ESEF), an XHTML format that can be displayed in a standard browser. eXtensible Business Reporting Language (iXBRL) complies with the ESEF taxonomy included in the ESEF regulation and has been used to tag the primary statements, notes and other financial information within the Annual Report. The file has been uploaded to the website together with the Annual Report.

1.2 Critical accounting estimates and judgements

When applying the Group's accounting policies, management is required to make a number of accounting judgements and estimates and to make assumptions about the carrying amounts of certain assets and liabilities and recognised revenue and costs which cannot be derived directly from other sources. Significant estimates and judgements are made when assessing development projects, right-of-use assets, deferred tax assets, inventories and provisions. Management bases its estimates and judgements on historical experience and other relevant factors that are believed to be reasonable under the given circumstances. The actual outcome may differ from these estimates.

Estimates and the underlying assumptions are reviewed on a continuous basis. Changes made to accounting estimates are recognised in the financial period in which the change takes place and future financial periods if the change affects both the period in which the change takes place and future financial periods.

Due to the current macroeconomic and geopolitical uncertainty, and risks related to climate change, we have considered the recoverability of trade receivables, deferred tax assets, intangible assets and the value of inventories.

Management has continuously assessed both the supply situation and consumer demand in relation to geopolitical events and consequently concluded that the financial impacts do not require significant judgements. Furthermore, management has assessed the impact of climate change, particularly in the context of the Group's sustainability targets, and concluded that these are not expected to have a significant impact on our future cash flows or going concern assessment.

Estimates, which include all of the above, were updated at 31 May 2025 to assess the recoverability of the asset base, including development projects and deferred tax assets. Recoverability of inventory value was also assessed, and the expected consequences of the above-mentioned risks are reflected in these assessments. There is an inherent risk that the estimates and judgements made could change due to a potential escalation of current geopolitical events. Future changes in estimates and judgements may have an impact on our results and financial position.

Critical accounting estimates and judgements are described under the sections to which they relate.

Note	Critical accounting estimates and judgements	Estimate/judgement	Extent of subjectivity
2.5	Deferred tax assets, value	Estimate	
4.1	Inventories, value of expected write-down	Estimate	
5.1	Development projects, fair value	Estimate	
5.2	Right-of-use assets, lease period and discount rate of prolongation or early termination of underlying contracts	Estimate	
6.6	Provisions, value	Estimate	

Extent to which accounting estimates and judgements are based on subjectivity and business practice:

Very objective/market conforming

Partly subjective/partly distinctive

Subjective/distinctive for Bang & Olufsen

1.3 Changes in accounting policies

The Group has adopted all new or amended standards (IFRS) and interpretations as adopted by the EU and effective for the financial year starting on 1 June 2024 or earlier.

The new or revised standards and interpretations did not affect recognition and measurement materially nor did they result in any material changes to disclosures in the notes. The annual report is presented in accordance with the accounting policies applied in previous years' annual reports.

New and amended IFRS standards and interpretations not yet applicable within the EU

The IASB has issued a number of new standards and amendments not yet in effect or endorsed by the EU and therefore not relevant for the preparation of the 2024/25 consolidated financial statements.

In April 2024, it was decided that in 2027 IAS 1 will be replaced by IFRS 18, Presentation and disclosures in financial statements, which is expected to have an impact on the presentation of the financial statements, mainly the income statement, and information on management performance measures in a note to the consolidated financial statements. At the moment we are analysing the impact from implementation of the standard.

The Group does not expect that other new or amended standards will have significant impact on the consolidated financial statements when implemented. The new and amended standards will be implemented when they become effective.

Section 2 Operations

2.1 Revenue and operating segments

	2024/25						2023/24					
(DKK million)	EMEA	Americas	APAC	**Regions, total**	Brand Partnering & other activities	**All**	EMEA	Americas	APAC	**Regions, total**	Brand Partnering & other activities	**All**
Revenue by strategic market												
Revenue	**1,253**	**317**	**693**	**2,263**	**290**	**2,553**	**1,249**	**287**	**726**	**2,262**	**326**	**2,588**
Production costs	-625	-161	-327	-1,113	-36	-1,149	-641	-155	-358	-1,154	-55	-1,209
Gross profit	**628**	**156**	**366**	**1,150**	**254**	**1,404**	**608**	**132**	**368**	**1,108**	**271**	**1,379**
Gross margin	50.1%	49.3%	52.8%	50.8%	87.4%	55.0%	48.6%	46.1%	50.7%	49.0%	83.3%	53.3%
Capacity costs excl. depreciation, amortisation and impairment						-1,143						-1,122
Depreciation and amortisation						-245						-239
Financial items, net						-14						-25
Profit/loss before tax (EBT)						**2**						**-7**

(DKK million)	Staged	Flexible Living	On-the-go	**Products, total**	Brand Partnering & other activities	**All**	Staged	Flexible Living	On-the-go	**Products, total**	Brand Partnering & other activities	**All**
Revenue by product category												
Revenue	**1,191**	**405**	**667**	**2,263**	**290**	**2,553**	**1,158**	**464**	**640**	**2,262**	**326**	**2,588**
Production costs	-504	-180	-429	-1,113	-36	-1,149	-500	-225	-429	-1,154	-55	-1,209
Gross profit	**687**	**225**	**238**	**1,150**	**254**	**1,404**	**658**	**239**	**211**	**1,108**	**271**	**1,379**
Gross margin	57.7%	55.5%	35.8%	50.8%	87.4%	55.0%	56.8%	51.5%	33.0%	49.0%	83.3%	53.3%

We have one primary segment being our strategic market, but we report on two dimensions. One is our strategic markets, while the other reflects our product categories. Both presentations include all channels relating to the distribution and sale of our products.

Management monitors the performance and profitability of the operating dimensions for the purpose of decision making about performance management and resource allocation. The results are measured at gross profit level.

License income is recognised at a point in time and encompassed 9% of revenue (2023/24: 9%).

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Accounting policies

Operating segments

Segment information has been prepared in accordance with the Group's accounting principles and follows the Group's management structure and the internal management reporting used by the Executive Management Board to evaluate results and resource allocation.

The geographical allocation of revenue is based on the strategic markets and non-current assets are based on Bang & Olufsen's locations.

2.1 Revenue and operating segments (continued)

	2024/25		2023/24	
(DKK million)	Revenue	Share of revenue, %	Revenue	Share of revenue, %
China	342	13%	372	14%
USA & Canada	308	12%	280	11%
UK & Ireland	201	8%	202	8%
Denmark	189	7%	189	7%
Germany	162	6%	156	6%
Eastern Europe	152	6%	151	6%
South Korea	123	5%	131	5%
Switzerland	100	4%	99	4%
Netherlands	85	3%	86	3%
France	77	3%	81	3%
Japan	57	2%	55	2%
Taiwan	57	2%	52	2%
Spain	56	2%	54	2%
Italy	55	2%	49	2%
Hong Kong	39	2%	41	2%
Brand Partnering & other activities (global activities)	290	12%	326	12%
Rest of world	260	11%	264	11%
Total	**2,553**	**100%**	**2,588**	**100%**

	Non-current assets*	
(DKK million)	**2024/25**	2023/24
EMEA**	724	677
Americas	57	73
Asia	33	22
Total	**814**	**772**

*Non-current assets less deferred tax assets.
**Of which DKK 616m in Denmark (31 May 2024: DKK 577m).

Accounting policies

Revenue recognition
Revenue from contracts with customers comprises the sale of goods and license income. Revenue from the sale of goods is recognised at the point in time when control of the goods is transferred to the customer, which generally takes place on delivery. For contracts providing the customer with a right of return within a specified period, the Group considers the timing of recognition.

License income is recognised when earned according to the terms of the license agreements. Depending on the type of contract, license income is recognised over time or at a point in time.

In general, all revenue is recognised at a point in time – for both product sales and license income.

A refund liability is recognised for products expected to be returned. The estimate for returned products is based on historical experience and expectations. Based on knowledge of the nature of returns, it is not considered highly probable that a material reversal of cumulative revenue recognised will occur. Provisions for rebates and discounts granted to customers are recognised as a reduction in revenue.

Revenue from contracts with customers is measured at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. Amounts disclosed as net revenue exclude discounts, VAT and other duties.

The Group considers whether contracts include other promises that constitute separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration. No element of financing is deemed present.

Variable consideration
The Group grants or pays various discounts and fees depending on the nature of the customer and business. Customer discounts comprise invoice discounts, volume and activity-related discounts, including specific campaign prices, and other discounts.

Discounts arise from sales transactions where the customer receives an immediate reduction of the selling price. This includes cash discounts and incentives for early payments. Volume and activity-related discounts is a broad term covering incentives for customers to sustain business with the Group over a longer period of time and may be related to a current campaign or a sales target measured by volume or total value.

2.2 Costs

(DKK million)	**2024/25**	2023/24
Breakdown by function:		
Production costs	1,149	1,209
Development costs	340	286
Distribution and marketing costs	895	940
Administrative costs	153	135
Total	**2,537**	**2,570**
Specification:		
Materials and consumables	990	1,102
Staff costs	866	795
Depreciation, amortisation and impairment	245	239
Marketing costs	163	191
Other external costs	273	243
Total	**2,537**	**2,570**
Depreciation, amortisation and impairment		
Intangible assets, amortisation	145	138
Property, plant and equipment, depreciation	48	50
Right-of-use assets, depreciation	47	46
Loss on disposals	5	5
Total	**245**	**239**
Depreciation, amortisation and impairment relate to:		
Production costs	28	29
Development costs	124	112
Distribution and marketing costs	82	86
Administrative costs	11	12
Total	**245**	**239**

In 2024/25, total operating expenses recognised in the income statement decreased by DKK 33m to DKK 2,537m, corresponding to a decrease of 1%. The overall decrease was driven by reduced production costs, which has helped improve the overall gross margin.

Production costs decreased during the year due to our continuous focus on reducing our standard cost and improving our gross margin. These improvements could absorb higher freight costs, tariffs and higher employee bonuses.

Comments on development costs appear on the next page.

Distribution and marketing costs decreased by DKK 45m to DKK 895m. The decrease was primarily driven by lower warranty costs driven by our improved product portfolio and savings in marketing spend due to our restructure of the organisation while costs related to sponsorships and events increased.

Administrative costs increased by DKK 18m to DKK 153m. This was primarily driven by higher employee bonuses, increase in support functions and higher advisory costs.

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Accounting policies

Production costs
Production costs comprise wages, consumption of inventory and indirect costs (including salaries, depreciation, amortisation and impairment losses) incurred for the purpose of generating revenue for the year.

Development costs
Development costs that do not meet the criteria for capitalisation as defined in note 5.1 are recognised in the income statement as development costs along with amortisation and impairment losses on capitalised development projects.

Distribution and marketing costs
Distribution and marketing costs comprise costs relating to the sale and distribution of the Group's products. These include salaries for sales personnel, advertising and exhibition costs, and depreciation, amortisation and impairment losses. Costs in subsidiaries that are responsible exclusively for the sale of the Group's products are also allocated to distribution and marketing costs.

Administrative costs
Administrative costs comprise costs related to administrative personnel, management, office costs, and depreciation, amortisation and impairment losses.

2.2 Costs (continued)

(DKK million)	2024/25	2023/24
Development costs		
Incurred development costs before capitalisation	368	315
Of which capitalised	-138	-127
Incurred development costs after capitalisation	230	188
Capitalisation (%)	37.5%	40.2%
Total amortisation and impairment losses on development projects	110	98
Development costs recognised in the consolidated income statement	**340**	286
Incurred development costs before capitalisation ratio (% of revenue)	14.4%	12.2%

Development costs increased by DKK 54m to DKK 340m as a result of higher incurred development costs, offset by increased capitalisation driven by our product and software road map. The incurred development cost ratio increased by 2.2pp to 14.4% due to software focus, Atelier and product collaborations.

Capacity costs

A breakdown of capacity costs as presented in the income statement is provided below. It comprises development costs, distribution and marketing costs and administrative costs. Capacity costs primarily consist of staff cost, premises, depreciation, amortisation and impairment as well as other operating income and expenses.

(DKK million)	2024/25	2023/24
Development costs	340	286
Distribution and marketing costs	895	940
Administrative costs	153	135
Total	**1,388**	**1,361**

2.3 Government grants

(DKK million)	2024/25	2023/24
Government grants	8	**16**
Breakdown by function:		
Production costs	-	**2**
Development costs	-	**9**
Distribution and marketing costs	8	**2**
Administrative costs	-	**1**
Financial expenses	-	**2**
Total	8	**16**

Government grants in 2024/25 related primarily to grants in China.

In 2023/24, government grants related primarily to an adjustment of Danish COVID-19 packages of DKK 16m.

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Accounting policies

Government grants are recognised when there is reasonable assurance that the grant will be received and all attached conditions will be complied with. The grant is deducted in reporting the related cost on a systematic basis over the periods that the related costs for which it is intended to compensate are expensed. A grant that is a compensation for costs already incurred is recognised in profit or loss for the period in which it becomes receivable.

2.4 Special items

(DKK million)	**2024/25**	2023/24
Restructuring costs and severance	10	43
Total	**10**	**43**
Production costs	1	4
Development costs	1	11
Distribution and marketing costs	4	26
Administrative costs	4	2
Total	**10**	**43**

Special items in 2024/25 amounted to DKK 10m (2023/24: DKK 43m) and related to reorganisation and severance costs, including garden leave and other employee expenses.

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Accounting policies

Special items consist of expenses related to restructuring or structural changes that the Group does not consider to be a part of its ordinary operations such as redundancies, specific consultancy costs and transitioning costs in connection with the offshoring of back-office functions.

2.5 Tax

Tax for the year

Tax on profit was DKK 31m in 2024/25 against DKK 10m in 2023/24. The effective tax rate was 2,154.6% in 2024/25 against -138.7% in 2023/24. The effective tax rate was primarily affected by the impairment of deferred tax assets of DKK 28.2m. A detailed overview can be found on the next page.

Tax recognised in other comprehensive income relates to changes in the fair value of derivative financial instruments used as cash flow hedges and is recognised in retained earnings.

	2024/25			2023/24		
(DKK million)	Income statement	Other comprehensive income	Total tax	Income statement	Other comprehensive income	Total tax
Tax for the year						
Current tax	15	-	15	1	-1	**-**
Change in deferred tax during the year	19	-	19	-	-	**-**
Change in deferred tax as a result of change in tax rate	-	-	-	2	-	**2**
Current tax adjustments to prior years	-	-	-	-1	-	**-1**
Deferred tax adjustments to prior years	-3	-	-3	8	-	**8**
Total	**31**	**-**	**31**	**10**	**-1**	**9**

Country by country

The Group acknowledges the important role that taxes play for public finances and in developing effective, accountable and transparent societal institutions as expressed in UN Sustainable Development Goal 16.6. As part of being more transparent on corporate taxes, the Group discloses specific country-by-country data for focus markets.

