

BANG &



Annual Report
2025/26

OLUFSEN





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Bang & Olufsen

At a glance

1925

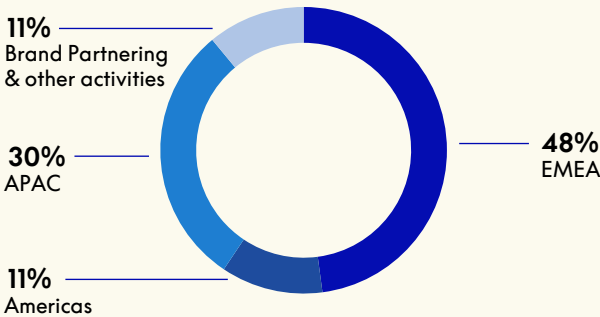
Founded
Struer, Denmark

XCSE: BO

Listed
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 more than 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.

2025/26 Revenue by region



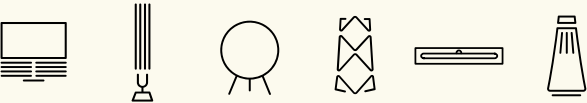
DKK 2.5bn

Revenue
-1.6% in local currencies
versus 2024/25

58.2%

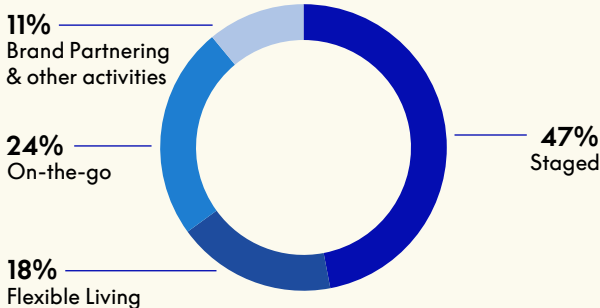
Gross margin
+3.2pp versus 2024/25

Built for the connected home



From immersive stereo and cinematic viewing to connected sound in every room - engineered to come together as one seamless system at home.

2025/26 Revenue by product category



1,180

Employees
across the Group

59

Nationalities
Across our workforce

Designed for travel



From the morning commute to faraway journeys - effortless, portable sound made to move with you, through travel, work and everyday life.

315

Branded stores
Company-owned & operated and
partner-owned

70

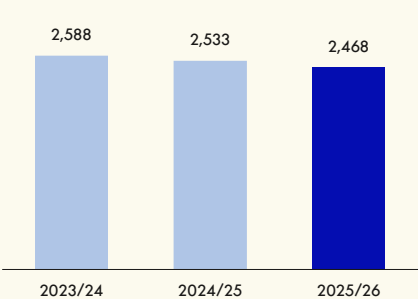
Markets
Worldwide presence

Bang & Olufsen

Highlights 2025/26

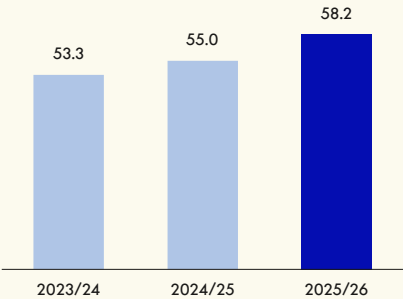
Revenue (DKKm)

-1.6% local currencies growth



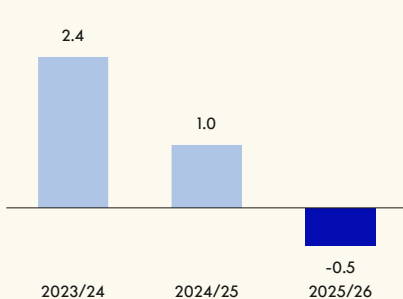
Gross margin (%)

+3.2pp improvement



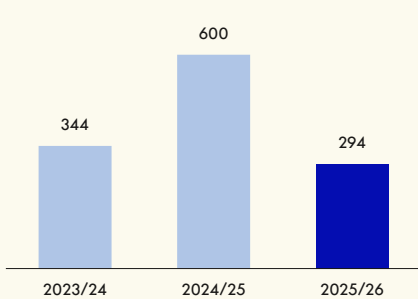
EBIT margin bsi (%)

-1.5pp year-on-year



Capital resources (DKKm)

Free cash flow was DKK -141m



3

New product innovations

65+

Retail footprint adjustments

4%

Like-for-like sell-out growth

90%

Reduction of Scope 1 and 2 emissions compared to 2021/22

8

Reloved drops, all sold out, giving products a second life through circular resale

80

People engagement index score reflecting strong motivation among employees*

34%

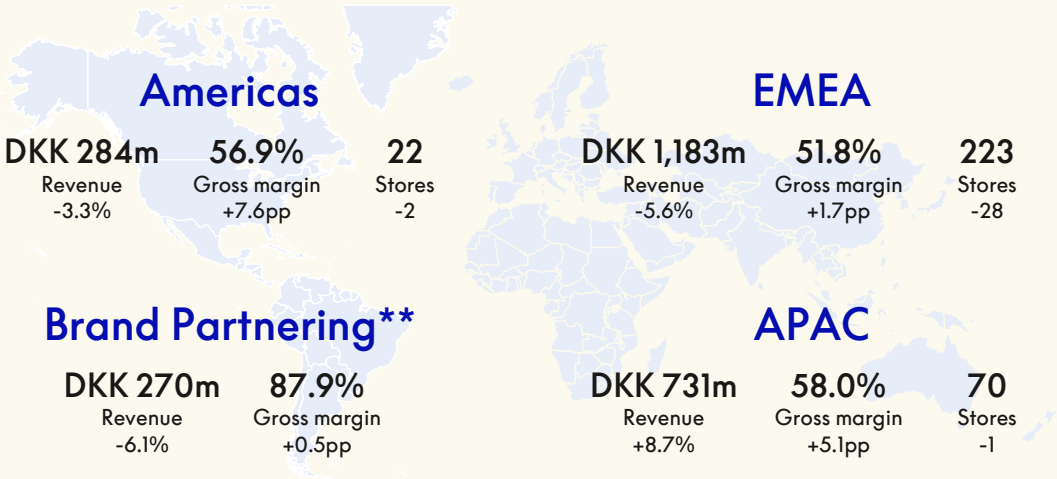
Reduction in logistics emissions intensity

7

Products in our portfolio crafted with certified recirculated aluminium

33%

Female representation in senior leadership positions



Revenue growth is stated in local currencies. Store counts comprise company-owned and monobrand stores.

*Index ranging from 0 to 100, where index 80 or higher indicates high engagement. **Refers to the Brand Partnering & Other activities segment.

Letter from the Chair and the CEO

Shaping the next century of Beautiful Sound

In 2025/2026, we continued to drive our transformation, improving our retail network, operating model and organisational agility.

The financial year 2025/26 marked our centenary, a proud milestone celebrating our legacy and century-long commitment to innovation and craftsmanship while shaping a future as a global leader in luxury audio.

It was also a year of contrasts. We strengthened our brand, delivered another record-high gross margin and advanced key strategic initiatives. During the first half of the year, we launched three product innovations. The earpieces Beo Grace showcased Bang & Olufsen at its best, redefining the category through exceptional sound, a jewellery-inspired sculptural aluminium design and strong commercial performance that validated market demand. In parallel, the introduction of the Reloved programme, which extends the lifecycle of our iconic products, reinforced our leadership in circular design, while the sold-out monthly drops confirmed strong client interest. The launch of the soundbar Beosound Premiere was, by contrast, challenged and highlighted improvements needed in the commercial operating model.

The year also marked a CEO change, as Kristian Teär stepped down as Chief Executive Officer in January 2026 after more than six years with Bang & Olufsen. CFO Nikolaj Wendelboe took on the role of Interim CEO while the entire organisation remained focused on executing our strategy and building on our century-long foundation. An announcement of a permanent CEO is expected during Q1 2026/27.

2025/26 performance

We entered the year with a clear ambition to continue investing in the development of the business. As the year progressed, external market conditions became more challenging than expected, and sales of Beosound Premiere were significantly lower than anticipated. Consequently, we adjusted our outlook in March 2026 and at the same time withdrew our mid-term ambitions through 2028.

Revenue for the year was DKK 2.5 billion, corresponding to a decline of 1.6% in local currencies, in line with the adjusted outlook. Gross margin continued its positive trajectory, achieving a record-high 58.2%. EBIT margin before special items was negative 0.5%, and free cash flow was negative DKK 141 million, both in line with expectations.

Celebrating our centennial globally

Throughout the year, we cemented our global brand presence through a curated programme of marketing activations, collaborations, partnerships, cultural initiatives, and centenary celebrations, reinforcing our brand's position at the intersection of craftsmanship, innovation, and culture.

The programme was activated globally, spanning window takeovers at Harrods in London, digital out-of-home activations in Times Square, New York, and our centennial exhibition, *100 Years. And Counting.*, which premiered in Shanghai and attracted more than 10,000 visitors, alongside activities in Copenhagen, Tokyo, Hong Kong, London, and many other cities worldwide.

A reinterpreting of one of our most iconic loudspeakers from 2015, the Beolab 90, was introduced in five Atelier Anniversary editions. All featured distinctive materials and colour expressions while preserving our signature acoustic excellence. The collection was unveiled through activations across key global cities, including London and San Francisco, creating immersive experiences that combined sound, design, and storytelling to elevate client engagement and emotional connection with the brand.

Expanding our Win City concept

Our Win City Concept was implemented in Tokyo, San Francisco and Los Angeles, increasing the total number of active win cities to seven by year-end. The Win Cities delivered double-digit sell-out growth while further

elevating the brand experience. With double-digit Win City sell-out growth for eight consecutive quarters, we are confident that our global city focus is the right one. This strategic direction was further supported by flagship store openings in Paris, San Francisco and Los Angeles. We continue our ambitious retail plans to expand our presence in key global cities in the coming year.

Refocusing strategic execution

To secure continued investment in the development of the business for future profitable growth, we have in the second half of the financial year adjusted elements of our strategic execution and implemented efficiency and cost measures.

We are evolving our commercial operating model and have significantly improved the coordination of marketing investments, retail execution and product launches during the second half of the financial year. We expect this to enhance our go-to-market execution across both existing products and new launches. Entering 2026/27, our operating model is better equipped to support our targeted market positioning.

At the same time, we are reallocating our cultural partnerships towards music in line with our ambition to deliver Beautiful Sound and strengthen our heritage and brand distinctiveness.

A revision of our product development model has led to a rebalancing in the use of external suppliers, while

sharpening our focus on core strengths and improving speed and cost efficiency. This will enable us to better serve aspirational clients in future offerings without compromising our strong gross margin.

The changes made ensure we are still able to prioritise our continued investments and transformation, and we trust the new ways of working will be effectively led by our newly appointed Chief Product Officer and Chief Marketing Officer.

During the year, we implemented organisational changes to simplify the structure and sharpen our focus on strategically important areas. Efficiency initiatives reduced the underlying cost base, including a right-sizing of the organisation. This has resulted in a workforce reduction across the organisation of around 60 people, corresponding to around 5% of the total number of employees, by the end of May 2026. Saying goodbye to dedicated and talented people is certainly not easy, and we do so with gratitude for their valuable contributions.

Focus and outlook

While uncertainty persists in the external environment, our differentiated strategy and ongoing transformation position us well for the future. We remain focused on further strengthening brand relevance, expanding in key growth markets, and driving innovation.

For 2026/27, we expect revenue growth in local currencies of 1% to 5%. The EBIT margin before special items is expected to be between 1% and 3% and free cash flow is expected to be between DKK 25m and DKK 100m.

Thanks to our employees, clients and partners

On behalf of the Board of Directors and Executive Management, we extend our sincere gratitude to all employees for their dedication and adaptability throughout the year. Despite the ongoing transformation, we are pleased to have maintained a high engagement score in our annual employee survey. We also extend our sincere thanks to our clients and partners for their loyalty and support, and to our shareholders for their continued trust.

As we look to the next century, we remain committed to pushing boundaries for sound, craftsmanship and design in an ever-changing world. We look forward to building on our legacy, creating value for all stakeholders, and shaping the future of luxury audio.

Juha Christensen
Chair



Nikolaj Wendelboe
CEO (interim)



A century of innovation highlights

1925

Founded



1928

Cinematic sound

Bang & Olufsen began manufacturing cinema amplifiers and loudspeakers in 1928, and the system was used for the Danish premiere of Walt Disney's first Mickey Mouse film.

[Read more](#)

1926

The first innovation: the "Eliminator"

Bang & Olufsen's first mass-produced product was not a radio, but a device that plugged battery-driven radios directly into the mains, eliminating heavy and unreliable batteries.

[Read more](#)



1938

A revolutionary material

Beolit 39, made entirely of the new material Bakelite, was the first product to carry the "Beo" name.

[Read more](#)

1930

1938

At the push of a button

The Master 39K: Push buttons made selecting a radio station effortless.

[Read more](#)



1947

A "thinking" record changer

The record changer could shift between ten records, distinguish large from small and pause between them.

[Read more](#)

1940

1950

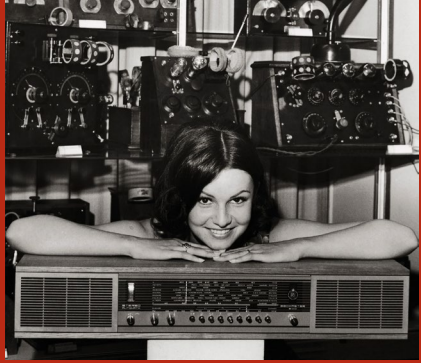


1950

The first Bang & Olufsen television

Ten prototype TVs debuted at the radio exhibition in Copenhagen, where the Danish public watched the country's first Danish television broadcast on a TV manufactured in Denmark.

[Read more](#)



1963

Another revolution – here comes the transistor

The fully transistorised Beomaster 900 started playing the moment it was powered on, and its long, low design challenged all established ideas of radio design.

[Read more](#)

1960

1970



1972

The Automated Tangential Tonearm

Jacob Jensen's Beogram 4000 played records exactly as the master disc was cut, and was later featured at the Museum of Modern Art in New York.

[Read more](#)

1976

The first-of-its-kind touch-sensitive control panel

The Beomaster 1900 featured the first ever touch-sensitive control panel.

[Read more](#)



1980



1980

The world's first multiroom distributed audio system

Master Control Link, later Beolink, brought music to every room of the home.

[Read more](#)



1993

The Beowatch

Long before smartwatches, the Beowatch controlled B&O products from the wrist.

[Read more](#)

1987

The first ever remote for audio, video and lighting

David Lewis' Beolink 1000 commanded sound, picture and light with a single remote.

[Read more](#)

1990



2000

2003

The pursuit of perfection

Described as a sound bomb detonated in Struer, David Lewis' Beolab 5 delivered an unprecedented 2,500 watts and intelligently adapted its sound to any room.

[Read more](#)



2015

The perfect speaker?

Eight years in the making, Beolab 90 perfected sound in any room.

[Read more](#)

2010



2020

2025

You dream it. We craft it.

Bang & Olufsen Atelier offers everything from endless combinations to truly bespoke creations, crafted by our master artisans in Struer.

[Read more](#)



2025

100 years. And counting.

One hundred years after Peter Bang and Svend Olufsen began their work, their never-ending will to create only the best, and persistently to find new ways, lives on.

[Read more](#)



Strategy & outlook



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Our strategy

Our strategy and ambition are to strengthen Bang & Olufsen's position as a global leader in luxury audio

As we step into our second century, Bang & Olufsen's strategy is to build on our legacy while elevating the ambition and discipline that defines world-leading luxury brands. The path forward does not change direction - it sharpens our focus, disciplines our operating model, and positions us to unlock the full potential of our brand on the foundation of **Beautiful Sound**.

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.

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 clients, 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.

We create for a distinct and discerning audience, the **Design and Music Lovers** who seek more than just sound.

We cater to 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 serve those who

want the freedom to enjoy music alone or together, anytime and anywhere.

We aim to adapt to our clients' lifestyle, with a perfect fit both in and out of their home. We create beautiful sound for our clients. Beauty created in our design. Beautiful sound created in the pure audio experience as the artist intended it. We create products designed for life. In a world of technology, this fuels our cultural relevance.

We aim to create a connected experience for our clients. From products designed for travel to fully integrated system that is the heart of the client's home and connect seamlessly. Our product offering invites new clients to a lifelong relationship as they advance through life. Where each product serves a purpose and the full product portfolio creates the true magical experience.

From the first product to the last, we aim to provide the same high level of service and personalised client experience, enhancing the emotional connection in every interaction.

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.

Business model

KEY RESOURCES



Our brand



Diverse talent



Raw material



Manufacturing



Intellectual property

OUR BUSINESS



VALUE CREATION



Our clients

Becoming a culturally relevant brand. In 2025/26, we grew our client base by 10%.



Our employees

Since 2020, our people engagement score has remained high, increasing by 4 index points.



Financials

Since 2020, we have increased gross margin by 17.1 pp. to 58.2%.



Longevity

Creating products designed to remain relevant and valued over time.

Strategic priorities

Our strategy is designed to unlock the full potential of B&O and deliver sustainable, long-term profitable growth.

Building on a century of heritage and relevance, we continue our transformation through targeted investments across the business. Efficiency measures realised in 2025/26 enable continued strategic investment while strengthening the underlying business. By refocusing elements of our execution, we are reinforcing our foundation and positioning the company for sustainable, long-term growth.

Initiatives across our strategic pillars are focused on driving global market demand, improving conversion, supporting our ambition to strengthen our position as a global leader in luxury audio. As we look to the future, we remain guided by the vision of our founders:

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

Our strategy execution is built on interconnected pillars: Our Product Portfolio, Brand & Marketing and Retail & Channels jointly pulling towards winning our position in the market. In addition, we continue to leverage our brand and technology competencies in pursuing partnership expansion.

At the same time, 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 our commercial operating model while strengthening the backbone of the business by improving systems and processes and ensuring end-to-end integration.

Iconic design and product leadership

Our unique product portfolio forms the foundation of everything we do, continuously evolving through innovation and exceptional sound and iconic design. We develop long-lasting, collectible products that reflect circular design principles and challenge industry conventions.

We create products that deliver a pure and authentic audio experience, allowing sound to be reproduced as intended by the artist. This is combined with a design philosophy that emphasises longevity, quality, and aesthetic value, ensuring our products are made to last.

We also focus on delivering a seamless connected experience for our clients. Our portfolio spans portable

solutions designed for mobility through to fully integrated home systems, forming a cohesive ecosystem that evolves with the client's needs at every point in time.

To support this ambition, we are evolving our product development model. The introduction of a structured concepting phase ensures that scope, risks, and technological challenges are addressed early in the process. At the same time, we are strengthening collaboration with key suppliers, leveraging their technological expertise more effectively.

Within our Bluetooth categories, we are rebalancing responsibilities between internal teams and partners. This enables us to focus on our core strengths while improving speed, cost efficiency, and scalability. Ultimately, this supports our ability to serve the aspirational luxury segment at more accessible price points, while sustaining an industry-leading gross margin.

Brand equity and cultural gravity

Our ambition is to build a culturally relevant brand that resonates with clients through meaning, desirability, and relevance, anchored in *Beautiful Sound*.

Marketing investments are managed with discipline and aligned with our brand positioning, ensuring consistency and impact across all touchpoints, backed by data and analytics in decision-making. This supports strong brand salience, being recognisable, relevant, and trusted.

Within cultural partnerships, we are rebalancing our efforts towards music in line with our ambition to deliver *Beautiful Sound* and strengthen our heritage and brand distinctiveness.

Retail and experience ecosystem

We are optimising our retail network to deliver consistent, high-quality luxury experiences across all touchpoints and to support revenue growth across regions. This includes expanding our branded retail presence in the Americas and APAC to achieve a more balanced global footprint.

Across our network, we are strengthening our position in high-potential locations by relocating selected stores and opening new sites in key cities and districts, while closing underperforming locations that are not aligned with our brand ambition. In parallel, we are enhancing our distribution model through closer collaboration with like-minded monobrand partners, combining the strength of company-owned stores with a strong partner network.