Legal entities in	Total revenue (DKK million)	FTE at end of period	Profit/loss before tax (DKK million)	Income tax accrued (DKK million)	Income tax paid (DKK million)
Denmark	1,165	723	-97.7	-3.8	5.3
Norway	16	-	0.6	-	-0.0
Sweden	24	1	0.5	-	0.1
Germany	125	14	5.8	0.5	-5.0
Switzerland	94	8	3.0	0.8	0.6
Austria	15	7	1.2	0.3	0.2
UK	155	40	-0.7	-	1.6
Netherlands	73	3	3.2	0.6	0.2
Belgium	31	3	2.2	0.5	0.2
France	57	20	5.5	-	-0.0
Spain	49	11	3.1	0.8	1.5
Italy	47	6	1.7	0.5	0.6
USA	308	36	23.9	-	0.3
Japan	18	6	0.5	0.4	-0.1
China	337	44	44.2	12.0	2.0
Hong Kong	39	30	2.2	2.2	1.5
Singapore	-	43	1.0	0.2	0.6
Bulgaria	-	18	1.2	0.1	0.0
Total	**2,553**	**1,013**	**1.4**	**15.1**	**9.6**

2.5 Tax (continued)

EFFECTIVE TAX RATE FOR THE YEAR

	%									Amount								
Country	Tax calculated on result for the year before tax	Deviating tax rates in foreign subsidiaries	Non-deductible costs and non-taxable income	Changes in tax rates	Adjustments to prior periods	Foreign withholding tax	Impairment of deferred tax assets	Other	Total	Tax calculated on result for the year before tax	Deviating tax rates in foreign subsidiaries	Non-deductible costs and non-taxable income	Changes in tax rates	Adjustments to prior periods	Foreign withholding tax	Impairment of deferred tax assets	Other	Total
Denmark	22.0%	-	-1.8%	-	0.5%	-0.9%	-36.9%	2.2%	-14.9%	-21.5	-	1.7	-	-0.5	0.8	36.1	-2.1	14.5
Norway	22.0%	-	-	-	-		-22.0%	1.8%	1.8%	0.1	-	-	-	-		-0.1	-0.1	-0.1
Sweden	22.0%	-1.0%	-	-	-9.5%		-20.6%	5.7%	-3.4%	0.1	0.0	-	-	-0.1		-0.1	-0.1	-0.2
Germany	22.0%	3.5%	-	-	-56.1%		-	-2.2%	-32.9%	1.3	0.2	-	-	-3.3		-	-	-1.8
Switzerland	22.0%	3.2%	-	-	-7.0%		-	1.3%	14.8%	0.7	0.1	-	-	-0.2		-	0.0	0.6
Austria	22.0%	1.0%	-	-	-3.4%		-	-0.0%	19.6%	0.2	0.0	-	-	0.0		-	0.0	0.2
UK	22.0%	2.6%	-	-	72.9%		-	9.6%	107.0%	-0.2	0.0	-	-	-0.6		-	0.0	-0.8
Netherlands	22.0%	-3.0%	-	-	-13.9%		-	-0.0%	5.0%	0.7	-0.1	-	-	-0.4		-	0.0	0.2
Belgium	22.0%	3.0%	-	-	4.2%		-	-0.0%	32.9%	0.5	0.0	-	-	0.1		-	0.0	0.6
France	22.0%	3.0%	-	-	-		-25.0%	-0.0%	-14.1%	1.2	0.2	-	-	-		-1.4	0.0	0.0
Spain	22.0%	3.0%	-	-	-6.1%		-	-0.0%	18.9%	0.7	0.1	-	-	-0.2		-	0.0	0.6
Italy	22.0%	5.9%	-	-	6.5%		-	-0.0%	42.5%	0.4	0.1	-	-	0.1		-	0.0	0.6
USA	22.0%	5.6%	1.5%	-	-		-28.5%	-3.0%	-2.4%	5.3	1.2	0.3	-	-		-6.2	-0.6	0.0
Japan	22.0%	13.8%	64.0%	-	-		-	-4.6%	95.2%	0.1	0.0	0.3	-	-		-	0.0	0.4
China	22.0%	3.1%	0.2%	-	-1.7%		-0.1%	-0.3%	51.1%	9.7	1.3	0.1	-	-0.7		-0.1	-0.1	10.2
Hong Kong	22.0%	-5.5%	84.7%	-	136.4%		-	-0.0%	237.6%	0.5	-0.1	1.9	-	3.0		-	0.0	5.3
Singapore	22.0%	-4.7%	-	-	4.4%		-	1.2%	22.9%	0.2	0.0	-	-	0.0		-	0.0	0.2
Bulgaria	22.0%	-12.0%	-	-	-		-	-0.0%	45.1%	0.3	-0.1	-	-	-		-	0.0	0.2
2024/25	**22.0%**	**202.9%**	**300.7%**	**-**	**-196.5%**	**58.6%**	**1978.9%**	**-211.8%**	**2154.6%**	**0.3**	**2.9**	**4.3**	**-**	**-2.8**	**0.8**	**28.2**	**-3.0**	**30.7**
2023/24	**22.0%**	**-32.0%**	**-26.7%**	**-**	**-104.4%**	**-13.2%**	**-164.7%**	**180.3%**	**-138.7%**	**-1.6**	**2.4**	**1.9**	**-**	**7.5**	**0.9**	**11.6**	**-12.6**	**10.1**

2.5 Tax (continued)

Deferred tax

At 31 May 2025, net deferred tax assets amounted to DKK 67m (31 May 2024: DKK 84m). The decrease is reflected primarily in tax loss carryforwards.

Deferred tax assets have been recognised based on expected earnings in the foreseeable future. The assessment primarily takes into account the possibility of utilising losses in each relevant jurisdiction. Deferred tax assets totalled DKK 75m (31 May 2024: DKK 92m), of which DKK 57m related to the Group's jointly taxed companies in Denmark, DKK 3m related to China, and DKK 9m to the US, whereas the remaining DKK 6m related to other of the Group's foreign legal entities. Supporting evidence for recognition our deferred tax asset encompass elements such as our improved gross margins, our plan to accelerate our strategic execution, we raised DKK 217m through a directed issues and upscaling our committed revolving credit facility by DKK 100m and have disclosed our mid-term financial ambitions.

Tax loss carryforwards recognised at 31 May 2025 amounted to DKK 5m (31 May 2024: DKK 36m).

The Group's tax policy is available on the Group's website.

	Assets		Liabilities		Net assets	
(DKK million)	**31-05-25**	31-05-24	**31-05-25**	31-05-24	**31-05-25**	31-05-24
Deferred tax						
Non-current assets	8	-	8	7	0	-7
Inventories	6	5	0	0	6	5
Receivables	1	2	0	0	1	2
Provisions	25	30	0	0	25	30
Tax loss carryforwards	5	36	0	0	5	36
Other	30	19	-	1	30	18
Total	**75**	**92**	**8**	**8**	**67**	**84**

(DKK million)	**2024/25**	2023/24
Change in deferred tax, net during the year		
Non-current assets	7	-40
Inventories	1	0
Receivables	-1	0
Provisions	-5	24
Tax loss carry forwards	-31	-9
Other	13	16
Total	**-17**	**-9**

At 31 May 2025, the value of unrecognised deferred tax assets amounted to DKK 352m (31 May 2024: DKK 323m). Of this amount, DKK 328m related to Denmark (31 May 2024: DKK 292m), DKK 22m to the US (31 May 2024: DKK 23m), and DKK 2m to other legal entities abroad (31 May 2024: DKK 8m). A total of DKK 277m related to tax loss carryforwards (31 May 2024: DKK 245m), DKK 255m of which can be carried forward indefinitely (31 May 2024: DKK 218m). The unrecognised deferred tax assets will be recognised as income as they are utilised or when there is convincing evidence that they will be utilised in the foreseeable future.

2.5 Tax (continued)

Critical accounting estimates and judgements

Deferred tax assets

Management performs impairment tests of the deferred tax asset on an ongoing basis. Based on the Group's performance and its continued strategy work, management revisited the carrying amount of the tax asset based on expected positive earnings and concluded that the amount was appropriate as of 31 May 2025.

The Group recognises deferred tax assets, including the tax base of tax loss carryforwards, if it is assessed that the respective tax assets can be offset against positive taxable income in the foreseeable future (3-5 years). This assessment is based on budgets and business plans for the following years, including planned business initiatives. Deferred tax assets are tested annually and are only recognised if they are likely to be utilised.

Accounting policies

Deferred tax

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.

No recognition is made of deferred tax on temporary differences relating to amortisation or depreciation of goodwill, properties or other items if disallowed for tax purposes. Such temporary differences arose on the date of acquisition without affecting the results or taxable income. In cases where it is possible to calculate the tax value according to different taxation rules, deferred tax is measured on the basis of the planned use of the asset or the settlement of the liability.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised as other non-current assets at the expected value of their utilisation, 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 assets and tax liabilities are offset if the entity has a legally enforceable right to offset current tax liabilities and tax assets or intends either to settle current tax liabilities and tax assets on a net basis or to realise the assets and liabilities simultaneously.

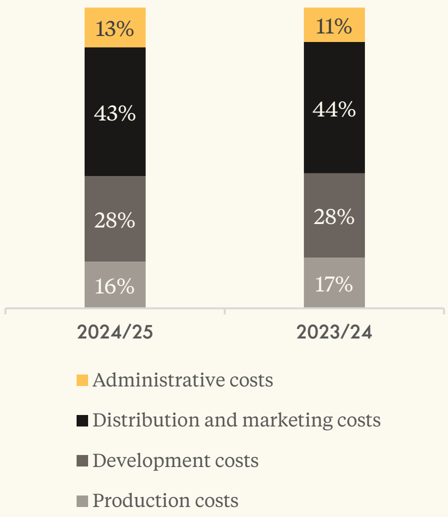
Deferred tax is measured according to the tax rules and at the tax rates applicable in the relevant countries at the reporting date and when the deferred tax is expected to materialise as current tax. The change in deferred tax as a result of changes in tax rates is recognised in the income statement.

Section 3 Staff costs, share-based payments and pensions

3.1 Staff costs

(DKK million)	2024/25	2023/24
Wages and other remuneration	752	703
Share-based payments	32	17
Pensions	47	46
Other social security costs	35	29
Total staff costs	**866**	**795**
Average number of employees	1,013	999
Staff costs relate to:		
Production costs	134	134
Development costs	246	223
Distribution and marketing costs	372	347
Administrative costs	114	91
Total staff costs	**866**	**795**

Allocation of staff costs, %



Accounting policies

Wages and salaries, social security contributions, leave and sick leave, bonuses and non-monetary benefits are recognised in the financial year in which services are rendered.

The cost of share-based payments, which are expensed over the vesting period of the programme according to the service conditions, is recognised in staff costs and equity.

Termination benefits are recognised at the time an agreement between the Group and the employee is made, and no future service is rendered by the employee in exchange for the benefits.

3.2 Remuneration of management

Total remuneration to the Executive Management Board (EMB) amounted to DKK 49m (2023/24: DKK 38m). This represented an increase of DKK 11m compared to 2023/24 driven by bonus as targets were met for four out of five KPI's, except from Revenue, resulting in overall combined achievement of 112% against all KPI's.

The Board of Directors decided to extend the special short-term cash-based retention programme for members of the Executive Management Board (EMB) to the financial year 2024/25. The programme is subject to requirements of continued service and satisfactory performance review ratings and was established for the purpose of stabilising the EMB during the turnaround of the Company and until the long-term incentive programmes (LTIP) reach a desired and necessary retention level.

The costs of the share-based payments (LTIP) were higher than last year, driven primarily by the EBIT performance.

Termination and severance payments for the year amounted to DKK 5m and related to three key employees who left the Company (2023/24: DKK 4m).

	2024/25			2023/24		
(DKK million)	Board of Directors	Executive Management Board	Other key employees	Board of Directors	Executive Management Board	Other key employees
Wages, salaries and fees	5	14	22	6	14	24
Pensions	-	1	2	-	1	2
Bonus	-	22	9	-	18	20
Termination and severance payments	-	-	5	-	-	4
Total	**5**	**37**	**38**	**6**	**33**	**50**
Share-based payments	-	12	7	-	5	4
Total remuneration	**5**	**49**	**45**	**6**	**38**	**54**

The terms of notice for the members of the Executive Management Board are consistent with normal market conditions (up to 24 months).

Board of Directors

In 2024/25, the Board of Directors received total remuneration of DKK 5m (2023/24: DKK 6m). The decline is driven by two fewer board members.

The full remuneration report for the financial year 2024/25 can be found at https://investor.bang-olufsen.com/remuneration.

3.3 Share-based programmes

Long-term incentive programmes (LTIP)

Pursuant to Bang & Olufsen A/S's Remuneration Policy, the Board of Directors has resolved to allocate restricted shares under Bang & Olufsen A/S's Combined Performance and Retention Share Programmes to the Executive Management Board, other key employees and select employees.

Two-thirds of the restricted shares are performance shares that are eligible for vesting in equal tranches over three financial years, depending on the level of achievement of certain KPIs defined by the Board of Directors for each performance year. The remaining shares are retention shares, which are subject to the participants' continued employment and satisfactory people review ratings. The retention shares also vest in three equal tranches over the period. Each financial year has a maximum payout of index 200 depending on the level of achievement.

Any vested restricted shares will be released after the adoption of the Annual Report at an annual general meeting following the end of the third financial year for each programme, with the provision that vesting and release may be accelerated in the case of certain extraordinary events.

TABLE - LONG-TERM INCENTIVE PROGRAMMES (LTIP)

	Performance period	Average share price at grant date	Shares 31 May	Maximum market value at launch (DKK million)	Accumu-lated cost recognised (DKK million)	Estimated remaining maximum value to be expensed (DKK million)	Award date	Vesting date
Programme start date								
11.07.2022	01.06.2022-31.05.2025	14.28	1,536,507	76	22	-	11.07.2022	31.05.2025
13.07.2023	01.06.2023-31.05.2026	10.36	3,228,992	80	19	16	13.07.2023	31.05.2026
11.07.2024	01.06.2024-31.05.2027	9.45	5,124,951	73	15	36	11.07.2024	31.05.2027
Total			**9,890,450**	**229**	**56**	**52**		

The programmes are accounted for on an accrual basis over the three-year vesting period. The value of each programme is adjusted on a timely basis until vesting based on the likelihood that certain KPIs will be met.

We have three ongoing incentive programmes as per the below table.

During 2024/25, a total of 500,048 shares were exercised under the programme initiated in 2021 (2023/24: 1,215,508). This programme ended with a weighted performance index of 58 over the three-year period at the grant share price of 12.93.

The programme initiated in 2022 ended at 31 May 2025 and approximately 1,536,507 shares will be exercised after the annual general meeting. The programme ended with a weighted performance index of 83 over the three-year period at the grant share price of 14.28.

The costs of the share programmes for the year were DKK 32m (2023/24: DKK 17m). The increase was driven by the improved earnings for the year resulting in an overall combined performance index of 139 (2023/24: index 61).

The accumulated costs recognised for the three ongoing programmes totalled DKK 56m (2023/24: DKK 37m) with an estimated remaining maximum value to be expensed of DKK 52m (2023/24: DKK 52m).

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Accounting policies

Share-based programmes in which the Executive Management Board and selected other key employees are given the right to receive shares in the Parent Company (equity-settled programmes) are measured at the fair value of the equity instruments at the grant date and recognised in the income statement as part of staff costs during the period when the employees become entitled to buy the shares.

The existing share-based programmes give Bang & Olufsen A/S an option to settle in cash. However, as it is expected that the programmes will be settled in shares, they will be accounted for as equity-settled programmes.

Long-term incentive programmes (LTIP) - continued

The table below summarises the maximum outstanding shares within the programmes.

Bang & Olufsen A/S has purchased a limited number of treasury shares to cover the obligation for the outstanding shares. The holding of treasury shares totalled 2,963,183 shares at 31 May 2024 (31 May 2024: 1,768,231 shares).