We are also improving store productivity by driving consistency in retail execution. This includes optimised visual merchandising and store design, focused sales training, and a more structured approach to clienteling. As a result, we aim to deliver increasingly personalised client experiences and drive engagement across our global network through a clearly defined and seamless client journey.

The retail ecosystem reflects our strategy and supports the client journey. We are continuing the ambitious transformation of our retail network, doubling down on key cities and districts in the period ahead, in particular in our defined Win Cities of the world. Throughout the network, we are implementing a new retail IT platform to replace current systems. During 2026/27, the platform will be rolled out across all company-owned stores.

Our channel strategy enables selective distribution through multibrand and e-tail channels, while our branded store network delivers a distinctive experience that connects clients with the full product portfolio across the value chain.

License 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.

Market outlook

We expect the 2026/27 financial year to bring subdued demand and a moderate and uneven return to growth across the broader luxury industry. We anticipate that any recovery is likely to be selective rather than broad-based, favouring brands with a clear identity, genuine craft and consistent execution over those competing on price positioning or volume alone. As a luxury audio company, we believe this environment plays to the strengths of brands with lasting heritage and a distinctive point of view.

Across the wider technology landscape, we expect growth to be driven increasingly by value, experience and design rather than by unit volumes, reflecting a maturing market in which consumers appear willing to invest selectively in products that offer enduring quality and meaningful differentiation. In audio specifically, we anticipate a continued shift toward high fidelity, considered design and integrated experiences that extend across the home. As demand moves up the value curve, we believe it moves toward the segment in which we operate.

We expect macroeconomic and geopolitical uncertainty, trade and cost pressures, and a more discerning and value-conscious clients to continue to shape sentiment over the year ahead. Against this backdrop, we believe that durability of brand, breadth of experience across products and systems, and disciplined execution should remain the most reliable foundations for performance, and we intend to manage the business accordingly.

Audio across home, personal and outdoor

Bang & Olufsen's second century opened with two product launches, a previewed outdoor speaker and the Reloved circular programme, extending the portfolio across personal, home and outdoor audio.

Beo Grace is an in-ear design in hand-polished aluminium, built on the proprietary Amadeus software platform, with a 12 mm titanium driver, adaptive Active Noise Cancellation, Dolby Atmos optimisation and NearTap volume control.

Beosound Premiere is a soundbar built on patent-pending Wide Stage Technology and sculpted from aluminium at Factory 5 in Struer. With built-in Dolby Atmos 7.1.4 and Beolink Surround, the system can grow over time as additional speakers are added.

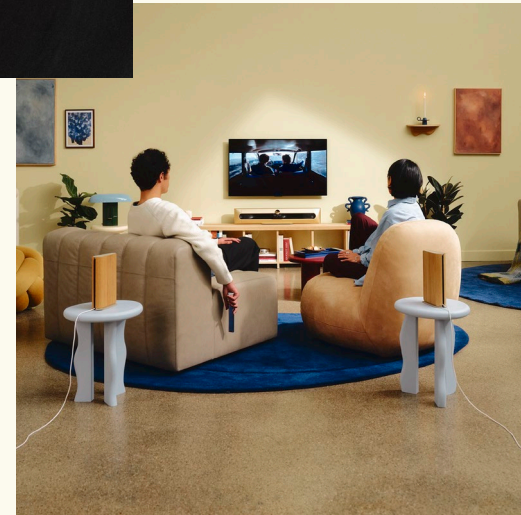
The Reloved programme brought inspected, refurbished and certified pre-owned products to Bang & Olufsen's own e-commerce channel for the first time.

Expected to launch in 2027, Beosound Haven is the brand's first outdoor speaker, built to withstand the elements and extending the brand's vision of Beautiful Sound beyond the home, across the entire living space.



Beo Grace

Jewellery-inspired design meets exceptional sound, launched in November 2025.



Beosound Premiere

Immersive spatial audio in a sculptural form, launched in December 2025.



Beosound Haven

Introducing Beautiful Sound to the outdoors, expected to launch in 2027.



Outlook for 2026/27

Revenue growth in local currencies (%)

1% to 5%

EBIT margin before special items (%)

1% to 3%

Free cash flow (DKK)

25m to 100m

While uncertainty persists in the external environment, our differentiated strategy and ongoing transformation position us well for the future. We remain focused on further strengthening brand relevance, expanding in key growth markets, and driving innovation. The outlook for 2026/27 reflects the execution of our strategy and the assumptions and sensitivities outlined.

Revenue growth

Revenue growth in local currencies is expected to be from 1% to 5%.

EBIT margin before special items

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

Free cash flow

Free cash flow is expected to be from DKK 25m to DKK 100m.

CAPEX is expected to be in the range of DKK 270m to DKK 310m. The expected year-on-year increase is driven by retail investments and product development.

Capacity costs excluding special items are expected to be broadly flat compared with 2025/26.

Assumptions

- Launch of three or more product innovations (including Beosystem 3000c Dune Grey Edition launched in June 2026). Two or more launches are expected no earlier than Q4 2026/27.
- No deterioration of macroeconomic conditions in our main markets.
- Exchange rates against DKK, including in particular USD, CNY and EUR, in line with current exchange rate levels overall.
- No significant impact from change in tariffs compared to current levels.
- No significant impact from change in supply and demand structures for memory chips.

Sensitivities

The outlook for 2026/27 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, 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.



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Key figures

(DKK million)	2025/26	2024/25	2023/24	2022/23	2021/22
Income statement					
Revenue	2,468	2,553	2,588	2,752	2,948
Gross margin, %	58.2	55.0	53.3	44.2	45.3
Special items, related to EBIT/EBITDA	-63	-10	-43	-19	-8
Special items, total	-25	-10	-43	-19	-8
EBITDA before special items*	246	271	300	117	265
EBITDA	183	261	257	98	257
EBIT before special items*	-13	26	61	-105	54
EBIT	-76	16	18	-124	46
Financial items, net	13	-14	-25	-28	-54
Profit/loss before tax (EBT)	-63	2	-7	-152	-8
Profit/loss for the year	-107	-29	-17	-141	-30
Financial position					
Total assets	2,222	2,340	2,297	2,385	2,518
Share capital	737	737	613	613	613
Equity	1,006	1,144	956	958	1,100
Cash	134	145	177	216	162
Available liquidity	94	350	184	224	301
Capital resources	294	600	344	384	421
Net interest-bearing deposit/debt	-243	134	-34	19	111
Net working capital	349	216	263	222	335

(DKK million)	2025/26	2024/25	2023/24	2022/23	2021/22
Cash flows					
Cash flows from operating activities	104	256	226	198	76
Operational investments	-245	-240	-215	-218	-248
Free cash flow	-141	16	11	-20	-172
Cash flows from investing activities	-105	-231	-209	-204	-239
Cash flows from financing activities	-8	-58	-54	64	145
Cash flows for the period	-9	-33	-37	58	-18
Key figures					
Growth in local currencies, %	-1.6	-1.4	-4.6	-8.2	9.7
EBITDA margin before special items, %	10.0	10.6	11.6	4.3	9.0
EBITDA margin, %	7.4	10.2	9.9	3.6	8.7
EBIT margin before special items, %	-0.5	1.0	2.4	-3.8	1.8
EBIT margin, %	-3.1	0.6	0.7	-4.5	1.6
Return on assets, %	-4.7	-1.3	-0.7	-5.9	-1.2
Return on invested capital, %	-2.1	1.9	16.7	0.4	19.3
Return on equity, %	-10.0	-2.8	-1.8	-14.7	-2.7
Full-time equivalents (FTE) at end of period	1,180	1,073	998	996	1,073
Stock related key figures					
Earnings per share, basic (EPS) and diluted (EPS-D), DKK	-0.7	-0.2	-0.1	-1.2	-0.2
Price/Earnings	-13.4	-65.9	-75.7	-9.8	-67.6
Revenue per share, DKK	16.8	17.3	21.1	22.4	24.0

For definitions, see note 8.7.

Business review

Developments in 2025/26

The financial year 2025/26 marked the 100th anniversary of Bang & Olufsen. The centennial was celebrated with brand campaigns and events around the world, a refreshed brand identity, and new additions to the product portfolio, honouring a century of craftsmanship and timeless design while looking into the next century of B&O.

At the same time, the year proved challenging. Geopolitical tensions and economic uncertainty intensified during the year, and the sales performance of one of our new product launches was significantly lower than anticipated. Consequently, the outlook for 2025/26 was adjusted on 23 March 2026, and at the same time the previously communicated mid-term financial ambitions for the period through 2027/28 were withdrawn.

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 by 5% year-on-year. The development was driven by double-digit growth in our company-owned stores and ecommerce, while the monobrand channel reported single-digit growth. Collectively, sell-out growth from our Win Cities was 18%.

Revenue (sell-in) declined by 1.6% in local currencies for the full year (-3.3% in reported revenue) to DKK 2,468m. Product sales declined by 1.0% in local currencies.

Revenue from branded channels declined by 2.1% in local currencies (-3.3% in reported revenue) and was mainly

impacted by lower revenue in the monobrand channel partly offset by double-digit growth from company-owned stores. Excluding stores closed during the year, revenue from branded channels declined by around 1.8% in reported currencies.

Revenue from EMEA declined by 5.6% in local currencies. The development was driven by the monobrand channel, reflecting lower sales particularly in Central European markets. The decline was partly offset by double-digit growth from both company-owned stores and the enterprise channel.

In the Americas, revenue declined by 3.3% in local currencies. Revenue from company-owned stores and the monobrand channel grew, while the eTail channel declined reflecting reduced promotional activities. The Enterprise channel saw declining revenue due to a high comparable year-on-year. During the year, we continued rebuilding our presence in California, opening a flagship store in San Francisco in December 2025 and a West Hollywood flagship store in May 2026.

The APAC region reported revenue growth of 8.7% in local currencies, driven by growth across most markets. Revenue from China constituted 50% of total APAC revenue and grew by 11.6% in local currencies. This was partly attributable to the direct operation of our two largest eTail platforms following the takeover of the online flagship store on Tmall in April 2025.

Revenue from Brand Partnering & other activities declined by 6.9% (-6.1% in local currencies). The development reflected the expected decline in license income from HP. The TCL partnership continued to ramp up albeit impacted by quarterly fluctuations.

The gross profit reached DKK 1,436m, the highest level in eight years, leading to a record-high 58.2% compared to 55.0% last year. The improvement was driven by improved gross margin across all product categories in addition to a shift in the product mix towards higher-margin products. The gross margin saw a positive impact from IEEPA tariff refunds at year-end of DKK 20m, compensating for the majority of total tariffs paid in 2025/26 of DKK 24m. The gross margin from product sales reached a record level, with improvements across all regions.

EBIT margin before special items was -0.5%, compared to 1.0% last year. The development was mainly driven by increased capacity costs (excluding special items) of DKK 105m, reflecting planned strategic investments in product development, retail, and marketing, including centennial activations.

Special items related to EBIT amounted to DKK 63m, mainly comprising reorganisation activities and severance costs, including DKK 18m related to the severance package for the former CEO. In addition, proceeds and interest received in connection with a favourable ruling on an old dispute with the Danish Customs Authority had a positive impact of DKK 8m.

In March 2026, we received a cash inflow of DKK 63m, comprising proceeds from a favourable ruling on an old dispute with the Danish Customs Authority. The inflow comprised DKK 38m of interest, which was recognised as financial income. In addition, DKK 25m was received in proceeds, of which DKK 8m was recognised as Other income. Both were posted as special items. The remaining amount of DKK 17m was recognised in 2006/07.

Net working capital was DKK 349m compared to DKK 216m last year. The development was mainly driven by timing of payments and a lower level of bonus accruals. Inventory declined by DKK 29m to DKK 418m compared to last year.

Free cash flow was DKK -141m compared to DKK 16m last year. The development was driven by lower EBITDA.

Available liquidity was DKK 94m at year-end, compared to DKK 350m last year, with the decline mainly driven by the free cash flow development. Capital resources amounted to DKK 294m compared to DKK 600m last year.

Strategy execution

During the year, we continued the strategic investments initiated in 2024/25. Investments were directed towards product innovation, marketing, and retail optimisation.

In the second half of the financial year, we sharpened our focus on commercial discipline, execution and strengthening our ways of working across the company. In

addition, investment priorities and cost management have steered planning in the second half of the financial year.

Product innovations

During the financial year, we launched three product innovations.

In October 2025, we launched the Reloved programme, offering inspected, refurbished and certified pre-owned products with a Bang & Olufsen warranty through our own e-commerce channel. The launch was successful. Across eight monthly drops from October to May, all products sold out before the next drop, with some selling out within 24 hours.

In November 2025, we launched the Beo Grace earpieces. Beo Grace marks a new expression of Bang & Olufsen in-ear design, crafted from hand-polished aluminium and built on our proprietary Amadeus software platform. A titanium driver, adaptive Active Noise Cancellation, Dolby Atmos optimisation, NearTap™ volume control and AI-driven speech enhancement come together to redefine luxury in-ear listening. The product was well received and sales performance has been strong, driving double-digit growth in earphones revenue.

In December 2025, we launched Beosound Premiere, adding a soundbar to the portfolio designed for TVs from 42" and above, centred on spatial audio and system connectivity. Premiere is built on our patent-pending Wide Stage Technology™ to deliver an immersive listening

experience, featuring an aluminium body sculpted at our Factory 5 in Struer.

The sales performance of Beosound Premiere was lower than anticipated, and the product was relaunched in March 2026 with two additional colourways, improved in-store display and at a revised price point. Sales performance improved during Q4, yet continued at a lower-than-expected level.

In addition to our new product innovations, we also presented our outdoor product in development, namely the outdoor speaker Haven, expected to launch in 2027. This offering underpins our ambition to provide fully integrated solutions for our clients' homes.

In terms of product collaborations, we engaged with three partners and launched limited editions of selected products. The partners were Hiroshi Fujiwara's Tokyo-based design studio Fragment Design, the Korean-based global artist G-DRAGON, and the British-based design house Vollebak.

Brand equity

Brand campaigns and events were held globally during the year to mark our centennial. In London, we took over the Brompton Road windows at Harrods for three weeks in November, delivering an increase in footfall of more than 60% year-on-year, making November the highest revenue month on record for the store.

In December 2025, we celebrated the centenary in New York with a digital out-of-home activation in Times Square, supporting our Win City initiative in the city. With more than one million people passing through Times Square on New Year's Eve, the activation secured brand visibility at a global moment of celebration, while live online viewing of each placement extended the campaign's reach worldwide.

In March 2026, we opened our centennial exhibition, *100 Years. And Counting.*, with a global premiere in Shanghai. Hosted in the heritage site Sheng Garden, the exhibition traces a century of sound and design across six thematic spaces, featuring iconic products from the 1939 Beolit 39 to Beolab 90 Titan and Beolab 90 Alchemy, exhibited together in China for the first time. The response in China, our largest single market, was strong, with more than 10,000 registrations. The exhibition continued with activities in Tokyo, Hong Kong, London and many other cities around the globe.

A key strategic focus is to deepen and broaden engagement with our clients. In 2025/26, we grew our client base by 10%. In addition, the number of clients owning two or more B&O products grew by 11%. For Q4, growth was 2% for both metrics (quarter-on-quarter).

Retail and channel optimisation

In total, our monobrand network including company-owned stores constituted 315 stores at year-end, a net reduction of 31 since last year, in line with our ongoing assessment to ensure that all monobrand stores deliver consistent on-brand experiences. Of the 3.3% decline in reported revenue for branded channels, 1.5 percentage points was attributable to closed stores.

In EMEA, we opened our new flagship store in Paris in November 2025, featuring our Culture Store concept, which offers immersive brand experiences at the crossroads of luxury, culture and design. In February 2026, we opened a new 250 m² store in Hamburg's HafenCity district. We also tested new locations through pop-up stores in downtown Oslo and at Zürich Airport. As part of

Points of sale, number of doors	Monobrand *		Multibrand		Custom installers	
	31-05-26	31-05-25	31-05-26	31-05-25	31-05-26	31-05-25
EMEA	223	251	770	964	N/A	N/A
Americas	22	24	8	24	105	107
APAC	70	71	563	757	N/A	N/A
Total	315	346	1,341	1,745	105	107

* Monobrand includes company-owned stores.

our footprint optimisation, we reduced the number of monobrand stores by 28 (net) in EMEA during the year, while the multibrand network was reduced by 194 doors, primarily in the Netherlands.

Total monobrand footprint actions*	2025/26
Openings	9
Uplifts	12
Relocations	7
Closings	40
Total net closings	31

*Including company-owned stores

In the Americas, we opened our largest flagship store to date in San Francisco in December 2025, featuring the Culture Store concept and spanning 346 m² of retail space. The store was the first of three planned openings in California, and was followed by the opening of our West Hollywood flagship in Los Angeles in May 2026, while the Palo Alto store is expected to open in the first half of 2026/27. Our third store in New York is expected to open in the first half of 2026/27.

In APAC, we introduced the Culture Store concept in China through the upgrade of our Shenzhen store in January 2026, as part of a broader upgrade of the store network in the market. Our Beijing SKP store was subsequently upgraded to the concept, with our Shanghai store following in June 2026 after financial year-end. In Singapore, we relocated and upgraded our store to the Culture Store concept in May 2026, marking the introduction of the concept in the market. Several

underperforming multibrand stores in the region were discontinued during the year.

Win Cities

Our Win City concept concentrates product visibility, brand activation and retail presence in selected global cities.

During the year, we expanded our Win City concept from four to seven cities, with the addition of San Francisco and Tokyo from the third quarter and Los Angeles at year-end.

Collectively, the Win Cities reported sell-out growth of 18% for the year, having delivered double-digit growth for eight consecutive quarters. The performance was supported by our flagship openings in Paris and San Francisco and the uplifted Harrods store in London. We will continue rolling out the concept to more cities in the coming years.

License partnerships

In June 2024, we announced our six-year technology licensing partnership with TCL and the partnership with TCL continued to ramp up according to plan.

In September 2025, RayNeo, a subsidiary of TCL, announced an audio partnership with Bang & Olufsen, extending the existing relationship to include AR glasses. The first glasses featuring Audio by Bang & Olufsen were launched in November 2025 and represented the latest product addition to the partnership.

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

Strengthening brand relevance across markets

During our centenary year, Bang & Olufsen set out to further establish itself as the world's most desirable luxury audio brand, connecting beautiful sound with contemporary culture.

Centenary campaigns ran across key markets. A three-week takeover of the Brompton Road windows at Harrods lifted footfall by more than 60% year-on-year and made November the store's highest-revenue month on record, while a New Year's Eve activation in Times Square reached more than a million people. The exhibition "100 Years. And Counting." premiered in Shanghai at the heritage site Sheng Garden, drawing over 10,000 registrations in the brand's largest market before continuing to Tokyo, Hong Kong and London.

Partnerships across design, music, fashion, sport, motorsport and publishing, from Fragment Design and G-Dragon to AS Monaco, Genesis Magma Racing, Antolini®, Vollebak and Assouline, broadened the brand's audience, while Atelier Bespoke Editions, Recreated Classics and Reloved extended engagement through limited editions.