TABLE - SHARES OUTSTANDING

Shares outstanding	Executive Management Board	Other employees	Total
2024/25			
Shares outstanding at 1 June	2,041,701	4,303,701	6,345,402
Shares granted during the year	1,935,324	3,901,680	5,837,004
Shares exercised during the year	144,121	355,927	500,048
Shares forfeited during the year	- 779,572	- 2,012,432	- 2,792,004
Total number of shares outstanding	**3,341,574**	**6,548,876**	**9,890,450**
2023/24			
Shares outstanding at 1 June	1,626,112	3,818,548	5,444,660
Shares granted during the year	1,672,368	4,215,286	5,887,654
Shares exercised during the year	- 520,773	- 694,735	- 1,215,508
Shares forfeited during the year	- 736,006	- 3,035,398	- 3,771,404
Total number of shares outstanding	**2,041,701**	**4,303,701**	**6,345,402**

3.4 Pension and similar retirement obligations

(DKK million)	2024/25	2023/24
Amount recognised in the income statement		
Defined contribution plans	47	46
Defined benefit plans	0	0
Total pension amount charged to the income statement	**47**	**46**
Amount recognised in the balance sheet		
Wholly unfunded defined benefit plans	2	2
Wholly or partly funded defined benefit plans	20	16
Present value of defined benefit obligation at 31 May	**22**	**18**
Fair value of plan assets	-7	-8
Defined benefit plan obligation at 31 May	**15**	**10**

(DKK million)	2024/25	2023/24
Present value of future payments	20	16
Fair value of plan assets	-7	-8
Actuarially calculated net obligation	13	8
Wholly unfunded defined benefit plans	2	2
Defined benefit plans at 31 May, net	**15**	**10**
Actuarial assumptions		
Discount rate p.a.	3.8%	4.0%
Expected salary increase p.a.	2.4%	2.4%
Expected rate of return p.a.	2.4%	2.4%

The majority of the pension plans operated by the Group are defined contribution plans.

The Group's defined benefit plans are managed by independent pension funds. None of the plan assets are connected to any of the Group companies.

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Accounting policies

As an employer, the Bang & Olufsen Group participates in pension plans according to normal practice in the countries in which the Group operates. The majority of the pension plans operated by the Group are defined contribution plans. The only exceptions are defined benefit plans operated in Germany.

The Group recognises pension contributions in the income statement under defined contribution plans. Contributions can either be a fixed amount or a fixed percentage of the monthly salary costs, as they are paid to separate independent companies. Any unpaid contributions are recognised in the financial position as other liabilities. Once the contributions have been paid, the Group has no further obligations, and the risk related to the value of the pension insurance at retirement lies with the individual employee.

With defined benefit plans the Group has an obligation to pay a fixed amount or a fixed percentage of the salary at retirement. This means that the Bang & Olufsen Group carries the risk of any changes in the actuarially calculated capital value of the pension plans.

The present value of the future benefits that employees are entitled to is calculated annually. The present value is calculated based on a number of assumptions relating to the future development in salary levels as well as interest, inflation and mortality rates. The present value of the defined benefit obligation net of the fair value of the plan assets is recognised in the balance sheet as a pension liability.

The costs of defined benefit plans are recognised in the income statement and include service costs as well as net interest based on actuarial estimates and the financial outlook at the beginning of the year.

Changes in assumptions as well as differences between the expected and the realised return on plan assets are classified as actuarial gains or losses. Such gains or losses are recognised in other comprehensive income in the period in which they arise.

If a defined benefit plan constitutes a net asset, the asset is recognised only if it offsets future refunds from the plan or will lead to reduced future payments to the plan.

Section 4
Net working capital

4.1 Inventories

(DKK million)	2024/25	2023/24
Inventories before write-downs	481	485
Write-downs	-34	-38
Total	**447**	**447**
Raw materials	29	35
Work in progress	21	14
Spare parts	71	71
Finished goods	326	327
Total	**447**	**447**
Inventories recognised in production costs	990	1,102

Critical accounting estimates and judgements

A specific assessment of the need for write-downs for obsolescence of inventories is made based on an assessment of the future sales potential. The assessment takes into account expected technological developments and expected service periods. The provision is primarily related to finished goods and spare parts. The applied principles are unchanged from the previous year.

Accounting policies

Inventories are measured at the lower of cost according to the FIFO principle and net realisable value. The cost of raw materials, consumables and purchased goods consists of the acquisition price including delivery costs. The cost of finished goods and work in progress consists of costs of materials and direct labour plus indirect production costs.

Indirect production costs include indirect materials and wages, maintenance and depreciation of plant and machinery, factory buildings and other equipment used in the production process as well as costs of factory administration and management.

The net realisable value of inventories is calculated as the expected selling price less costs of completion and costs necessary to make the sale.

4.2 Trade receivables

(DKK million)	**2024/25**	2023/24
Trade receivables at 31 May, before impairment	359	318
Impairment at 1 June	-9	-15
Impairment losses recognised	-1	2
Realised impairment losses	1	6
Reversed impairment losses	-2	-2
Impairment at 31 May	-11	-9
Trade receivables at 31 May	**348**	**309**

Receivables are recognised when control has been transferred and the consideration to be paid is reasonably assured. Receivables are generally due within 30-60 days, and all receivables are consequently classified as current. The price specified in the contract is not adjusted for any financing element as payment terms never exceed 12 months.

Realised losses are immaterial and remain within the expected range.

	31-05-25		**31-05-24**	
(DKK million)	Amount	Impairment	Amount	Impairment
Maturity analysis:				
Amounts not due	351	-3	312	-3
Past due up to 30 days	-	-	-	-
Past due between 31 and 60 days	-	-	-	-
Past due between 61 and 90 days	-	-	-	-
Past due between 91 and 120 days	-	-	-	-
Past due more than 120 days	8	-8	6	-6
Trade receivables	**359**	**-11**	**318**	**-9**

See note 7.1 for details about credit risk associated with trade receivables.

Critical accounting estimates and judgements

The allowance for expected credit losses for trade receivables is based on historical credit loss experience combined with forward-looking information on macro-economic factors affecting credit risk.

Management continues to assess credit risks in order to ensure that credit risk never exceeds the recognised write-down on trade receivables. For a further description of credit risk, see note 7.1. Changes in impairment are presented in the table above.

Accounting policies

On initial recognition, trade receivables are measured at fair value and subsequently at amortised cost less loss allowance for expected credit losses. Trade receivables comprise the sale of goods and services and income from licenses. Other receivables comprise VAT receivables, loans to partners, interest receivables and derivatives.

The Group applies the simplified approach to measuring expected credit losses. This entails recognising a lifetime expected loss allowance for all trade receivables. Loss rates are determined based on a grouping of trade receivables sharing the same characteristics.

Impairment of trade receivables is recognised in distribution and marketing costs in the income statement.

4.3 Contract assets and liabilities

(DKK million)	**2024/25**	2023/24
Trade receivables	348	309
Right-of-return assets*	1	2
Total contract assets	**349**	**311**
Deferred income - non-current**	0	0
Deferred income - current**	0	3
Refund liabilities**	2	3
Total contract liabilities	**2**	**6**

* Right-of-return assets have been recognised in current other receivables.
** Deferred income and refund liabilities have been recognised in other liabilities.

Generally, trade receivables are recognised at the same point in time as revenue and invoicing. Payment terms vary within different customer segments due to local and specific agreements. In some cases, the Group receives upfront payments which are deducted in the actual invoicing. The income from the associated contract is recognised over time, resulting in contract liabilities.

Right-of-return assets and the associated refunds refer mainly to a few multibrand customers.

Deferred income consists of prepayments from customers. Deferred income mainly constitutes revenue related to the license agreement with Harman (brand licensing income from car audio products). This includes deferred revenue from future licensing income.

Accounting policies

Contract assets and liabilities
The refund liability for estimated sales returns is recognised when there is historical experience or when a reasonably accurate estimate of expected future returns can otherwise be made. The income effect recognised is the gross margin of the expected returns. Changes to right-of-return assets and refund liabilities are recognised gross in the income statement, i.e. as both revenue and cost of sales.

Deferred income comprises payments received related to revenue in subsequent financial years. Deferred income is measured at cost. Licensing income is recognised at a point in time based on products produced.

No costs to obtain contracts with customers were capitalised as part of contracts with customers in 2024/25 or in previous years. This is common practice in the Group.

4.4 Net working capital

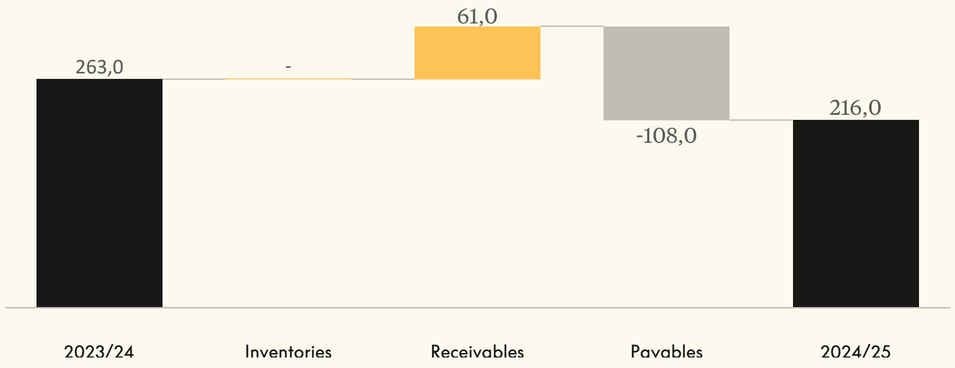
(DKK million)	**31-05-25**	31-05-24	Change
Inventories	447	447	-
Trade receivables	348	309	39
Other receivables*	59	52	7
Prepayments	42	27	15
Trade payables	-453	-401	-52
Other liabilities	-227	-171	-56
Total	**216**	**263**	**-47**

* Other receivables were adjusted for financial receivables relating to leases of DKK 2m not included as net working capital at 31 May 2025 (31 May 2024: DKK 1m).

Net working capital decreased by DKK 47m during the year to DKK 216m (31 May 2024: DKK 263m).

Inventories remained at the same level with our continued focus on inventory management. Trade receivables increased mainly driven by higher revenue in Q4 2024/25 compared to last year. Payables increased by DKK 108m, driven by timing of payments and an increase in bonus accruals.

Change in net working capital, DKKm



Accounting policies

Prepayments

Prepayments comprise incurred costs related to subsequent financial years. Prepayments are measured at cost.

Other liabilities

Other liabilities mainly comprise provisions for employee-related costs, VAT and deferred income. Other liabilities are measured at cost.

Section 5
Invested capital

5.1 Intangible assets and property, plant and equipment

(DKK million)	Goodwill	Acquired rights and software	Completed development projects	Development projects in progress	**Intangible assets**	Land and buildings	Plant and machinery	Other equipment	Leasehold improvements	Property, plant and equipment under construction	**Property, plant and equipment**
Cost											
At 1 June 2023	64	214	602	124	1,004	321	477	133	58	23	1,012
Additions	-	36	24	103	163	2	9	4	28	12	55
Disposals and terminations	-	-5	-162	-	-167	-	-	-	-4	-	-4
Completed development projects and assets	-	-	95	-95	-	9	6	-	-	-15	-
At 31 May 2024	64	245	559	132	1,000	332	492	137	82	20	1,063
Additions	-	62	16	122	200	3	5	8	4	19	39
Disposals and terminations	-	-73	-	-3	-76	-	-4	-5	-	-	-9
Completed development projects and assets	-	-	103	-103	-	3	7	-	-	-10	-
Exchange rate adjustments	-	-	-	-	-	-	-	-1	-1	-	-2
At 31 May 2025	**64**	**234**	**678**	**148**	**1,124**	**338**	**500**	**139**	**85**	**29**	**1,091**
Depreciation, amortisation and impairment											
At 1 June 2023	-22	-134	-473	-	-629	-228	-429	-112	-28	-	-797
Amortisation and depreciation	-	-40	-98	-	-138	-11	-18	-8	-13	-	-50
Disposals and terminations	-	1	162	-	163	-	-	-	4	-	4
At 31 May 2024	-22	-173	-409	-	-604	-239	-447	-120	-37	-	-843
Amortisation and depreciation	-	-35	-110	-	-145	-12	-14	-7	-15	-	-48
Disposals and terminations	-	72	-	-	72	-	4	5	-	-	9
Exchange rate adjustments	-	-	-	-	-	-	-	1	1	-	2
At 31 May 2025	**-22**	**-136**	**-519**	**-**	**-677**	**-251**	**-457**	**-121**	**-51**	**-**	**-880**
Carrying amount											
At 31 May 2025	**42**	**98**	**159**	**148**	**447**	**87**	**43**	**18**	**34**	**29**	**211**
At 31 May 2024	42	72	150	132	396	93	45	17	45	20	220

5.1 Intangible assets and property, plant and equipment (continued)

Impairment

Recognised impairment

No impairment was recognised in 2024/25.

Impairment test of goodwill

The carrying amount of goodwill amounted to DKK 42m (31 May 2024: DKK 42m) and related to the distribution network in the Netherlands.

The impairment test was carried out with the activities in the Netherlands considered as the cash generating unit. The recoverable amount was based on value in use and estimated using input from local and Group management.

The test included a five-year budget period followed by a terminal period.

Key assumptions applied in the impairment test were expected revenue, gross margin, capacity cost, discount rate and growth rate in the terminal period. Sensitivity tests of key assumptions were carried out. These showed gross margin, WACC and the growth rate to be the assumptions with the largest impact on value in use. In the test, a growth assumption of 1.5% (2023/24: 1.5%) and a discount rate of 7.00% were applied (2023/24: 9.25%).

The impairment test showed significant headroom from value in use to the carrying amount. Management is of the opinion that the applied assumptions are sustainable.

5.1 Intangible assets and property, plant and equipment (continued)

Critical accounting estimates and judgements

Development projects
Development costs are capitalised only after the technical and commercial feasibility of the project has been established. In connection with the capitalisation of development costs, the expected useful life of the product is determined. Management has assessed that the amortisation period is usually 2 to 6 years. Management also makes assumptions when assessing the possible impairment of development projects.

The applied principles are unchanged from the previous year. Development projects amounted to DKK 307m at 31 May 2025 (31 May 2024: DKK 282m). The main additions in the 2024/25 financial year were development projects relating to product development.

Accounting policies

Cost
Intangible assets and property, plant and equipment are initially recognised at cost and subsequently measured at cost less accumulated amortisation 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. The cost of self-constructed assets comprises direct and indirect costs of materials, components, sub-suppliers, wages and salaries, and capitalised borrowing costs on specific or general borrowings attributable to the construction of the asset.

Research and development costs are recognised in the income statement as incurred. Development costs are recognised under development projects in progress if the costs are expected to generate future economic benefits.

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 the replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset if it is probable that the costs will result in future economic benefits to the Group. The replaced components are derecognised from the statement of financial position and recognised as an expense in the income statement. Costs incurred for ordinary repairs and maintenance are recognised in the income statement as incurred.

Useful life, amortisation, 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.

Amortisation and depreciation are recognised 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. Goodwill with an indefinite life is not amortised but instead tested for impairment on an annual basis.

Development projects, acquired rights and software, land and buildings, plant and machinery, other equipment and leasehold improvements are tested for impairment whenever there is any indication that the recoverable amount may be lower than the carrying amount.

Depreciation is calculated on the basis of cost less the residual value and impairment losses.