Milan Design Week



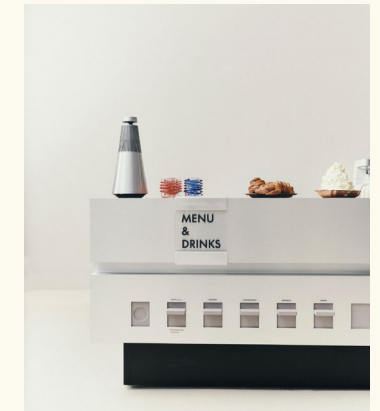
Bringing Beautiful Sound to life in Times Square, NYC



Harrods Brompton Road takeover



Bang & Olufsen's 100 Year Exhibition, Shanghai



MATTER and SHAPE, Paris Fashion Week



Songs of the century



Atelier Bespoke Editions



Centenary celebrations in Copenhagen



EMEA

Full Year

Revenue
DKK 1,183m
(DKK 1,253m)

Growth in local currencies
-5.6%
(-0.1%)

Gross margin
51.8%
(50.1%)

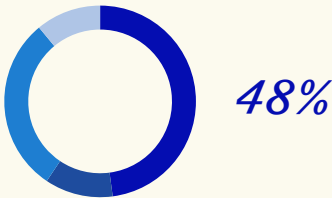
Q4

Revenue
DKK 299m
(DKK 339m)

Growth in local currencies
-11.9%
(8.8%)

Gross margin
51.2%
(50.9%)

Share of total revenue



FY performance

Like-for-like sell-out

Sell-out growth was flat year-on-year. Sell-out for branded channels (company-owned stores, monobrand and eCom) grew single-digit, while multibrand and eTail declined double-digit.

In terms of product categories, the Staged and the Flexible Living categories delivered single-digit and double-digit growth, respectively. The On-the-go category reported a single-digit decline.

Revenue

Revenue was DKK 1,183m (2024/25: DKK 1,253m), a decline of 5.5% (-5.6% in local currencies).

Within our branded channels, revenue from company-owned stores rose double-digit, while revenue from eCom channels declined single-digit. Revenue from the monobrand channel declined double-digit, mainly driven by declines in Central European markets.

Revenue from multibrand and eTail declined double-digit and single-digit, respectively, reflecting our more selective approach to the channels. Revenue from the enterprise channel increased double-digit driven by a few larger deals.

Revenue from the Staged category declined by 4%, while revenue from the Flexible Living category increased by 3%. Revenue from On-the-go declined by 17%, driven by high comparables for end-of-life sales of Beoplay EX, and launch effect of Beoplay H100.

Gross profit

Gross profit was DKK 613m (2024/25: DKK 628m), corresponding to a gross margin of 51.8% (2024/25: 50.1%), an increase of 1.7pp.

The margin was positively impacted by a shift in the revenue mix towards higher-margin products, as well as improved margins in the Flexible Living and On-the-go categories.

Q4 performance

Like-for-like sell-out

Sell-out grew by 4%. Branded channels reported single-digit growth. Multibrand and eTail saw a double-digit sell-out decline.

In terms of product categories, the Staged and the Flexible Living categories reported single and double-digit growth, respectively, while the On-the-go category reported a single-digit decline.

Revenue

Revenue was DKK 299m compared to DKK 339m in Q4 last year, a decline of 11.8% (11.9% in local currencies).

Revenue from the monobrand channel declined double-digit compared to last year driven by declines across most markets and in particular Central European markets. Revenue from company-owned stores and eCom rose single-digit. Revenue from multibrand and eTail declined single- and double-digit, respectively, while revenue from the enterprise channel grew double-digit.

The Middle East was affected by the regional conflict that escalated from late February. While the revenue impact was smaller than expected, revenue from the region declined by 16%. Excluding the Middle East, EMEA reported a revenue decline of 11.3%.

Revenue from the Staged category decreased by 8%, while revenue from Flexible Living was largely flat and revenue from On-the-go declined by 31%, driven by high comparables for end-of-life sales of Beoplay EX, and launch effect of Beoplay H100.

Gross profit

Gross profit was DKK 153m (Q4 2024/25: DKK 172m), corresponding to a gross margin of 51.2% compared to 50.9% last year.

The margin improvement was driven by a more favourable product mix, while the gross margin in the On-the-go category increased, supported by the launch of Beo Grace.

Americas

Full Year

Revenue
DKK 284m
(DKK 317m)

Growth in local currencies
-3.3%
(10.5%)

Gross margin
56.9%
(49.3%)

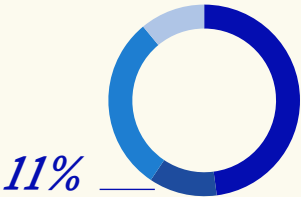
Q4

Revenue
DKK 70m
(DKK 77m)

Growth in local currencies
-5.0%
(2.9%)

Gross margin
78.5%
(48.7%)

Share of total revenue



FY performance

Like-for-like sell-out

Sell-out declined by 2%. Branded channels reported single-digit growth.

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

Revenue

Revenue was DKK 284m (2024/25: DKK 317m), corresponding to a 10.4% decrease (-3.3% in local currencies). The difference between reported revenue and in local currencies was due to the declining value of the dollar.

Revenue from our branded channels (company-owned, monobrand and eCom) grew single-digit year-on-year, driven by double-digit growth from company-owned stores.

The custom installer (CI) channel was broadly unchanged year-on-year, while the enterprise channel, eTail and multibrand declined double-digit.

Reported revenue from the Staged category declined by 3%, while the Flexible Living category decreased by 7%, both impacted by high comparables in the installation of Genesis showrooms last year. The On-the-go category decreased by 19%. Strong sales performance of Beo

Grace was more than offset by end-of-life sales of Beoplay EX last year.

Gross profit

Gross profit amounted to DKK 161m, equivalent to a gross margin of 56.9%. This represented an increase of 7.6pp compared to last year. The gross margin saw a positive impact from IEEPA tariff refunds at year-end of DKK 20m, compensating for the majority of tariffs paid in 2025/26 of DKK 24m.

Gross margins increased across product categories in addition to a favourable shift in the product mix towards higher-margin products.

Q4 performance

Like-for-like sell-out

Sell-out grew by 4%. Branded channels reported double-digit growth driven by company-owned stores while sell-out in the eTail channel declined. Double-digit sell-out growth was reported for Staged while Flexible Living saw single-digit growth and the On-the-go category reported a decline.

Revenue

Revenue in the Americas was DKK 70m (Q4 2024/25: DKK 77m), corresponding to a 9.1% decrease (-5.0% in local currencies).

Revenue from branded channels grew double-digits, driven by double-digit growth from company-owned stores, while the monobrand and eCom channels declined.

The eTail and multibrand channels were largely flat year-on-year, while the enterprise channel reported a double-digit decline, due to a high comparable last year related to installation of Staged products in Genesis showrooms.

The Staged category grew by 2%, while Flexible Living and On-the-go declined by 4% and 23% respectively versus Q4 last year. The On-the-go category was impacted by strong sales of H100 last year and end-of-life sales of Beoplay EX.

Gross profit

Gross profit amounted to DKK 55m (Q4 2024/25: DKK 37m), equivalent to a gross margin of 78.5%, up from 48.7% in the same quarter of last year. Gross profit included DKK 20m from IEEPA tariff refunds. Excluding this, gross margin was 50.1%.

Gross margins increased across product categories in addition to favourable shift in the product mix towards higher-margin products.

APAC

Full Year

Revenue
DKK 731m
(DKK 693m)

Growth in local currencies
8.7%
(-4.0%)

Gross margin
58.0%
(52.8%)

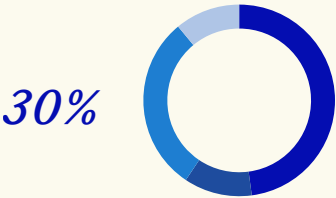
Q4

Revenue
DKK 208m
(DKK 182m)

Growth in local currencies
15.5%
(12.6%)

Gross margin
54.9%
(54.5%)

Share of total revenue



FY performance

Like-for-like sell-out

Like-for-like sell-out grew by 15%, and growth was reported across all channels and supported by double-digit growth in branded channels.

Like-for-like sell-out for China grew by 8% and double-digit sell-out growth was reported for eTail and multibrand.

In terms of product categories, double-digit sell-out growth was reported across all categories in APAC.

Revenue

Revenue was DKK 731m (2024/25: DKK 693m), corresponding to growth of 5.5% year-on-year (8.7% in local currencies) driven by growth across most markets.

Revenue from China constituted 50% of total APAC revenue and grew by 11.6% in local currencies (6.6% in reported revenue). This was partly attributable to the direct operation of our two largest eTail platforms following the takeover of the online flagship store on Tmall in April 2025.

Revenue from Japan grew year-on-year while South Korea reported a single-digit decline, and was impacted by high inventory levels with our partners.

Within our branded channels, company-owned stores and eCom delivered double-digit growth, while the

monobrand channel saw single-digit growth. The multibrand channel reported a double-digit decline.

Revenue from the Staged and Flexible Living categories increased by 1% and 22%, respectively, while On-the-go declined by 1%. The Flexible Living category was positively impacted by strong performance across most products, particularly Beosound A9.

Gross profit

Gross profit amounted to DKK 424m (2024/25: DKK 366m), equivalent to a gross margin of 58.0%. This represented a 5.2pp increase compared to last year.

This increase was driven by improvements across product categories and supported by operating the Tmall channel directly.

Q4 performance

Like-for-like sell-out

Sell-out grew by 28%, and growth was reported across all channels and supported by double-digit growth in branded channels.

Like-for-like sell-out for China grew by 14% and double-digit sell-out growth was reported for eTail and multibrand.

In terms of product categories, double-digit sell-out growth was reported across all categories in APAC.

Revenue

Revenue in APAC was DKK 208m (Q4 2024/25: DKK 182m) and grew by 14.3% year-on-year (15.5% in local currencies) driven by growth across most markets.

All channels reported growth, with branded channels and eTail reporting double-digit growth.

Revenue from China constituted 48% of total APAC revenue and grew by 18.3% in local currencies (20.2% in reported revenue). Growth was reported across channels and supported by the takeover Tmall in April 2025. Revenue from Japan and South Korea delivered double-digit growth.

Growth was reported across product categories, Staged increased by 5%, Flexible Living by 23%, and On-the-go by 18%. The Flexible Living category saw positive impact from Beosound A9 sales performance while the On-the-go category was positively impacted by the launch of Beo Grace.

Gross profit

Gross profit amounted to DKK 114m (Q4 2024/25: DKK 99m), equivalent to a gross margin of 54.9%, up 0.4pp from Q4 last year.

The Flexible Living and On-the-go categories delivered improved gross margins, while Staged reported a modest decline.

Brand Partnering & other activities

Full Year

Revenue
DKK 270m
(DKK 290m)

Growth in local
currencies
-6.1%
(-12.2%)

Gross margin
87.9%
(87.4%)

Q4

Revenue
DKK 77m
(DKK 82m)

Growth in local
currencies
-5.7%
(-20.5%)

Gross margin
80.4%
(84.9%)

FY performance

Revenue

Revenue amounted to DKK 270m (2024/25: DKK 290m). This represented a 6.9% decline (-6.1% in local currencies).

Licensing income declined by 8%. Revenue related to the automotive industry was on par year-on-year. License income from HP was significantly reduced 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 expected.

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

Gross profit

Gross profit amounted to DKK 238m (2024/25: DKK 254m). This was equivalent to a gross margin of 87.9%, compared to 87.4% last year as the mix between license and product-related revenue was largely the same.

Q4 performance

Revenue

Revenue amounted to DKK 77m (Q4 2024/25: DKK 82m). This represented a 6.1% decrease compared to Q4 of last year (-5.7% in local currencies).

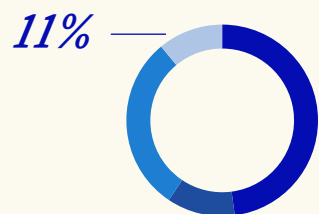
License income from HP was discontinued as expected while revenue from the automotive industry was on a par year-on-year. TCL continued the planned ramp-up; however, revenue declined year-on-year due to quarterly fluctuations.

Overall, licensing income declined and accounted for approx. 69% of revenue in Brand Partnering & other activities.

Gross profit

Gross profit amounted to DKK 62m (Q4 2024/25: DKK 70m). This was equivalent to a gross margin of 80.4%, compared to 84.9% last year. The decline was related to a decline in the share of license income.

Share of total revenue



Strengthening our global retail network

During the year, we continued to optimise our retail and channel network, concentrating investment in flagship stores in priority cities while rationalising underperforming locations to build a leaner, higher-quality footprint.

At the centre of this approach is the Culture Store, a flagship format conceived as a destination and presenting the brand at the crossroads of luxury, culture and design. New flagships opened in priority cities including Paris, San Francisco and West Hollywood, existing locations such as Beijing's SKP store were upgraded to the concept, and Shenzhen became home to the first Culture Store in China.

In parallel, the wider network was actively managed: underperforming and non-strategic doors were exited across the monobrand channel, focusing presence where it delivers the strongest brand experience and the best returns. The result is a more focused and productive network, concentrated in key global cities.

A global network of destinations where beautiful sound brings together music and design communities across the world's most vibrant cities.



West Hollywood Flagship, US



San Francisco Flagship, US



West Hollywood Flagship, US



San Francisco Flagship, US



Shenzhen MixC, China



Paris Opera Flagship, France



Shenzhen MixC, China



Paris Opera Flagship, France

Financial review

Revenue by segment, DKKm

2025/26



2024/25



- EMEA
- Americas
- APAC
- Brand Partnering & other activities

Revenue by category, DKKm

2025/26



2024/25



- Staged
- Flexible Living
- On-the-go
- Brand Partnering & other activities

Like-for-like sell-out

Like-for-like sell-out increased by 4% compared to last year. Like-for-like sell-out in our branded channels grew by 5% and growth was reported across all channels. The multibrand channel reported like-for-like sell-out growth while eTail declined single-digit.

Like-for-like sell-out grew across all product categories. Our Staged category reported growth of 2%, the Flexible Living Category 13%, and On-the-go category increased by 2%.

Revenue

Group revenue was DKK 2,468m, corresponding to a decline of 3.3% compared to last year (1.6% in local currencies).

Revenue from total product sales declined by 2.9% (-1.0% in local currencies), while Brand Partnering & other activities declined by 6.9% (-6.1% in local currencies).

In total, reported revenue from branded channels declined by 3.3% year-on-year (-2.1% in local currencies). Excluding stores closed during the year, reported revenue for branded channels declined by 1.8%.

Product revenue, categories

Staged category

Revenue declined by 2.3% driven by lower revenue from Beolab speakers. This was partly offset by strong sales performance from Beolab 90. Revenue from TV's & Soundbars remain largely stable, positively impacted by the launch of Beosound Premiere.

Flexible Living category

Revenue increased by 9.4%, with growth reported across most products and particularly strong performance from Beosound A9.

On-the-go category

Revenue declined by 11.3%. The decline was driven by high comparables from last year, reflecting the launch of Beoplay H100 and end-of-life sales of Beoplay EX. This was partly offset by strong performance in the earphones category, led by Beo Grace.

Gross profit

Gross profit amounted to DKK 1,436m, an increase of 2.3% year-on-year, corresponding to a gross margin of 58.2% (2024/25: 55.0%).

Gross profit from regional product sales was DKK 1,198m (2024/25: DKK 1,150m), corresponding to a gross margin of 54.5% (2024/25: 50.8%). This was an increase of 3.7pp compared to last year. The gross margin improved across regions and product categories.

Gross margin from Brand Partnering & other activities was 87.9% (2024/25: 87.4%). The gross margin improved by 0.5pp due to a smaller change in the share of license income.

Currency movements had a positive impact on the gross margin of 0.6pp compared to last year.

Capacity costs

Capacity costs were DKK 1,523m compared to DKK 1,388m last year. This represented an increase of 9.7%, reflecting planned strategic investments in product development, retail and marketing.

Development costs increased by DKK 35m to DKK 375m. Incurred development costs increased by DKK 28m to DKK 396m, partly offset by increased capitalisation driven by our product and software road map. The incurred development cost ratio increased by 1.6pp to 16.0% due to a

LIKE-FOR-LIKE SELL-OUT*

	FY 2025/26		FY 2025/26
EMEA	0%	Staged	2%
Americas	-2%	Flexible Living	13%
APAC	15%	On-the-go	2%
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

software focus, the introduction of Atelier offerings and continued focus on product collaborations.

Distribution and marketing costs increased by DKK 114m to DKK 1,009m. The increase was primarily driven by increased retail and marketing activities, costs related to the increased number of company-owned stores as well as costs related to reorganisation. The marketing cost ratio for the year increased by 2.0pp to 10.3% mainly driven by higher marketing activity related to extraordinary centenary activities.

Administrative costs decreased by DKK 14m to DKK 139m. This was primarily driven by lower bonus provisions and lower advisory costs.

EBITDA

EBITDA was DKK 183m (2024/25: DKK 261m), corresponding to an EBITDA margin of 7.4% (2024/25: 10.2%). The EBITDA margin decline was related to the increased capacity cost and lower revenue.

EBITDA before special items was DKK 246m (2024/25: DKK 271m), corresponding to an EBITDA margin before special items of 10.0%, down 0.6pp from last year.

Special items amounted to DKK 25m (2024/25: DKK 10m), of which DKK 63m (2024/25: DKK 10m) related to EBITDA and EBIT. The special items related to the reorganisation and proceeds from an old dispute with Danish Customs Authority.

EBIT

EBIT was a loss of DKK 76m (2024/25: DKK profit of 16m), corresponding to an EBIT margin of -3.1% (2024/25: 0.6%).

EBIT before special items was a loss of DKK 13m (2024/25: profit of DKK 26m), corresponding to an EBIT margin before special items of -0.5% and down 1.5pp from last year. The improved gross profit was offset by higher capacity costs related to investments in strategy execution.

Net financial items

Net financial items were an income of DKK 13m (2024/25: DKK 14m expense). The increase primarily related to interest on the proceeds from a dispute with Danish Customs Authority.

Profit /loss

Profit/loss before tax (EBT) was a loss of DKK 63m (2024/25: DKK 2m profit).

Income tax was an expense of DKK 44m (2024/25: DKK 31m 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 2.6.

Profit/loss for the year was a loss of DKK 107m (2024/25: DKK 29m loss).

Cash flow

Free cash flow was DKK -141m (2024/25: DKK 16m). This was a decline of DKK 157m compared to last year. It was primarily a result of decreased cash flow from operating activities.

Cash flows from operating activities were DKK 104m (2024/25: DKK 256m). The decrease was driven by a negative effect from a higher net working capital of DKK 133m (2024/25: positive DKK 47m) offset by higher provisions, which is part of other non-cash items.

Cash flows from operational investments were an outflow of DKK 245m (2024/25: DKK 240m outflow). Investments were primarily related to the capitalisation of development projects, acquired rights and software along with retail store investments.

The net inflow from financial investments was DKK 140m (2024/25: DKK 9m) and related to sale of securities.

Cash flows from financing activities were an outflow of DKK 8m (2024/25: DKK 58m) relating to proceeds from loans and borrowings (DKK 105m) offset by repayment of lease liabilities (DKK 55m) and purchase of treasury shares (DKK 50m). Last year's cash outflow of DKK 58m related to repayment of loans and lease liabilities and purchase of treasury shares, partly offset by proceeds from the rights issue.

The cash position at the end of the year was DKK 134m (31 May 2025: DKK 145m). Total available liquidity was DKK 94m (31 May 2025: DKK 350m), consisting of DKK 134m in cash, DKK 240m in securities less DKK 280m in bank loans related to repo transactions.

Net working capital

Net working capital increased during the year by DKK 133m to DKK 349m (31 May 2025: DKK 216m).

Net working capital relative to the last 12 months' revenue increased 5.6pp to 14.1% (2024/25: 8.5%). The ratio increased primarily due to the higher net working capital.

Inventories decreased by DKK 29m to DKK 418m. The decrease was due to a continued focus on inventory management.

Trade receivables decreased by DKK 48m to DKK 300m due to lower revenue performance in Q4 2025/26 compared to last year.

Trade payables decreased by DKK 140m to DKK 313m, driven by timing of payments.

Other liabilities decreased by DKK 77m to DKK 150m, primarily due to lower accruals for employee bonus at year-end.

Net interest-bearing deposit/debt

Net interest-bearing deposit/debt decreased by DKK 377m during the year to a net debt of DKK 243m (31 May 2025: deposit of DKK 134m).

The negative development was mainly due to the negative free cash flow of DKK 141m, remeasurement of lease liabilities (DKK 183m) and purchase of treasury shares (DKK 50m).