Amortisation and depreciation are recognised under cost of sales, distribution and marketing expenses, and administrative expenses.

Expected useful lives are as follows:

Asset class	Useful life
Goodwill	No amortisation. Tested for impairment on an annual basis
Development projects (under construction)	Useful file will be determined and applied upon project completion. These assets are reviewed annually for impairment.
Development projects (completed)	2-6 years, or remaining term of intellectual property right if shorter
Acquired rights	10 years, or remaining term of intellectual property right if shorter
Software	3 years
Land and buildings	Land: None Buildings: 40 years Installations: 10 years
Plant and machinery	Single-purpose production tools: 3-6 years Other plant and machinery: 8-10 years
Other equipment	3-10 years
Leasehold improvements	Over lease term, max. 10 years
Property, plant and equipment under construction	None

5.2 Right-of-use assets

(DKK million)	Land and buildings	Other equipment	Total
Costs			
At 1 June 2023	235	8	243
Additions	21	1	22
Remeasurements	40	-	40
Terminations	-24	-2	-26
At 31 May 2024	272	7	279
Additions	20	16	36
Remeasurements	11	-	11
Terminations	-3	-1	-4
At 31 May 2025	**300**	**22**	**322**
Depreciation, amortisation and impairment			
At 1 June 2023	-119	-4	-123
Depreciation	-43	-3	-46
Terminations	24	2	26
At 31 May 2024	-138	-5	-143
Depreciation	-43	-4	-47
Terminations	3	1	4
At 31 May 2025	**-178**	**-8**	**-186**
Carrying amount			
At 31 May 2025	**122**	**14**	**136**
At 31 May 2024	134	2	136

Repayment of lease liability amounted to DKK 46m in 2024/25 (2023/24: DKK 45m). Expenses relating to low-value leases were insignificant.

(DKK million)	**2024/25**	2023/24
Amounts recognised in the income statement:		
Interest expenses	-9	-7
Short-term leases	-	-
Expenses relating to variable payments	-8	-7
Income from subleases	1	2
Lease liabilities		
Non-current	104	117
Current	59	45
Total lease liabilities	**163**	**162**

Critical accounting estimates and judgements

Individual right-of-use assets and the corresponding liabilities are highly impacted by the estimated lease term and the discount rate, where the underlying contracts can be prolonged or terminated early. Leases mainly comprise stores, office buildings, cars and other equipment.

The average incremental borrowing rate applied to lease liabilities in 2024/25 was around 5.6% (2023/24: 5.7%).

5.2 Right-of-use assets (continued)

Estimated useful life at 31 May 2025 can be summarised as follows:

Asset class	Useful life
Stores	The lease term for stores is assessed to be up to 10 years depending on an internal store rating based on location, revenue and earnings.
Office buildings	1-10 years
Other equipment	The life is equal to the non-cancellable lease term and extensions are not considered for these.

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Accounting policies

Leases are recognised as right-of-use assets with the corresponding liability at the time the asset becomes available for use by the Group. Assets and liabilities arising from a lease are measured on a present value basis. Right-of-use assets are recognised at the commencement date of the lease when the asset is available for use. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date, less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. When a sublease is classified as a finance lease, the right-of-use asset is derecognised as a right-of-use asset and recognised as a lease receivable under other receivables. An assessment is made at each reporting date of whether there is any indication that a right-of-use asset may be impaired. If any such indication exists, an impairment test for the relevant CGU is carried out.

Lease liabilities comprise expected fixed payments throughout the expected lease term (including options to extend the lease when exercise is reasonably certain), less any lease incentives. Payments relating to services are not included in lease liabilities. Some property leases contain variable payment terms linked to sales generated from a store. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs and are not included in the lease liability.

In calculating the present value of lease payments, the incremental borrowing rate at the lease commencement date is used, given that the interest rate implied in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in lease payments.

Lease costs for low value assets and short-term leases are recognised as operating expenses on a straight-line basis over the lease term.

Section 6 Capital structure and provisions

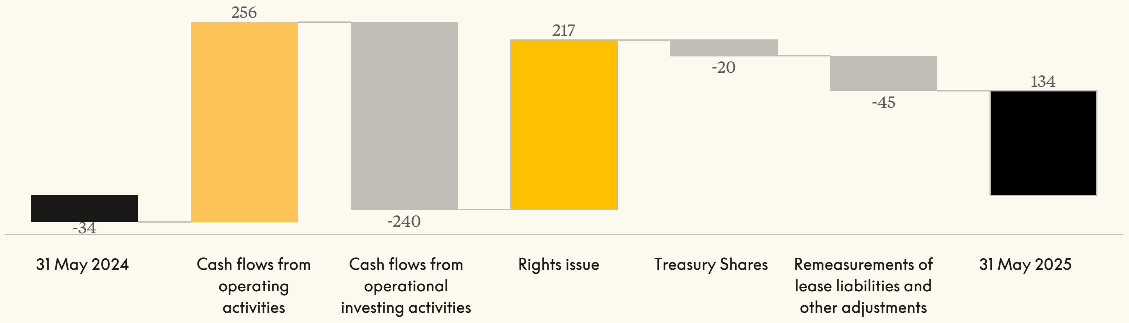
6.1 Net interest-bearing deposit/debt

Net interest-bearing deposit/debt consists of interest-bearing assets less interest-bearing debt. Interest-bearing assets consist of securities, cash, and finance lease receivables. Interest-bearing debt consists of mortgage loans, bank loans and lease liabilities.

We have placed the majority of our cash in Danish mortgage bonds, all with an AAA S&P rating. To maintain short-term financial flexibility, we use repo transactions, whereby we can access liquidity on an intra-day basis if needed by lending bonds to our banks in return for cash, while committing to a reverse transaction at a predetermined date in the future. Bonds are presented as securities on the balance sheet, as the risk and return of the bonds remains with the company during the term of the repo. The obligation to return cash for bonds under such repo transactions is recognised as short-term bank loans. As of 31 May 2025, repo transactions amounted to DKK 175m (31 May 2024: DKK 381m).

Net interest-bearing deposit amounted to DKK 134m (31 May 2023: a debt of DKK 34m). The increase was mainly due to the rights issue (DKK 217m) and free cash flow of DKK 16m offset by additions and remeasurement of liabilities (DKK 49m) and purchase of treasury shares (DKK 20m).

Change in net interest bearing deposit/debt, DKKm



(DKK million)	31-05-25	31-05-24
Mortgage loans (non-current)	-50	-53
Mortgage loans (current)	-3	-3
Bank loans (current)	-175	-381
Lease liabilities (non-current)	-104	-117
Lease liabilities (current)	-59	-45
Other non-current liabilities	-2	-2
Interest-bearing debt	**-393**	**-601**
Finance lease receivables (non-current)	0	1
Finance lease receivables (current)	2	1
Cash (current)	145	177
Securities (current)	380	388
Interest-bearing assets	**527**	**567**
Net interest-bearing deposit/debt	**134**	**-34**

Net available liquidity was DKK 350m (31 May 2024: DKK 184m), consisting of cash and securities offset by repo transactions.

(DKK million)	31-05-25	31-05-24
Cash (current)	145	177
Securities (current)	380	388
Offset by repo transactions presented as bank loans (current)	-175	-381
Available liquidity	**350**	**184**

Including the undrawn part of our ESG-linked credit facility, capital resources were DKK 600m (31 May 2024: DKK 344m), consisting of available liquidity of DKK 350m (31 May 2023: DKK 184m) and undrawn committed credit facilities of DKK 250m (31 May 2024: DKK 160m).

6.2 Financial instruments by category

(DKK million)	**31-05-25**	31-05-24
Non-current other receivables	20	20
Trade receivables	348	309
Other receivables	61	53
Cash	145	177
Financial assets at amortised cost	**574**	**559**
Securities	380	388
Fair value through income statement	**380**	**388**
Derivatives used for hedge accounting	1	1
Fair value through other comprehensive income	**1**	**1**
Financial assets	**955**	**948**
Mortgage loans	53	56
Bank loans	175	381
Lease liabilities	163	162
Trade payables	453	401
Financial liabilities at amortised cost	**844**	**1,000**
Derivatives used for hedge accounting	7	6
Fair value through other comprehensive income	**7**	**6**
Financial liabilities	**851**	**1,006**

The fair value was approximately equal to the carrying amounts for all financial assets and liabilities.

Hedge accounting was only related to the management of foreign exchange risk.

(DKK million)	Less than one year	Between one and five years	More than five years	**Total**	**Carrying amount**
Contractual maturity analysis for financial liabilities					
31-05-25					
Mortgage loans	3	13	37	53	53
Lease liabilities	59	100	25	184	163
Bank loans	175	-	-	175	175
Trade payables	453	-	-	453	453
31-05-24					
Mortgage loans	3	12	41	56	56
Lease liabilities	53	114	16	183	162
Bank loans	381	-	-	381	381
Trade payables	401	-	-	401	401

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Accounting policies

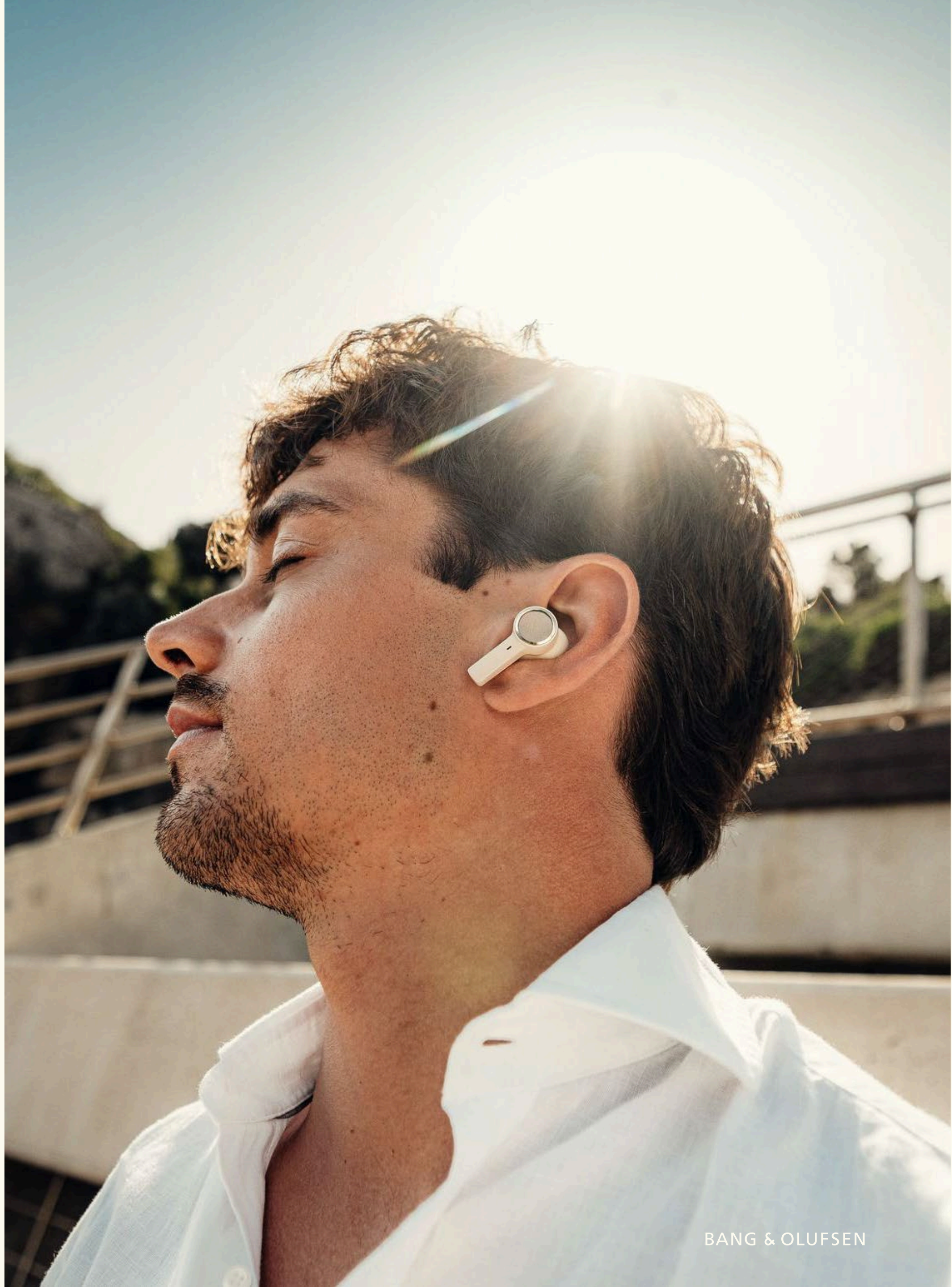
Financial assets include loans, receivables, securities and cash. Loans and receivables are initially recognised at fair value, including direct transaction costs, and subsequently measured at amortised cost using the effective interest method. For trade receivables, the loss allowance is measured in accordance with IFRS 9 applying a provision matrix to calculate the minimum impairment, which includes impairment for not-due receivables. For other receivables and loans, a write-down is made for expected losses based on specific individual or Group assessments.

Financial liabilities are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discount are recognised as financial expenses over the term of the liabilities.

Securities comprise bonds that are measured at market value on an ongoing basis in conformity with the Group's investment policy. Changes in market value are recognised in profit/(loss) for the year as financial income or expenses. The purchase or sale of securities is recognised at the settlement date.

For listed securities, market value equals the market price, while - for unlisted securities - the market value is estimated based on generally accepted valuation methods and market data.

Divested securities where repurchase agreements have been made at the time of sale are recognised in the balance sheet at the settlement date as if the securities were still held (Level 1). The amount received is recognised as a liability, and the difference between the selling price and the purchase price is recognised in profit/(loss) for the year over the term as interest. The return on the securities is recognised in profit/(loss) for the year.



6.3 Liabilities from financing activities

(DKK million)	Nominal interest value	Year of maturity	31-05-25 Carrying amount	31-05-24 Carrying amount
Interest profile of mortgage loan				
Fixed rate loans, DKK	3.3%	2040	53	56
Total loans			**53**	**56**

(DKK million)	31-05-23	Financing cash flow	Additions and remeasurements	Reclassifi-cations	31-05-24	Financing cash flow	Additions and remeasurements	Reclassifi-cations	31-05-25
Change in interest bearing debts									
Lease liabilities	146	-45	61	-	162	-46	47	-	163
Long-term mortgage loans	56	-	-	-3	53	-	-	-3	50
Short-term mortgage loans	3	-3	-	3	3	-3	-	3	3
Bank loans	386	-6	1	-	381	-206	-	-	175
Other non-current liabilities	3	-	-1	-	2	-	-	-	2
Total	**594**	**-54**	**61**	**-**	**601**	**-255**	**47**	**-**	**393**

We have a mortgage loan with a three-year interest refinancing period. No extraordinary repayments were made on the mortgage loan during 2024/25. The mortgage loan was most recently refinanced in 2022/23 at 3.3% plus contribution margin, providing an annual percentage rate of 4.7%.

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Accounting policies

Financial liabilities, including mortgage loans, are initially recognised at fair value less transaction costs and subsequently measured at amortised cost using the effective interest method, whereby transaction costs and any premium or discounts are recognised as financial expenses over the term of the loans.

6.4 Capital structure and share capital

	Number		Nominal value (DKK million)		% of share capital	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
Treasury shares						
1 June	1,768,231	2,983,739	9	15	1.4	2.4
Share capital reduction, cancellation of treasury shares	-	-	-	-	-	-
Acquired in connection with long-term incentive programme	1,695,000	-	8	-	1.2	-
Share-based programmes	-500,048	-1,215,508	-3	-6	-0.3	-1.0
Additions	-	-	-	-	-0.3	-
31 May	**2,963,183**	**1,768,231**	**14**	**9**	**2.0**	**1.4**

All treasury shares are held by Bang & Olufsen A/S.

(DKK million)	2024/25	2023/24
Share repurchases for the year	**20**	**-**

It is the objective of Bang & Olufsen's capital management to ensure shareholders the best possible return on their investment in Bang & Olufsen while ensuring that Bang & Olufsen will be able to meet all existing and future commitments.

The capital structure consists mainly of equity, lease liabilities and minor mortgage financing of the HQ buildings in Struer. In addition to the Group´s capital structure, the Group holds a committed revolving credit facility of DKK 300m (31 May 2024: DKK 200m) with its primary bank. The committed revolving credit facility was refinanced and upscaled from DKK 200m during May 2025. On 31 May 2025, the revolving credit facility was only utilised for issuance of bank guarantees and other ancillary services.

At 31 May 2025, Bang & Olufsen held a total of 2,963,183 treasury shares (31 May 2024: 1,768,231) for the purpose of hedging the value of its long-term incentive programmes.

For details of monetary transactions, see the statement of changes in equity.

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Accounting policies

Dividend
Dividend is recognised as a liability at the time it is approved at an annual general meeting.

Treasury shares
Acquisition and selling prices for treasury shares and the dividend received on such shares are recognised directly in equity under retained earnings.

Translation reserve
The translation reserve in the consolidated financial statements comprises exchange rate differences that occur when translating foreign subsidiaries' financial statements from their functional currency into the Group's presentation currency.

On disposal of net investments, the exchange rate differences on the individual investment are recognised in the income statement. The reserve is a distributable reserve.

Reserve for cash flow hedges
Reserve for cash flow hedges comprises accumulated changes in the fair value of derivative financial instruments that qualify for hedging of future cash flows where the hedged position has not yet been realised. The changes in fair value are transferred to the income statement when the hedged positions are realised.

6.5 Financial items

(DKK million)	**2024/25**	2023/24
Interest income from banks	51	41
Other financial income	14	9
Exchange rate gain, net	3	-
Financial income	**68**	**50**
Interest expenses to banks	-62	-50
Other financial expenses	-10	-7
Fair value adjustments of securities	0	-
Interest expenses on lease liabilities	-10	-7
Exchange rate loss, net	-	-11
Financial expenses	**-82**	**-75**
Financial items, net	**-14**	**-25**

Financial income and expenses related to securities were measured at fair value. Financial income and expenses related to the remaining financial assets and liabilities were not measured at fair value.

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Accounting policies

Financial income and expenses include interest, fair value adjustment of securities, foreign currency gains and losses and impairment of securities, payables and foreign currency transactions as well as amortisation of financial assets and liabilities, including lease liabilities. Furthermore, realised and unrealised gains and losses on derivative financial instruments that cannot be classified as hedging contracts are included.

6.6 Provisions

(DKK million)	Warranty	Restructuring	Other provisions	Total
At 31 May 2023	85	10	5	100
Provisions in the year	49	33	-	82
Provisions used during the year	-39	-10	-2	-51
Provisions reversed during the year	-	-	-1	-1
At 31 May 2024	95	33	2	130
Provisions in the year	30	0	3	33
Provisions used during the year	-51	-33	-0	-84
Provisions reversed in the year		-	-	-
At 31 May 2025	**74**	**0**	**5**	**79**
Maturity analysis for provisions				
Due between 1-5 years	33	-	4	37
Due after 5 years	-	-	-	-
Non-current provisions	33	-	4	37
Due within one year	41	-	1	42
At 31 May 2025	**74**	**-**	**5**	**79**

Provisions for warranty of DKK 74m were recognised at 31 May 2025 (31 May 2024: DKK 95m) to cover expected warranty claims. The size and timing of the provisions are based on previous experience of the level and timing of repairs and returns.

No provision for restructuring was recognised at 31 May 2025 (31 May 2024: DKK 10m), as the reorganisation announced in Q4 23/24 was completed during the year and related severance costs were settled.

Other provisions of DKK 5m (31 May 2024: DKK 2m) related primarily to employee anniversary benefit and legal provisions.

Critical accounting estimates and judgements

Bang & Olufsen repairs or replaces products that do not function satisfactorily both within the warranty period and in certain situations after the warranty period. Consequently, provisions made are for future repairs and returns. Provisions are made based on historical data for repairs and returns and based on management's judgements.

Future repairs and returns may differ from the historical pattern, but management has assessed that the estimate of provisions is reasonable and appropriate.

The Group provides 2-5 years of warranty on certain products and is therefore committed to repairing or replacing products that do not function satisfactorily. Some products are repaired after the end of the warranty period, and a provision is made regarding such potential fairness claims.

Accounting policies

Provisions comprise provisions for warranty, provisions for fairness and other provisions. Provisions for warranty are obligations to repair products within the warranty period, whereas provisions for fairness are obligations to repair products after the end of the warranty period.

Provisions are recognised when there is a legal or constructive obligation as a result of events occurring in the financial year or in previous years, and it is probable that an outflow of financial resources will be required to settle the obligation. Provisions are measured at the present value of the expected expenditure required to settle the obligation.

Section 7 Financial risk management

7.1 Financial risks

We have global activities that expose us to a range of financial risks.

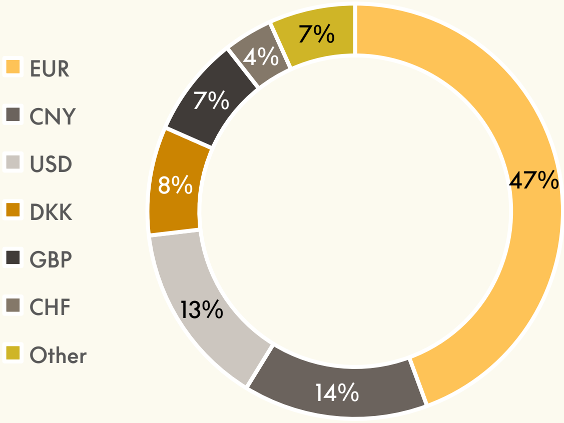
The management of financial risks is centralised. The overall objectives and policies for the Group's financial risk management are outlined in our Treasury guideline. Financial risk management is conducted by the Group Treasury department.

Foreign exchange rate risk

The Group's presentation currency is DKK, but the majority of our activities and investments are denominated in currencies other than DKK. Consequently, there is a substantial risk of exchange rate fluctuations having an impact on the Group's reported results.

We are subject to transaction risk related to sales and purchases in foreign currencies, and translation risk when translating foreign entities into the Group's presentation currency.

Currency flow of revenue in 2024/25:



In 2024/25, 92% of the Group's revenue (2023/24: 91%) was in foreign currencies.

Entities in	Functional currency	Change during 2024/25 (in %)
Eurozone	EUR	0.06%
China	CNY	0.13%
US	USD	0.18%
UK	GBP	2.41%
Switzerland	CHF	1.80%

Changes in exchange rates during the year reduced revenue by 0.3% in 2024/25 (2023/24: reduced by 1.0%).

We are primarily exposed to currency risks related to the net inflow of mainly CNY, CHF and GBP and the net outflow of USD. Due to DKK being pegged to EUR, the risk from EUR is considered to be low. According to our Treasury guideline, the net exposure is hedged on up to a 12-month horizon using FX forward contracts. Short-term exposure is hedged up to 75% of the expected net exposure, while hedge ratios gradually decrease on longer time horizons.

We only hedge commercial exposures and do not enter into derivative positions or transactions for trading or speculative purposes. We do not hedge balance sheet items or ownership interest in foreign subsidiaries.

Our subsidiaries' income and costs are mainly denominated in local currencies, and each subsidiary is thereby not significantly impacted by exchange rate fluctuations. All intercompany transactions are carried out in the local currency of each subsidiary and thereby all foreign exchange rate risk is centralised in HQ.

7.1 Financial risks (continued)

Interest rate risk

Our exposure to interest rate risk is considered to be limited and is subject to ongoing evaluation and monitoring in accordance with the Treasury guideline. We do not hold material levels of long-term interest-bearing debt. Increasing macroeconomic uncertainty impacts the market value of the Group's holdings of Danish mortgage bonds, and when interest rates change, that affects the market value of the Group's bond portfolio.

Our interest-bearing assets mainly consisted of bank deposits and securities. Bank deposits, which totalled DKK 145m (2023/24: DKK 177m), yield interest in the short-term money market. Securities, which totalled DKK 380m (2023/24: DKK 388m), consisted of a portfolio of bonds primarily held for maturity. The bond portfolio is recognised at fair value; hence we are exposed to an interest rate risk during the maturity of the bonds. In 2024/25, the value of the bond portfolio decreased by DKK 8m primarily driven by drawing of bonds.

Interest-bearing debt consisted of bank loans of DKK 175m (2023/24: DKK 381m); mortgage debt of DKK 53m (2023/24: DKK 56m), at a floating rate that is fixed until March 2026; and lease liabilities of DKK 163m (2023/24: DKK 162m). At the end of the financial year, the Group's net interest-bearing deposit totalled DKK 134m (2023/24: net interest-bearing debt of DKK 34m), corresponding to 6% of the total financial position (2023/24: 2%).

See note 6.1 for further details on the net interest-bearing deposit/(debt).

Credit risk

We are exposed to risks associated with commercial and financial counterparties. Financial instruments are entered into with counterparties with investment grade ratings. Similarly, we use reputable insurance companies with investment grade ratings for insuring receivables.

Credit risk associated with trade receivables is managed centrally based on fixed procedures and guidelines. Credit limits are set as deemed appropriate for the individual customer, considering current local market conditions and individual risk profiles. To reduce credit risk, all commercial counterparts are subject to ongoing financial evaluation. We mainly use credit insurance to mitigate our credit risk, and 57% of total trade receivables were insured via credit insurance at 31 May 2025 (31 May 2024: 48%).

We have a limited number of large key partners, which constitutes a concentration risk on receivables. Top 5 debtors accounted for 36% of total trade receivables at 31 May 2025 (31 May 2024: 39%). The nature of our business involves a few major key partners and several smaller, but important partners. Concentration risk is monitored closely and mitigated via credit insurance. The top 5 debtors are all long-standing partners with a solid payment history and low credit risk.

For trade receivables, we apply the expected credit loss prescribed by IFRS 9. In order to measure the expected credit loss, trade receivables are assessed individually for credit risk characteristics and ageing of the receivable. In accordance with IFRS 9, not-due trade receivables are also tested for impairment. See note 4.2 for further details on trade receivables.

During 2024/25, we did not experience any significant bad debt losses.

7.1 Financial risks (continued)

Liquidity risk

Liquidity is centrally managed by Group Treasury and is continually assessed. The objective is to ensure that sufficient financial resources are available as and when needed.

At 31 May 2025, cash and cash equivalents amounted to DKK 145m (2023/24: DKK 177m). Including securities and repo, available liquidity amounted to DKK 350m (2023/24: DKK 184m).

We have a committed revolving credit facility of DKK 300m with our main bank as part of our capital and liquidity readiness. The facility was only utilised for extending bank guarantees, etc. to third parties. The committed revolving credit facility was refinanced and upscaled from DKK 200m in May 2025 (31 May 2024: DKK 200m) with a duration of two years and an additional one-year extension option. The credit facility is subject to financial covenants, including leverage (NIBD/EBITDA) and minimum asset values. All covenants are continuously being monitored to ensure that management, if needed, can initiate mitigating actions to ensure compliance.

Commodity risk

We are mainly exposed to commodity risk through our energy consumption and purchase of raw materials.

The largest exposure to changes in the market price of raw materials is from the purchase of aluminium. The total purchase of aluminium raw material corresponded to approximately 4% of our production costs (2023/24: 4%).

We are mitigating the price and supply risk by purchasing aluminium in large volumes to provide better price stability and ensure a sufficient supply of aluminium to meet production requirements.

We do not mitigate commodity risk by using financial derivatives or contracts, but we mitigate commodity risk through pricing and ordering agreements with key suppliers.

7.2 Sensitivity analysis

Interest rate sensitivity

A one percentage point increase in the interest rate is estimated to have a negative effect of DKK 3.8m on financial items (2023/24: negative DKK 5.7m). The effect is mainly driven by securities, which consist of a portfolio of fixed and floating-rate bonds. Increased interest income from floating rate bonds would drive a DKK 3.1m increase (2023/24: DKK 2.8m), offset by a negative fair value adjustment of DKK 3.7m (2023/24: negative DKK 3.1m). The effect from other interest-bearing debt and deposits would be negative at DKK 3.1m (2023/24: negative DKK 4.3m), mainly driven by repo loans offset by bank deposits.

The estimate was calculated on an all-else-equal basis and assumes a parallel change in all relevant yield curves.

Exchange rate sensitivity

The effects on revenue and earnings are derived from changes in selected currencies compared to average annual rates. The effect on equity is derived from changes to the 31 May 2025 closing rates for selected currencies and includes the equity of all subsidiaries. The estimates are presented below on an unhedged basis.

		2024/25			2023/24		
(DKK million)	Increase	Revenue	Profit/loss before tax	Equity before tax	Revenue	Profit/loss before tax	Equity before tax
USD	5.0%	19	-16	8	25	-14	7
GBP	5.0%	10	7	3	10	7	3
CNY	5.0%	17	12	6	19	13	7
CHF	5.0%	5	4	0	5	4	1
Other	5.0%	9	6	4	9	6	2
Total		**60**	**13**	**21**	**68**	**16**	**20**

7.3 Derivative financial instruments

Derivative financial instruments comprise primarily foreign exchange contracts used to hedge foreign exchange risk related to unrecognised future transactions. The value adjustments from forward contracts affect the income statement on a monthly basis throughout the hedging period.

For information on financial risks and management of those risks, see note 7.1.

Derivatives contracted by the Group to hedge foreign exchange risk related to future transactions are specified below:

	31-05-25					31-05-24				
(DKK million)	Net exposure	Hedging period	Average hedging rate	Fair value	Contract value	Net exposure	Hedging period	Average hedging rate	Fair value	Contract value
Foreign exchange forward contracts										
USD	Negative	12 months	6.721	-5	134	Negative	12 months	6.820	0	177
GBP	Positive	12 months	8.630	-1	41	Positive	12 months	8.520	-2	89
CHF	Positive	12 months	7.990	0	34	Positive	12 months	7.730	0	48
CNY	Positive	12 months	0.914	0	84	Positive	12 months	0.930	-3	165
JPY	Positive	12 months	0.046	0	20	Positive	-	-	-	-
SGD	Negative	12 months	5.206	0	10	Negative	12 months	5.170	0	12
Total				**-6**	**323**				**-5**	**491**
Foreign exchange swaps										
USD/DKK				0	5				-	-
CHF/DKK				-	-				0	4
SGD/DKK				-	-				0	1
CNY/DKK				-	-				0	12
Total				**0**	**5**				**0**	**17**
Derivatives for hedging				-6	328				**-5**	**508**

7.3 Derivative financial instruments (continued)

The fair value of derivative financial instruments is recognised in the statement of financial position as follows:

(DKK million)	31-05-25	31-05-24
Other receivables, current	1	1
Other liabilities, current	-7	-6
Total	**-6**	**-5**

The fair value was based on observable market data and is part of level 2 in the fair value hierarchy.