Capital resources amounted to DKK 294m (31 May 2025: DKK 600m), consisting of available liquidity of DKK 94m (31 May 2025: DKK 350m) and the undrawn part of our ESG-linked credit facility of DKK 200m (31 May 2025: DKK 250m).

For further details, see note 6.1.

Financial results according to outlook	Actuals 2025/26	Outlook 2025/26 as per 23 March 2026	Outlook 2025/26 as per 7 January 2026	Initial outlook 2025/26
Revenue growth in local currencies (%)	-1.6	-3 to 0	1 to 5	1 to 8
EBIT margin before special items (%)	-0.5	-3 to -1	-3 to 1	-3 to 1
Free cash flow (DKKm)	-141	-200 to -150	-100 to -50	-100 to 0

Reloved: Giving beautiful icons a second life

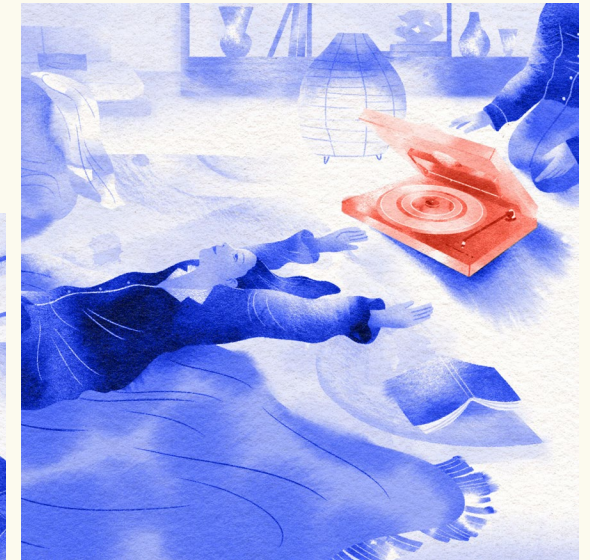
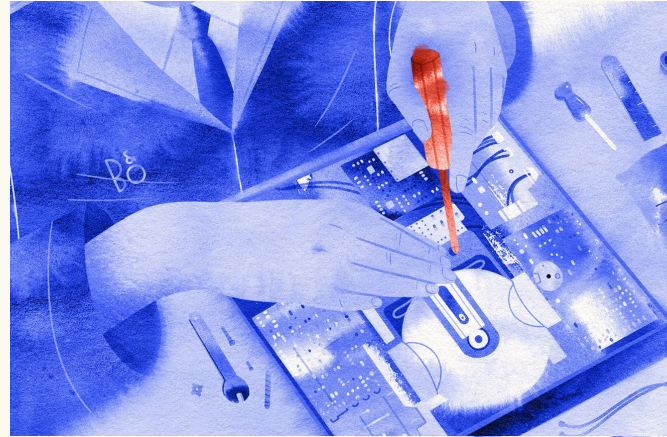
Reloved extends the life of Bang & Olufsen's iconic products through a circular programme built on long-lasting craftsmanship, timeless design and beautiful sound, while introducing a new, scalable business model for resale.

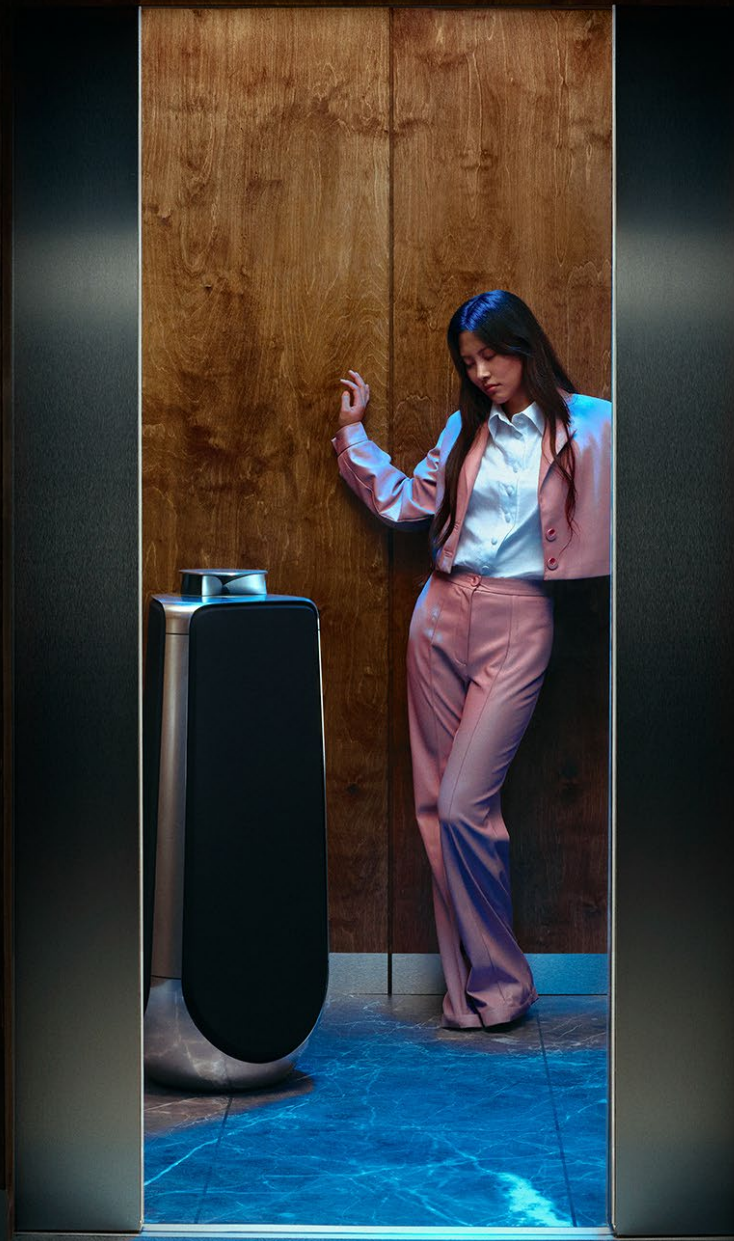
Launched in October 2025, Reloved turns the brand's commitment to repair and refurbishment into a certified pre-owned offering, enabling clients to buy directly from Bang & Olufsen for the first time. Each product is traded in, inspected, refurbished and certified by experts, then sold with grading and warranty to ensure trust and quality.

The programme keeps products in use for longer, preserves their value and broadens the client base, while supporting new sales through trade-in dynamics.

Early demand has been strong, with all eight initial product drops selling out, in several cases within 24 hours, and attracting a meaningful share of new-to-brand clients. Now live in EMEA, the programme will roll out to further markets over time.

Timeless design. Beautifully reloved.





Q4 key financial highlights

(DKK million)	Q4		YTD	
	2025/26	2024/25	2025/26	2024/25
Income statement				
Revenue	654	680	2,468	2,553
EMEA	299	339	1,183	1,253
Americas	70	77	284	317
APAC	208	182	731	693
Brand Partnering & other activities	77	82	270	290
EBITDA before special items	109	72	246	271
EBITDA	79	68	183	261
EBIT before special items	37	7	-13	26
EBIT	7	3	-76	16
Special items, related to EBIT/EBITDA	-30	-4	-63	-10
Special items, total	-30	-4	-25	-10
Financial items, net	-10	8	13	-14
Profit/loss before tax (EBT)	-3	11	-63	2
Profit/loss for the period	-26	-6	-107	-29
Financial position				
Total assets	2,222	2,340	2,222	2,340
Equity	1,006	1,144	1,006	1,144
Cash	134	145	134	145
Available liquidity	94	350	94	350
Capital resources	294	600	294	600
Net interest-bearing deposit/debt	-243	134	-243	134
Net working capital	349	216	349	216

(DKK million)	Q4		YTD	
	2025/26	2024/25	2025/26	2024/25
Cash flows				
Cash flows from operating activities	70	92	104	256
Operational investments	-65	-88	-245	-240
Free cash flow	5	4	-141	16
Key figures				
Gross margin, total, %	58.7	55.8	58.2	55.0
Gross margin, Products, total %	55.8	51.7	54.5	50.8
Gross margin, Brand Partnering & other activities, %	80.4	84.9	87.9	87.4
Growth in local currencies, %	-3.1	4.3	-1.6	-1.4
Like-for- like sell-out growth, %	11	7	4	4
EBITDA margin before special items, %	16.7	10.5	10.0	10.6
EBITDA margin, %	12.1	10.0	7.4	10.2
EBIT margin before special items, %	5.7	1.0	-0.5	1.0
EBIT margin, %	1.1	0.4	-3.1	0.6
Marketing cost ratio, %	8.4	8.7	10.3	8.3
Incurred development costs before capitalisation ratio, %	15.4	16.7	16.0	14.4
Return on assets, %	-4.7	-1.3	-4.7	-1.3
Return on invested capital, %	-2.1	1.9	-2.1	1.9
Return on equity, %	-10.0	-2.8	-10.0	-2.8
Full-time employees (FTE) at end of period	1,180	1,073	1,180	1,073
Stock-related key figures				
Earnings per share, basic (EPS) and diluted (EPS-D), DKK	-0.2	-0.0	-0.7	-0.2
Price/Earnings	-55.3	-321.7	-13.4	-65.9

For definitions, see note 8.7.

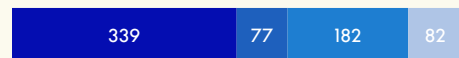
Q4 financial review

Revenue by segment, DKKm

Q4 2025/26



Q4 2024/25



■ EMEA
■ Americas
■ APAC
■ Brand Partnering & other activities

Revenue by category, DKKm

Q4 2025/26



Q4 2024/25



■ Staged
■ Flexible Living
■ On-the-go
■ Brand Partnering & other activities

Like-for-like sell-out

Sell-out grew by 11% compared to Q4 of last year and growth was reported across regions.

Like-for-like sell-out growth was reported across all channels and 13% was reported for our branded channels combined.

In terms of product categories, sell-out from our Staged category grew by 11%, the Flexible Living category by 20% and sell-out from the On-the-go category grew by 5%.

Revenue

Group revenue was DKK 654m (Q4 2024/25: DKK 680m) and declined by 3.8% (-3.1% in local currencies).