Level 1: Listed prices (unadjusted) in active markets for identical assets and liabilities

Level 2: Input, other than listed prices on level 1, which is observable for the asset or liability either directly (as prices) or indirectly (derived from prices)

Level 3: Input for the asset or liability is unobservable and not based on market data input

The derivatives are not traded in an active market based on quoted prices but are individual contracts. The fair value of these assets is determined using valuation techniques that apply market data such as exchange rates, credit risk and volatilities.

Accounting policies

Derivative financial instruments are recognised at the trading date at fair value and subsequently measured at fair value at the reporting date. The fair value of derivative financial instruments is recognised under other receivables or other financial liabilities, respectively, in the statement of financial position. The effective portion of changes in the value of derivative financial instruments designated to hedge highly probable future transactions is recognised in other comprehensive income until the hedged transactions are realised.

When realised, the accumulated gains/losses are transferred to the items under which the hedged transactions are recognised.

The ineffective portion of hedge transactions and changes in the fair values of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as financial income or expenses.

Section 8 Other disclosure requirements

8.1 Fees to auditors

(DKK million)	2024/25	2023/24
Statutory audit	1.8	1.8
Other assurance services	2.3	1.8
Tax services	1.1	0.3
Other services	0.2	0.3
Total	**5.4**	**4.2**

Fees for other assurance services provided by Deloitte to the Bang & Olufsen Group mainly consist of fees related to audit of subsidiaries and assurance on sustainability statement.

8.2 Earnings per share

(1,000 shares)	2024/25	2023/24
Profit/loss for the year, DKKm	-29	-17
Average number of shares outstanding	147,327	122,772
Dilutive effect of average outstanding shares	-	-
Average number of shares outstanding, including dilutive effect	147,327	122,772
Earnings per share (EPS), DKK	**-0.2**	**-0.1**
Earnings per share, diluted (EPS-D), DKK	**-0.2**	**-0.1**

8.3 Contingent liabilities, collateral and other financial commitments

Bang & Olufsen Group has issued guarantees in an amount of DKK 67m (31 May 2024: DKK 84m). The guarantees mainly relate to a rent obligation related to the previously owned Czech production facility and bank guarantees.

Mortgage and security

Land and buildings were mortgaged for an amount of DKK 53m (31 May 2024: DKK 56m) as security for DKK 53m of the Group's mortgage loan (31 May 2024: DKK 56m).

Other tangible assets relating to land and buildings are included in the mortgage loans. The carrying amount of the Group's mortgaged land and buildings was DKK 87m (31 May 2024: DKK 93m).

When entering into repo transactions with our bank, we use a proportional part of our securities as collateral in the repo transaction with the bank. At 31 May 2025, repo transactions amounted to DKK 175m (31 May 2024: 381m).

The Group has pledged inventories, debtors, plant, machinery and other equipment as security for our committed credit facility with our bank via a Danish first priority floating charge (in Danish: virksomhedspant) amounting to DKK 100m (31 May 2024: DKK 100m), and a Dutch floating charge on our finished goods inventory located in the Netherlands.

Legal and arbitration proceedings

In the ordinary course of business, the Group is and will from time to time become involved in discussions, disputes and legal proceedings, including claims relating to e.g. commercial counterparties, employees, intellectual property infringement or violations and other business-related disputes.

The results of such disputes and legal proceedings may be hard to predict, and our assessment of relevant disputes and proceedings may change as they unfold. We expense legal fees as incurred and records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. An unfavourable outcome to any material legal matter may result in damages being awarded, injunctions and/or termination of product lines, all of which could have financial implications exceeding any provisions made and thus an adverse effect on the Group's business, operating results, cash flow and financial position.

We are currently engaged in discussions involving claims against the Group regarding alleged infringements of third-party rights in relation to specific jurisdictions and specific ranges of the Group's present and past products and features and technologies included therein. We are also a party to claims involving the termination of certain retail partners in some jurisdictions. Such claims are not uncommon in the industry, and the Group addresses and defends itself against such claims in its ordinary course of business, assisted by external advisers where necessary. While by their nature such claims could potentially have a significant adverse effect on the Group in case of an unfavourable outcome, it is our current expectation that none of these claims will have such an effect.

8.4 Related parties

The Bang & Olufsen Group has no related parties with a controlling interest in the Group and no related parties with significant influence other than key management personnel – mainly in the form of the Board of Directors, the Executive Management Board and other key management personnel.

Board of Directors, Executive Management Board and other key management personnel

No significant transactions were made with members of the Board of Directors, Executive Management Board or other key management personnel in 2024/25 other than ordinary remuneration, as described in notes 3.2 and 3.3, and sales of products on employee terms and conditions. Professional fees in connection with assistance on tax-related matters incurred by the Executive Management Board are reimbursed when they are incurred.

Other transactions

There were no other transactions with related parties in 2024/25.

8.5 Events after the reporting period

No events have occurred in the period from the balance sheet date until the presentation of the financial statements that required adjustment to or disclosure in the consolidated financial statements.

8.6 Companies in the Bang & Olufsen Group

Company name	Domicile	Currency	Share capital in local currency	Bang & Olufsen Group's share	Number of undisclosed subsidiaries
Denmark (domicile country)					
Bang & Olufsen A/S	Struer, DK	DKK	736,632,515		
Bang & Olufsen Operations A/S	Struer, DK	DKK	156,000,000	100.0%	
Bang & Olufsen Danmark A/S	Struer, DK	DKK	3,000,000	100.0%	
B&O PLAY A/S	Struer, DK	DKK	7,500,000	100.0%	
EMEA					
Bang & Olufsen AS	Oslo, NO	NOK	3,000,000	100.0%	
Bang & Olufsen Svenska AB	Stockholm, SE	SEK	4,150,000	100.0%	
Bang & Olufsen Deutschland G.m.b.H.	Unterhaching, DE	EUR	1,022,584	100.0%	
Bang & Olufsen AG	Urdorf, CH	CHF	200,000	100.0%	
Bang & Olufsen Ges. m.b.H	Vienna, AT	EUR	1,744,148	100.0%	
Bang & Olufsen UK Ltd.*	London, GB	GBP	2,600,000	100.0%	2
Bang & Olufsen France SAS	Paris, FR	EUR	3,585,000	100.0%	1
Bang & Olufsen España S.A.	Madrid, ES	EUR	1,803,036	100.0%	
Bang & Olufsen Italia S.r.l.	Milan, IT	EUR	10,000	100.0%	
Bang & Olufsen Belgium N.V.	Brussels, BE	EUR	942,000	100.0%	
Bang & Olufsen B.V.	Amsterdam, NL	EUR	18,000	100.0%	
Bang & Olufsen Bulgaria EOOD	Sofia, BG	BGN	2	100.0%	
Americas					
Bang & Olufsen America Inc.	Delaware, US	USD	34,000,000	100.0%	6
Asia					
Bang & Olufsen Asia Pte Ltd.	Singapore, SG	SGD	2	100.0%	
Bang & Olufsen Limited	Hong Kong, HK	HKD	1,000,000	100.0%	3
Bang & Olufsen Japan KK	Tokyo, JP	JPY	10,000,000	100.0%	

* Not audited by Group auditors

8.7 Key figure definitions

Key figures and ratios	Definition
Available liquidity	Cash and securities, offset by repo transactions
Capacity costs	Development costs, distribution and marketing costs and administrative costs
Capacity cost ratio	Capacity costs as a percentage of revenue
Capital resources	Available liquidity and undrawn committed credit facilities
Earnings per share (EPS)	Result attributable to shareholders of Bang & Olufsen A/S relative to average number of outstanding shares
Earnings per share, diluted	Result attributable to shareholders of Bang & Olufsen A/S as a percentage of diluted average number of outstanding shares
EBIT	Earnings (profit) before interest and income tax
EBIT before special items	Earnings (profit) before interest, income tax and special items
EBIT margin	EBIT as a percentage of revenue
EBIT margin before special items	EBIT before special items as a percentage of revenue
EBITDA	Earnings (profit) before interest, tax, depreciation, amortisation and impairment
EBITDA before special items	Earnings (profit) before interest, tax, depreciation, amortisation, impairment and special items
EBITDA margin	EBITDA as a percentage of revenue
EBITDA margin before special items	EBITDA before special items as a percentage of revenue
Free cash flow	Cash flow from operating activities less cash flow from operational investments
Gross margin	Gross profit as a percentage of revenue
Growth in local currencies	Organic growth in local currency excluding acquisitions and divestments and foreign exchange rates
Incurred development costs ratio	Incurred development costs before capitalisation as a percentage of revenue
Invested capital	Net working capital, tangible assets and intangible assets excl. goodwill
Like-for-like	Like-for-like is defined as sell-out from the same stores, provided they were open and active in both periods
Marketing cost ratio, %	Marketing cost x 100/Revenue
Net interest-bearing deposit/debt	Current and non-current interest-bearing loans and borrowings less interest-bearing receivables and cash
Operating expenses	Production costs, development costs, distribution and marketing costs and administrative costs
Price/earnings	Share price/Earnings per share (nom. DKK 5)
Return on assets, %	Earnings for the year x 100/Assets
Return on equity, %	Earnings for the year x 100/Equity
Revenue per share	Revenue per average number of outstanding shares
Revenue per share, diluted	Revenue per diluted average number of outstanding shares
ROIC excl. goodwill, %	Net operating profit after tax x 100/Invested capital, excl. goodwill
Working capital	Current assets less current liabilities (excluding interest-bearing items and provisions)
Working capital ratio	Average working capital LTM (latest twelve months) as a percentage of revenue

8.7 Key figure definitions (continued)

Alternative performance measures

The Group assesses its performance using a variety of alternative performance measures that are not defined under IFRS. A reconciliation of these alternative performance measures to the nearest IFRS measure is presented below.

Growth in local currencies

Growth in local currencies reflects the underlying performance of the Group. As such, this excludes the impact of acquisitions or divestments and foreign exchange movements. Below is a reconciliation from the movement in reported revenue according to IFRS.

(Percentage)	**2024/25**	2023/24
Revenue growth (according to P&L)	-1	-6
Foreign exchange	0	1
Growth in local currencies	**-1**	**-5**

Operating performance

In addition to measuring the Group's financial performance based on its operating result, EBIT and EBITDA before special items are also used.

EBITDA is considered to be a useful measure because it approximates the underlying performance by eliminating depreciation and amortisation.

(DKK million)	**2024/25**	2023/24
EBIT	16	18
Depreciation, amortisation and impairment	245	239
EBITDA	**261**	**257**
Special items, net	10	43
EBITDA before special items	**271**	**300**
EBIT	16	18
Special items, net	10	43
EBIT before special items	**26**	**61**

Parent company financial statements

Income statement and statement of comprehensive income

1 June – 31 May

(DKK million)	Notes	2024/25	2023/24
Revenue	3	**558**	**459**
Production costs	4, 5, 6	-50	-61
Gross profit		**508**	**398**
Development costs	4, 5, 6	-496	-285
Distribution and marketing costs	4, 5, 6	-89	-211
Administrative costs	4, 5, 6	-173	-134
Operating profit/loss (EBIT)		**-250**	**-232**
Income from investment in subsidiaries		230	**430**
Financial income	9	67	47
Financial expenses	9	-69	-77
Financial items, net		**-2**	**-30**
Profit/loss before tax (EBT)		**-22**	168
Income tax	10	22	38
Profit/loss for the year		**0**	**206**
Total comprehensive income for the year		**0**	**206**
Distribution of profit/loss for the year:			
Reserve for development costs		18	21
Retained earnings		-18	185
Total		**0**	**206**

Statement of financial position

Assets

(DKK million)	Notes	31-05-25	31-05-24
Acquired rights		85	65
Completed development projects		159	150
Development projects in progress		148	132
Intangible assets	11	**392**	**347**
Property, plant and equipment	11	60	67
Right-of-use assets	12	19	19
Tangible assets		**79**	**86**
Investment properties	13	**44**	**42**
Investment in subsidiaries	15	607	607
Deferred tax assets	10	30	47
Total non-current assets		**1,152**	**1,129**
Trade receivables		51	32
Tax receivable		46	58
Interest-bearing receivables from subsidiaries		228	195
Other receivables		17	16
Prepayments		15	14
Securities		380	388
Cash		38	0
Total current assets		**775**	**703**
Total assets		**1,927**	**1,832**

Equity and liabilities

(DKK million)	Notes	31-05-25	31-05-24
Share capital	16	737	613
Reserve for development costs		241	223
Retained earnings		78	-9
Total equity		**1,056**	**827**
Lease liabilities	12, 17	14	15
Provisions		2	1
Mortgage loans	17	50	53
Total non-current liabilities		**66**	**69**
Lease liabilities	12, 17	8	5
Mortgage loans	17	3	3
Bank loans	19	175	731
Interest-bearing debt to subsidiaries	19	387	0
Trade payables	19	120	107
Provisions		0	16
Other liabilities		112	74
Total current liabilities		**805**	**936**
Total liabilities		**871**	**1,005**
Total equity and liabilities		**1,927**	**1,832**

Statement of cash flows

1 June – 31 May

(DKK million)	Notes	2024/25	2023/24
Profit/loss before tax (EBT)		-22	168
Financial items, net		2	30
Income from investment in subsidiaries		-230	-430
Depreciation, amortisation and impairment		163	157
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		**-87**	**-75**
Other non-cash items		29	1
Change in net working capital		23	-12
Interest received		68	47
Interest paid		-68	-60
Income tax received		51	46
Cash flows from operating activities		**16**	**-53**
Purchase of intangible non-current assets		-187	-160
Purchase of tangible non-current assets		-16	-7
Income from investment in subsidiaries		230	430
Operational investments		**27**	**263**
Free cash flow		**43**	**210**
Change in interest-bearing receivables from subsidiaries		-34	-95
Change in interest-bearing debt from subsidiaries		387	-
Sale of securities		9	6
Financial investments		**362**	**-89**
Cash flows from investing activities		**389**	**174**

(DKK million)	Notes	2024/25	2023/24
Repayment of lease liabilities	17	-5	-7
Repayment of mortgage loans	17	-3	-3
Repayment of loans and borrowings	17	-556	-111
Purchase of treasury shares		-20	-
Right issues		217	-
Cash flows from financing activities		**-367**	**-121**
Cash and cash equivalents, opening balance		0	0
Exchange rate adjustment, cash and cash equivalents		**-**	**-**
Change in cash and cash equivalents		**38**	**-**
Cash and cash equivalents, closing balance		**38**	**0**

Statement of changes in equity

1 June – 31 May

(DKK million)	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 June 2024	**613**	**223**	**-9**	**827**
Profit/loss for the year	-	18	-18	0
Comprehensive income for the year	**-**	**18**	**-18**	0
Share-based payments	-	-	32	32
Capital increase	124	-	104	228
Costs related to rights issue	-	-	-11	-11
Purchase of own shares	-	-	-20	-20
Equity at 31 May 2025	**737**	**241**	**78**	**1,056**
Equity at 1 June 2023	613	202	-211	604
Profit/loss for the year	-	21	185	206
Comprehensive income for the year	**-**	**21**	**185**	**206**
Share-based payments	-	-	17	17
Equity at 31 May 2024	**613**	**223**	**-9**	**827**

Notes

1 Accounting policies

Bang & Olufsen A/S is a Danish company. The company reports in accordance with the rules and principles for accounting class D. The Annual Report is published on 3 July 2025 and will be presented to the shareholders for approval at the Annual General Meeting.

The financial statements of Bang & Olufsen A/S for 2024/25 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and additional Danish disclosure requirements for listed companies.

Accounting policies are unchanged from last year and identical to the accounting policies for the Group, with the following exceptions:

Accounting policies different from the Group

Investments in subsidiaries

Investments in subsidiaries are measured at cost. If the cost exceeds the recoverable amount, the carrying amount is reduced to such lower amount. Gains or losses on the sale of investments in subsidiaries are calculated as the difference between the carrying amount of the investment sold and the fair value of the proceeds from the sale.

Dividends

Dividends from investments in subsidiaries are recognised when the final right to receive the dividends is established. This is typically at the time when the distribution of dividend is approved at the annual general meeting of the company in question. Dividends are recognised as a liability from the date they are approved at the annual general meeting.

Investment properties

Investment properties are held to earn rental income or capital appreciation. Investment properties consist of a number of properties that are owned for the purpose of renting them out mainly to other Group companies. Investment properties are measured at cost less accumulated depreciation and impairment losses. Investment properties are depreciated on a straight-line basis over 40 years.

Changes in accounting policies

The description in note 1.3 to the consolidated financial statements regarding new standards issued effective for the 2024/25 Annual Report covers the Parent Company as well.

2 Critical accounting estimates and judgements

When applying the Parent Company's accounting policies, management is required to make a number of accounting assessments and estimates and to make assumptions about the carrying amounts of certain assets and liabilities and recognised revenue and costs which cannot be derived directly from other sources. Significant judgements are made when assessing development projects and deferred tax assets.

Management bases its estimates and assumptions on historical experience and other relevant factors that are believed to be reasonable under the given circumstances. The actual outcome may differ from these estimates.

Estimates made and the underlying assumptions are reviewed on a continuous basis. Changes made to accounting estimates are recognised in the financial period in which the change takes place and future financial periods if the change affects both the period in which the change takes place and future financial periods.

For further accounting estimates and judgements regarding geopolitical uncertainty, and risks related to climate change, please see note 1.2 to the consolidated financial statements.

The following accounting estimates and judgements are assessed to be material for the parent company financial statements.

Development projects

Development costs are capitalised only after the technical and commercial feasibility of the projects has been established. The expected useful life of the products is determined in connection with the capitalisation of development costs. Management has assessed that the amortisation period is usually 2-6 years.

Deferred tax assets

Deferred tax assets are recognised in the balance sheet at the value the asset is expected to be realised at, either by set-off against deferred tax liabilities or as net tax assets to be offset against future positive taxable income. At each balance sheet date, an assessment is made of whether it is probable that sufficient taxable income will be generated in future so that the deferred tax asset can be utilised.

3 Revenue

(DKK million)	**2024/25**	2023/24
Geographical breakdown:		
Denmark	548	456
Brand Partnering & other activities (global activities)	199	158
Rest of world	10	3
Total	**558**	**459**
Breakdown by nature:		
Royalty and license	485	384
Rental income	73	75
Total	**558**	**459**

4 Staff costs

(DKK million)	**2024/25**	2023/24
Wages and other remuneration	376	327
Share-based payments	32	17
Pensions	26	24
Other social security costs	4	4
Total staff costs	**438**	**372**
Staff costs relate to:		
Production costs	25	24
Development costs	240	183
Distribution and marketing costs	52	86
Administrative costs	121	79
Total staff costs	**438**	**372**
Average number of employees	392	376

All pension costs relate to defined contribution plans. Pension contributions, which can either be a fixed amount or a fixed percentage of the monthly salary, are recognised in the income statement as they are paid to independent pension insurance companies. Any unpaid contribution is recognised in the balance sheet as a liability. Once the contributions have been paid, the company has no further obligations, and the individual employee carries the risk for the value of the pension insurance at retirement.

See note 3.2 to the consolidated financial statements for further information about the remuneration of the Board of Directors, the Executive Management Board and other key employees.

5 Development costs

(DKK million)	**2024/25**	2023/24
Incurred development costs before capitalisation	525	314
Of which capitalised	-138	-127
Incurred development costs after capitalisation	387	187
Capitalisation (%)	26.3%	40.4%
Total amortisation and impairment losses on development projects	109	98
Development costs recognised in the income statement	**496**	**285**

6 Depreciation, amortisation and impairment

(DKK million)	**2024/25**	2023/24
Depreciation, amortisation and impairment		
Intangible assets, amortisation	139	132
Property, plant and equipment, depreciation	10	10
Investment properties, depreciation	4	3
Right-of-use assets, depreciation	6	7
Loss on disposals	4	5
Total	**163**	**157**
Depreciation, amortisation and impairment relate to:		
Production costs	8	14
Development costs	131	110
Distribution and marketing costs	7	24
Administrative costs	17	9
Total	**163**	**157**

7 Government grants

(DKK million)	**2024/25**	2023/24
Government grants	**-**	**16**
Breakdown by function:		
Production costs	-	2
Development costs	-	9
Distribution and marketing costs	-	2
Administrative costs	-	1
Financial expenses	-	2
Total	**-**	**16**

No government grants were received in 2024/25.

Government grants in 2023/24 related to an adjustment of COVID-19 packages of DKK 16m.

8 Special items

(DKK million)	**2024/25**	2023/24
Severance, Executive Management Board	-	-
Restructuring costs and severance	8	20
Total	**8**	**20**

(DKK million)	**2024/25**	2023/24
Production costs	0	0
Development costs	1	11
Distribution and marketing costs	4	7
Administrative costs	3	2
Total	**8**	**20**

Special items consist of expenses related to restructuring or structural changes that Bang & Olufsen does not consider to be a part of its ordinary operations such as redundancies and specific consultancy costs.

9 Financial items

(DKK million)	**2024/25**	2023/24
Interest income from banks	33	36
Interest income from subsidiaries	13	2
Other financial income	21	9
Financial income	**67**	**47**
Interest expenses	-61	-46
Interest expenses to subsidiaries	-4	-14
Interest expenses on lease liabilities	-1	-1
Exchange rate losses, net	-3	-16
Financial expense	**-69**	**-77**
Financial items, net	**-2**	**-30**

Financial income and expenses related to securities are measured at fair value. Financial income and expenses related to the remaining financial assets and liabilities are not measured at fair value.

10 Tax

(DKK million)	2024/25	2023/24
Tax for the year		
Current tax	-39	-52
Change in deferred tax during the year	16	13
Current tax adjustments to prior years	-	-
Deferred tax adjustments to prior years	1	1
Total	**-22**	**-38**

	2024/25		2023/24	
	%	DKKm	%	DKKm
Effective tax rate for the year				
Calculated tax on result for the year before tax	22.0%	-5	22.0%	37
Non-deductible costs and non-taxable income	222.7%	-49	-55.4%	-93
Adjustments to prior periods	-4.5%	1	-1.8%	-3
Impairment of deferred tax assets	-136.4%	30	9.5%	16
Other	-4.5%	1	3.1%	5
Effective tax rate for the year	**99.3%**	**-22**	**-22.6%**	**-38**

	Assets		Liabilities		Net assets	
(DKK million)	31-05-25	31-05-24	31-05-25	31-05-24	31-05-25	31-05-24
Deferred tax						
Non-current assets	-	-	15	18	-15	-18
Tax loss carry forwards	10	31	-	-	10	31
Other	35	34	-	-	35	34
Total	**45**	**65**	**15**	**18**	**30**	**47**

For the assessment of the future utilisation of deferred tax assets, see note 2.5 to the consolidated financial statements.

(DKK million)	2024/25	2023/24
Change in deferred tax, net during the year		
Non-current assets	3	-4
Tax loss carry forwards	-21	-14
Other	1	5
Total	**-17**	**-13**

At 31 May 2025, the net deferred tax asset totalled DKK 30m (31 May 2024: DKK 47m). The decrease of DKK 17m was mainly due to a decrease in tax loss carryforwards.

11 Intangible assets and property, plant and equipment

(DKK million)	Acquired rights	Completed development projects	Development projects in progress	**Intangible assets**	Land and buildings	Other tangible assets	**Property, plant and equipment**
Cost							
At 1 June 2023	162	602	124	888	188	98	286
Additions	33	24	103	160	-	5	5
Disposals	-6	-162	-	-168	-	-	-
Completed development projects and assets	-	95	-95	-	2	-9	-7
At 31 May 2024*	189	559	132	880	190	94	284
Additions	49	16	122	187	1	5	6
Disposals	-73	-	-3	-76	-	-5	-5
Completed development projects and assets		103	-103	-	-	-3	-3
At 31 May 2025*	**165**	**678**	**148**	**991**	**191**	**91**	**282**
Depreciation, amortisation and impairment							
At 1 June 2023	-91	-473	-	-564	-132	-75	-207
Amortisation and depreciation	-34	-98	-	-132	-8	-2	-10
Disposals	1	162	-	163	-	-	-
At 31 May 2024	-124	-409	-	-533	-140	-77	-217
Reclassification of assets from assets held for sale to land and buildings				-			-
Amortisation and depreciation	-29	-110	-	-139	-8	-2	-10
Disposals	73	-	-	73	-	5	5
At 31 May 2025	**-80**	**-519**	**-**	-599	**-148**	**-74**	-222
Carrying amount							
At 31 May 2025	**85**	**159**	**148**	**392**	**43**	**17**	**60**
At 31 May 2024	65	150	132	347	50	17	67

*There are no contractual obligations regarding the purchase of property, plant and equipment.

12 Right-of-use assets

(DKK million)	Land and buildings	Other equipment	Total
Costs			
At 1 June 2023	23	7	30
Additions	-	-	-
Remeasurements	17	-	17
Terminations	-	-2	-2
At 31 May 2024	**40**	**5**	**45**
Additions	-	8	8
Remeasurements	-	-	-
Terminations	-	-1	-1
At 31 May 2025	**40**	**12**	**52**
Depreciation, amortisation and impairment			
At 1 June 2023	-18	-3	-21
Depreciation	-5	-2	-7
Terminations	-	2	2
At 31 May 2024	**-23**	**-3**	**-26**
Depreciation	-5	-1	-6
Terminations	-	-	-
At 31 May 2025	**-28**	**-4**	**-32**
Carrying amount			
At 31 May 2025	**12**	**7**	19
At 31 May 2024	17	2	19

See note 17 for a maturity analysis for lease liabilities.

(DKK million)	**2024/25**	2023/24
Amounts recognised in the income statement:		
Interest expenses	-1	-1
Lease liabilities		
Non-current	14	15
Current	8	5
Total lease liabilities	**22**	**20**

Repayments of lease liabilities amounted to DKK 5m in 2024/25 (2023/24: DKK 7m). Expenses relating to short-term and low-value leases were insignificant.

13 Investment properties

(DKK million)	
Cost	
At 1 June 2023	151
Additions	2
Completed assets	6
At 31 May 2024	159
Additions	3
Completed assets	3
At 31 May 2025	**165**
Depreciation and impairment	
At 1 June 2023	-114
Depreciation during the year	-3
At 31 May 2024	-117
Depreciation during the year	-4
At 31 May 2025	**-121**
Net book value	
At 31 May 2025	**44**
At 31 May 2024	42

Investment properties consist of a number of properties that are owned for the purpose of renting them to other Group companies and, to some extent, external parties.

All investment properties are located in Struer, Denmark, and are used for production, warehousing and offices. Due to the size and type of the buildings and the location of the investment properties, there is no active market for these, and it is consequently not possible to estimate their fair value, since the fair value is completely dependent on the Group companies' continued use of the properties. Independent valuers have not been used.

There are no contractual obligations to purchase, construct or develop investment properties.

Rental income of DKK 73m was received from investment properties in 2024/25 (2023/24: DKK 75m). Directly attributed operating expenses were DKK 46m (2023/24: DKK 47m).

Investment properties are leased to the subsidiaries. The lease term is 3 months. According to the existing leases, rental income of DKK 18m will be received in the three months making up the lease term.

14 Impairment of non-current assets

Intangible and tangible assets – impairment losses during the year
No impairment losses were recognised in 2024/25 or 2023/24.

The assessment of the recoverable amount of intangible assets is based on calculations of the value in use of the assets. The value is calculated based on the expected future cash flows from the assets based on the budgets approved by management over the expected lifetime of the assets and a discount rate before tax of 7.00% (2023/24: 9.25%).

Financial assets – impairment losses during the year
No impairment losses were recognised on non-current financial assets in 2024/25 or 2023/24.

15 Investments in subsidiaries

(DKK million)	**31-05-25**	31-05-24
Bang & Olufsen Operations A/S	600	600
B&O Play A/S	7	7
Total	**607**	**607**

At 31 May 2025, investments in subsidiaries amounted to DKK 607m (31 May 2024: DKK 607m). There were no acquisitions or disposals in 2024/25 (2023/24: none).

See note 8.6 to the consolidated financial statements for an overview of Group companies.

16 Share capital

At 31 May 2025, the share capital consisted of 147,326,503 shares (31 May 2023: 122,772,087) with a nominal value of DKK 5 each. Each share entitles the holder to one vote. No shares carry special rights. There are no limitations to transferability and no voting restrictions. All shares are listed on Nasdaq Copenhagen.

	Number		Nominal value (DKK million)		% of share capital	
	2024/25	2023/24	**2024/25**	2023/24	**2024/25**	2023/24
Treasury shares						
1 June	1,768,231	2,983,739	9	15	1.4	2.4
Acquired in connection with long-term incentive programmes	1,695,000	-	8	-	1.2	-
Share-based programmes	-500,048	-1,215,508	-3	-6	-0.3	-1.0
Additions	-	-	-	-	-0.3	-
31 May	**2,963,183**	**1,768,231**	**14**	**9**	**2.0**	**1.4**

All treasury shares are held by Bang & Olufsen A/S.

At 31 May 2025, the following investors had reported holdings of more than 5% of Bang & Olufsen A/S's share capital:

Major shareholders, 31 May 2025
Three shareholders have notified Bang & Olufsen that they hold more than 5% of the company's share capital.

More than 10%:
- Dyvig Holding A/S
- New Sparkle Roll International Group Limited

More than 5%
- Arbejdsmarkedets Tillægspension
- Azura Partners Boreale SARL
- Chr. Augustinus Fabrikker Aktieselskab
- UBS Group AG

17 Mortgage loans and lease liabilities

(DKK million)	Nominal interest value	Year of maturity	31-05-25 Carrying amount	31-05-24 Carrying amount
Terms and repayment schedule				
Fixed-rate loans, DKK	-3.3%	2040	53	56
Total loans			**53**	**56**

The company had a mortgage loan with a three-year interest refinancing period. No extraordinary repayments were made on the mortgage loan in 2024/25. The interest on mortgage loans was most recently refinanced in 2023/24 at 3.3% plus a contribution margin, providing an annual percentage rate of 4.7%.

(DKK million)	31-05-23	Financing cash flow	Additions and remeasurements	Reclassifi-cations	31-05-24	Financing cash flow	Additions and remeasurements	Reclassifi-cations	**31-05-25**
Terms and repayment schedule									
Repayment of lease liabilities	10	-7	17	-	20	-5	7	-	22
Long-term borrowings	56	-	-	-3	53	-	-	-3	50
Short-term borrowings	3	-3	-	3	3	-3	-	3	3
Bank loans	842	-111		-	731	-556	-	-	175
Total	**911**	**-121**	**17**	**-**	**807**	**-564**	**7**	**-**	**250**

18 Share-based payments

The share-based programmes described in note 3.3 to the consolidated financial statements are set up by Bang & Olufsen A/S.

The majority of the shares are granted to employees of Bang & Olufsen A/S. An amount of DKK 32m (2023/24: DKK 17m) was recognised in the year as part of staff costs.

19 Financial instruments by category

(DKK million)	**31-05-25**	31-05-24
Trade receivables	51	32
Interest-bearing receivables from subsidiaries	228	195
Cash	38	0
Financial assets at amortised cost	**317**	**227**
Securities	380	388
Fair value through income statement	**380**	**388**
Financial assets	**697**	**615**
Mortgage loans	53	56
Bank loans	175	731
Lease liabilities	22	20
Interest-bearing debt from subsidiaries	387	0
Trade payables	120	107
Financial liabilities at amortised cost	**757**	**914**

(DKK million)	Less than one year	Between one and five years	More than five years	**Total**	**Carrying amount**
Contractual maturity analysis for financial liabilities					
31 May 2025					
Mortgage loans	3	13	37	**53**	**53**
Bank loans	175	-	-	**175**	**175**
Lease liabilities	8	16	-	**24**	**22**
Interest-bearing debt to subsidiaries	387	-	-	**387**	**387**
Trade payables	120	-	-	**120**	**120**
31 May 2024					
Mortgage loans	3	12	41	**56**	**56**
Bank loans	731	-	-	**731**	**731**
Lease liabilities	7	16	-	**23**	**20**
Interest-bearing debt to subsidiaries	0	-	-	**0**	**0**
Trade payables	107	-	-	**107**	**107**

See note 7.1 to the consolidated financial statements for a description of the Group's management of financial risks.

20 Fees to auditors appointed by the General Meeting

(DKK million)	2024/25	2023/24
Statutory audit	0.2	0.3
Other assurance services	0.9	0.3
Tax services	1.1	0.3
Other services	-	0.2
Total	**2.2**	**1.1**

Fees for other assurance services provided by Deloitte to the Bang & Olufsen Group mainly consist of fees related to assurance on sustainability statement.

21 Contingent liabilities, collateral and other financial commitments

The Bang & Olufsen Group has issued guarantees totalling DKK 67m (2023/24: DKK 84m). The guarantees mainly relate to a rent obligation related to the previously owned Czech production facilities and bank guarantees. Bang & Olufsen A/S has provided guarantees concerning the continuous operation and payment of liabilities in 2024/25 for some of our subsidiaries.

Bang & Olufsen A/S is taxed jointly with the Danish companies of the Bang & Olufsen Group. As the management company, Bang & Olufsen A/S, has unlimited as well as joint and several liability together with the other jointly taxed companies for Danish taxes and VAT related to the jointly taxed companies.

Legal and arbitration proceedings

See note 8.3 to the consolidated financial statements.

Mortgages and securities

See note 8.3 to the consolidated financial statements.

22 Related parties

Bang & Olufsen A/S has no related parties with a controlling interest in the Group and no related parties with significant influence other than key management personnel – mainly in the form of the Board of Directors, the Executive Management Board and other key management personnel.

Board of Directors, Executive Management Board and other key management personnel

No significant transactions were made with members of the Board of Directors, Executive Management Board and other key management personnel in 2024/25 other than ordinary remuneration, as described in notes 3.2 and 3.3 to the consolidated financial statements - and sales of products on employee terms and conditions. Professional fees in connection with assistance on tax-related matters incurred by the Executive Management Board are reimbursed when they are incurred.

Associates and subsidiaries

Transactions with subsidiaries included the following:

(DKK million)	**2024/25**	2023/24
Purchase of services - subsidiaries	57	50
Rental income - subsidiaries	73	74
Income from investment in subsidiaries	230	430
Royalty income - subsidiaries	276	223

At 31 May 2025, Bang & Olufsen A/S had receivables from subsidiaries of DKK 228m (31 May 2024: DKK 195m) and payables of DKK 387m (31 May 2024: DKK 0m). All receivables and payables with subsidiaries fall due within one year.

The carrying amount is expected to be a reasonable approximation of the fair value.

No impairment was identified in subsidiaries in 2024/25 or in 2023/24.

Other transactions

Bang & Olufsen A/S has issued guarantees for its related parties, see note 21. None of the guarantees are expected to result in a loss.

There were no other transactions with related parties in 2024/25.

23 Events after the reporting period

No events have occurred in the period from the balance sheet date until the presentation of the financial statements that required adjustment to or disclosure in the financial statements of Bang & Olufsen A/S.

Reports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EAR CONTROL
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BANG & OLUFSEN OF DENMARK

Management's statement

The Board of Directors and the Executive Management Board have today considered and approved the Annual Report of the Bang & Olufsen Group and the Parent Company for 1 June 2024 – 31 May 2025.

The Annual Report is prepared in accordance with IFRS Accounting Standards as adopted by the EU and disclosure requirements for listed entities in Denmark, and the Parent financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent's financial position at 31 May 2025 as well as of the results of their operations and the Group's cash flows for the financial year 1 June 2024 - 31 May 2025.

In our opinion, the Management's commentary is prepared in accordance with relevant laws and regulations and contains a fair review of the development of the Group's and the Parent's business and financial matters, the results for the year and of the Parent's financial position and the financial position as a whole of the entities included in the consolidated financial statements, together with a description of the principal risks and uncertainties that the Group and the Parent face.

The sustainability statement is prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Danish Financial Statements Act as well as article 8 in the EU Taxonomy regulation.

Furthermore, in our opinion, the Annual Report of Bang & Olufsen A/S for the financial year 1 June 2024 to 31 May 2025 with the file name BangogOlufsen-2025-05-31-0-en.zip is prepared, in all material respects, in accordance with the ESEF Regulation.

We recommend the Annual Report for adoption at the Annual General Meeting.

Struer, 3 July 2025

Executive Management Board:

Kristian Teär
CEO

Nikolaj Wendelboe
EVP, CFO

Line Køhler Ljungdahl
EVP, CCCO

Board of Directors:

Juha Christensen
Chair

Albert Bensoussan
Vice Chair

Anders Colding Friis

Andra Gavrilescu

Dorte Vegeberg

Jesper Jarlbæk

Søren Balling

Tuula Rytilä

Independent auditor's report

To the stakeholders of Bang & Olufsen A/S

Report on the consolidated financial statements and the parent financial statements

Opinion

We have audited the consolidated financial statements and the parent financial statements of Bang & Olufsen A/S for the financial year 1 June 2024 - 31 May 2025, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including material accounting policy information, for the Group as well as for the Parent. The consolidated financial statements and the parent financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

In our opinion, the consolidated financial statements and the parent financial statements give a true and fair view of the Group's and the Parent's financial position at 31 May 2025, and of the results of their operations and cash flows for the financial year 1 June 2024 - 31 May 2025 in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark.

Our opinion is consistent with our audit book comments issued to the Audit Committee and the Board of Directors.

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 consolidated financial statements and the parent financial statements" section of this auditor's report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, 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.

To the best of our knowledge and belief, we have not provided any prohibited non-audit services as referred to in Article 5(1) of Regulation (EU) No 537/2014.

We were appointed auditors of Bang & Olufsen A/S for the first time on 18 August 2022 for the financial year 2022/23. We have been reappointed annually by decision of the general meeting for a total contiguous engagement period of 2 year up to and including the financial year 2024/25.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements and the parent financial statements for the financial year 1 June 2024 – 31 May 2025. These matters were addressed in the context of our audit of the consolidated financial statements and the parent financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition from sale of goods

The Group recognises revenue from sale of products at the point in time when control of the products is transferred to the customer, which generally takes place upon delivery.

Revenue from sale of products around the time of the balance sheet date has been considered a key audit matter due to the complexity from the volume of transactions and the considerations over timing for transferring of risk to the customer as this involves manual procedures. These factors may potentially result in inaccurate timing in revenue recognition from sale of products.

Reference is made to note 2.1 Revenue and operating segments in the consolidated financial statements and the accounting policies.

How the matter was addressed in our audit

Our audit procedures, which take into account the risk of material misstatement in revenue recognition, included among others:

- We assessed the compliance with the Group's accounting policies over revenue recognition and comparison with applicable accounting standards,
- We assessed and tested relevant internal control over cut-off of revenue from sale of products for a specific period before the balance sheet date,
- We have performed substantive testing of revenue from sale of products for a specific period before the balance sheet date including obtaining and agreeing to supporting documentation and validated the proper timing of revenue recognition to ensure that revenue from sale of products is recognised in the correct financial year, and
- We have analysed credit invoices issued after the balance sheet date.

Valuation of deferred tax assets

The Group has recognised deferred tax assets on the basis of expected future levels of profitability. The Group has recognised the deferred tax assets to the extent that the realisation of the related tax benefits through future taxable profits are probable within a foreseeable future. We refer to Note 2.5 – Tax of the consolidated financial statements. The deferred tax assets was significant to our audit as the amounts are material, the assessment process is judgemental and is based on assumptions that are impacted by expected future market conditions and future levels of profitability.

How the matter was addressed in our audit

Our audit procedures included evaluating Management’s assumptions for forecasting future taxable profits by assessing Management’s underlying business plans, comparing previous forecasts to actual results and testing consistency between the forecasts used in the measurement of deferred tax assets against the long-term forecast and business plans of the Group. Further, we evaluated the sensitivity of the impairment model for deferred tax assets. Furthermore, we assessed the adequacy of the disclosures in Note 2.5 - Tax of the consolidated financial statements against applicable financial reporting standards.

Statement on the Management's review

Management is responsible for the management commentary.

Our opinion on the consolidated financial statements and the parent financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the consolidated financial statements and the parent financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary includes the disclosures required by the Danish Financial Statements Act. This does not include the requirements in section 99a related to the sustainability statement covered by the separate auditor’s limited assurance report hereon.

Based on the work we have performed, we conclude that the management commentary is in accordance with the consolidated financial statements and the parent financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act except for the requirements in section 99a related to the sustainability statement, cf. above. We did not identify any material misstatement of the management commentary.

Management's responsibilities for the consolidated financial statements and the parent financial statements

Management is responsible for the preparation of consolidated financial statements and parent financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional disclosure requirements for listed entities in Denmark, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent financial statements, Management is responsible for assessing the Group’s and the Parent’s ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the consolidated financial statements and the parent financial statements unless Management either intends to liquidate the Group or the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent 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 consolidated financial statements and these parent financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Parent’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent 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 Group's and the Parent'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 consolidated financial statements and the parent financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements and the parent financial statements, including the disclosures in the notes, and whether the consolidated financial statements and the parent financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements and the parent financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and, where applicable, safeguards put in place and measures taken to eliminate threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements and the parent financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on compliance with the ESEF Regulation

As part of our audit of the consolidated financial statements and the parent financial statements of Bang & Olufsen A/S we performed procedures to express an opinion on whether the annual report for the financial year 01.06.2024-31.05.2025, with the file name BangogOlufsen-2025-05-31-0-en.zip, is prepared, in all material respects, in compliance with the Commission Delegated Regulation (EU) 2019/815 on the European Single Electronic Format (ESEF Regulation), which includes requirements related to the preparation of the annual report in XHTML format and iXBRL tagging of the consolidated financial statements including notes.

Management is responsible for preparing an annual report that complies with the ESEF Regulation. This responsibility includes:

- The preparing of the annual report in XHTML format;

- The selection and application of appropriate iXBRL tags, including extensions to the ESEF taxonomy and the anchoring thereof to elements in the taxonomy, for financial information required to be tagged using judgement where necessary;

- Ensuring consistency between iXBRL tagged data and the consolidated financial statements presented in human readable format; and

- For such internal control as Management determines necessary to enable the preparation of an annual report that is compliant with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance on whether the annual report is prepared, in all material respects, in compliance with the ESEF Regulation based on the evidence we have obtained, and to issue a report that includes our opinion. The nature, timing and extent of procedures selected depend on the auditor's judgement, including the assessment of the risks of material departures from the requirements set out in the ESEF Regulation, whether due to fraud or error. The procedures include:

- Testing whether the annual report is prepared in XHTML format;

- Obtaining an understanding of the company's iXBRL tagging process and of internal control over the tagging process;

- Evaluating the completeness of the iXBRL tagging of the consolidated financial statements including notes;

- Evaluating the appropriateness of the company's use of iXBRL elements selected from the ESEF taxonomy and the creation of extension elements where no suitable element in the ESEF taxonomy has been identified;

- Evaluating the use of anchoring of extension elements to elements in the ESEF taxonomy; and

- Reconciling the iXBRL tagged data with the audited consolidated financial statements.

In our opinion, the annual report of Bang & Olufsen A/S for the financial year 1 June 2024 – 31 May 2025, with the file name BangogOlufsen-2025-05-31-0-en.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 3 July 2025

Deloitte
Statsautoriseret Revisionspartnerselskab
CVR No. 33 96 35 56

Nikolaj Thomsen
State Authorised Public Accountant
Identification No (MNE) mne33276

Jakob Olesen
State Authorised Public Accountant
Identification No (MNE) mne34492

Independent auditor’s limited assurance report on sustainability statement

To the stakeholders of Bang & Olufsen A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Bang & Olufsen A/S (the “Group”) included in the Management’s Review (the “sustainability statement”) for the financial year 1 June 2024 – 31 May 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not prepared, in all material respects, in accordance with the Danish Financial Statements Act section 99 a, including::

- compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the management to identify the information reported in the sustainability statement (the “Process”) is in accordance with the description set out in the subsection ‘Double materiality’ on pages 49-51 and section “Double materiality assessment – process” on page 52; and
- compliance of the disclosures in in the subsection ‘EU Taxonomy’ within the environmental section of the sustainability statement with Article 8 of EU Regulation 2020/852 (the “Taxonomy Regulation”).

Basis for conclusion

We conducted our limited assurance engagement in accordance with ISAE 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information, and additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the “Auditor’s responsibilities for the assurance engagement” section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the sustainability statement of the Group was not subject to an assurance engagement on sustainability information prepared in accordance with the Danish Financial Statements Act paragraph 99a. Our conclusion is not modified in respect of this matter.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Management’s responsibilities for the sustainability statement

Management is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process included in the subsection ‘Double materiality’ on pages 49-51 and section “Double materiality assessment – process” on page 52 of the sustainability statement. This responsibility includes::

- understanding the context in which the Group’s activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group’s financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and

- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the sustainability statement, in accordance with the Danish Financial Statements Act section 99a, including:

- compliance with the ESRS;
- preparing the disclosures in the subsection 'EU Taxonomy' within the environmental section of the sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Process include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS, and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in the subsection 'Double materiality' on pages 49-51 and section "Double materiality assessment – process" on page 52.

Our other responsibilities in respect of the sustainability statement include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the sustainability statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by performing inquiries to understand the sources of the information used by management; and reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Group's was consistent with the description of the Process set out in the subsection 'Double materiality' on pages 49-51 and section "Double materiality assessment – process" on page 52.

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its sustainability statement including the consolidation processes by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Evaluated whether material information identified by the Process is included in the sustainability statement;
- Evaluated whether the structure and the presentation of the sustainability statement are in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Performed substantive assurance procedures on selected information in the sustainability statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied;
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement; and
- Where applicable, compared selected disclosures in the sustainability statement with the corresponding disclosures in the financial statements and Management's Review.

Copenhagen, 3 July 2025

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