Product revenue, regions

Reported revenue related to product sales declined by 3.6% (-2.7% in local currencies), while Brand Partnering & other activities reported a decline of 6.1% (-5.7% in local currencies).

The decline in revenue from product sales was mainly driven by lower revenue in the monobrand channel, particularly in EMEA. Revenue in APAC increased across channels. In total, revenue from branded channels declined by 4.9% year-on-year (-3.7% in local currencies). Excluding stores closed during the year, reported revenue for branded channels declined by 3.1%.

Product revenue, categories

Staged category

Revenue declined by 4.0% to DKK 301m (Q4 2024/25: DKK 313m). This was driven by lower sales across TV's & Soundbars and Beolab speakers, partly offset by the launch of Beosound Premiere and higher sales performance of Beolab 90.

Flexible Living category

Revenue increased by 10.2% to DKK 124m (Q4 2024/25: DKK 113m). Growth was reported across most speakers.

On-the-go category

Revenue declined by 11.3% to DKK 152m (Q4 2024/25: DKK 172m). The decline was driven by high comparables from last year due to end-of-life sales of Beoplay EX and the launch effect of H100, partly offset by the strong sales performance of Beo Grace.

Gross profit

Gross profit was DKK 384m (Q4 2024/25: DKK 378m), corresponding to a gross margin of 58.7%, an improvement of 2.9pp compared to 55.8% in Q4 of last year.

Gross profit from regional product sales was DKK 322m (Q4 2024/25: DKK 308m), corresponding to a gross margin of 55.8% (Q4 2024/25: 51.7%). Gross margins improved across regions. In the Americas, a refund of paid IEEPA tariffs had a positive impact of DKK 20m.

Gross profit from Brand Partnering & other activities was DKK 62m (Q4 2024/25: DKK 70m), equivalent to a gross margin of 80.4% (Q4 2024/25: 84.9%). The gross margin decreased due to a lower share of license income.

Currency movements had a positive impact on the gross margin of around 0.6pp compared to last year.

LIKE-FOR-LIKE SELL-OUT*

	Q4 2025/26		Q4 2025/26
EMEA	4%	Staged	11%
Americas	4%	Flexible Living	20%
APAC	28%	On-the-go	5%
Total	11%	Total	11%

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

	Q4		YTD	
	2025/26	2024/25	2025/26	2024/25
GROSS MARGIN				
Staged	60.7%	58.2%	57.9%	57.7%
Flexible Living	56.5%	58.2%	58.0%	55.5%
On-the-go	45.6%	33.6%	45.3%	35.8%
Products, total	55.8%	51.7%	54.5%	50.8%
Brand Partnering & other activities	80.4%	84.9%	87.9%	87.4%
Total	58.7%	55.8%	58.2%	55.0%

Capacity costs

Capacity costs were DKK 377m in line with Q4 of last year (Q4 24/25: DKK 375m).

Development costs increased by DKK 7m to DKK 99m (Q4 24/25: DKK 92m). Incurred development costs decreased by DKK 12m to DKK 101m (Q4 24/25: DKK 113m), offset by decreased capitalisations driven by our product and software road map.

Distribution and marketing costs were DKK 246m, corresponding to an increase of 1.7% compared to Q4 of last year. The increase was primarily driven by costs related to the increased number of company-owned stores.

Administrative costs decreased by 22.0% to DKK 32m driven by lower employee bonus accrual, partly offset by severance costs related to changes in management (Q4 24/25: DKK 41m).

EBITDA

EBITDA was DKK 79m (Q4 24/25: DKK 68m). This was equivalent to an EBITDA margin of 12.1% (Q4 24/25: 10.0%).

EBITDA before special items was DKK 109m (Q4 24/25: DKK 72m), equivalent to a margin of 16.7% (Q4 24/25: 10.5%).

Special items were DKK 30m (Q4 24/25: DKK 4m) and related to organisational changes announced in Q4.

EBIT

EBIT was DKK 7m (Q4 24/25: DKK 3m). This was equivalent to an EBIT margin of 1.1% (Q4 24/25: 0.4%).

EBIT before special items was DKK 37m (Q4 24/25: 7m), equivalent to a margin of 5.7% (Q4 24/25: 1.0%).

Cash flow

Free cash flow was DKK 5m (Q4 24/25: DKK 4m).

The slight increase in free cash flow was primarily related to lower operational investments of DKK 65m (Q4 24/25: DKK 88m) offset by lower cash flow from operating activities of DKK 70m (Q4 24/25: DKK 92m).

Net working capital increased during the quarter generating a negative cash flow effect of DKK 79m (Q4 24/25: positive of DKK 39m) due to a decrease in payables as a result of timing and an increase in other receivables related to US IEEPA tariff refund. This was offset by a decrease in inventories due to a continued focus on inventory management.

Financing activities resulted in a net cash flow of DKK 0m (Q4 24/25: positive DKK 8m) as repayment of lease liabilities and mortgage loan were fully offset by net proceeds from bank loans.

The cash position at the end of the year was DKK 134m (31 May 2025: DKK 145m). Total available liquidity was DKK 94m (31 May 2025: DKK 350m).



Governance

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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, clients, 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 2026, Bang & Olufsen was following all Recommendations except for

recommendation 1.1.3, Publication of quarterly reports. Bang & Olufsen publishes full- and half-year financial results and Q1 and Q3 trading statements in line with international industry practice. As stated in the Annual report 2024/25, the company has since Q1 2025/26 replaced interim reports for Q1 and Q3 with trading statements. The trading statements outline material developments and provide key financial metrics. This allows for continued transparency towards the market while ensuring a more efficient and proportionate reporting framework. Investor presentations are held quarterly via live conference calls.

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 nine members, six 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. Five of the six (83%) 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 2025/26, 11 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 45-47.

Board committees

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 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. The review addresses the effectiveness of the Board, the processes supporting its work, the contribution of individual Board members, the performance of the Chair, and the cooperation between the Board and the Executive Management Board.

The evaluation of the Chair's own performance is led by the Vice Chair, in line with the Nomination Committee's charter. The outcome of the evaluation was considered by the Board of Directors in May 2026, followed by a discussion of potential improvements.

The self-assessment confirmed that the Board operates effectively and that the working relationship between the Board and the Executive Management Board is strong. During the latter part of the year, the Chair, the Board and the Executive Management Board worked deliberately to deepen the transparency and quality of information shared between them, strengthening the Board's ability to support and add value to the Company. Building on the prior year's focus on closer interaction ahead of meetings, decision processes were tightened and the decision cycles

between the Board and the Executive Management Board shortened, supporting a faster pace of execution. The Board identified succession planning as a continued area of focus, both for the Board itself and for the management levels, and this remains part of the annual work of the Nomination Committee. 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 includes a commitment to protecting the privacy of the company's employees, clients and other stakeholders and in general to apply a high level of data ethics on the use of all types of data, including data which does not contain personal data. The policy and the data ethics report are available on the company's website <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 2025/26 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.

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	4 of 4
Albert Bensoussan (Vice Chair)	11 of 12	1 of 2	1 of 1			4 of 4
Anders Colding Friis	12 of 12	3 of 3		2 of 2		4 of 4
Jesper Jarlbæk	12 of 12		4 of 4	2 of 2		4 of 4
Nancy Liu ^C	10 of 10		3 of 3			
Tuula Ryttilä	12 of 12		4 of 4		3 of 3	
Andra Gavrilescu ^{AB}	5 of 8					
Dorte Vegeberg ^A	12 of 12					
Søren Balling ^A	12 of 12					
Kresten Bjørn Krab-Bjerre ^{AB}	4 of 4					

A: Employee-elected. B: Andra Gavrilescu was succeeded by Kresten Bjørn Krab-Bjerre as per 29 January 2026. C: Appointed as of 14 August 2025.

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, including achievement of the company's sustainability ambition. For detailed information on remuneration, see notes 3.2 and 3.3 and the remuneration report for 2025/26, which is available at <https://investor.bang-olufsen.com/remuneration>.

Remuneration of the Board of Directors 2025/26

(DKK)	Annual fee	Remuneration Committee	Nomination Committee	Audit Committee	Technology Committee	Strategy Committee	Total 2025/26	Total 2024/25
Juha Christensen	1,155,000	110,000	110,000		82,500	280,231	1,737,731	1,400,000
Albert Bensoussan	577,500	65,910		24,130		82,500	750,041	700,000
Jesper Jarlbæk	385,000		82,500	360,000		82,500	910,000	800,000
Anders Colding Friis	385,000	82,500	82,500			82,500	632,500	575,000
Nancy Liu ^C	307,582			95,870			403,451	-
Tuula Ryttilä	385,000			120,000	110,000		615,000	530,000
Andra Gavrilescu ^{AB}	255,597						255,597	350,000
Kresten Bjørn Krab-Bjerre ^{AB}	129,403						129,403	-
Dorte Vegeberg ^A	385,000						385,000	350,000
Søren Balling ^A	385,000						385,000	350,000
Total	4,350,082	258,410	275,000	600,000	192,500	527,731	6,203,723	5,055,000

A: Employee-elected. B: Andra Gavrilescu was succeeded by Kresten Bjørn Krab-Bjerre as per 29 January 2026. C: Appointed as of 14 August 2025.



Board of Directors

JUHA CHRISTENSEN

Danish, born 1964

Chair since 2020
Joined (until): 2016 (2026)
Independent

Committee memberships
Remuneration Committee
Technology Committee
Nomination Committee
Strategy Committee



Bang & Olufsen shares held, year-end:
200,864 (2024/25: 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

CM = Chair VC = Vice Chair BM = Board member O = Other offices
■ Competencies possessed by Board member

ALBERT BENSOUSSAN

French, born 1959

Vice Chair since: 2020
Joined (until): 2020 (2026)
Independent

Committee memberships
Strategy Committee



Bang & Olufsen shares held, year-end:
25,000 (2024/25: 25,000)

- 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 (2026)
Independent

Committee memberships
Nomination Committee
Remuneration Committee
Strategy Committee



Bang & Olufsen shares held, year-end:
23,400 (2024/25: 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,
BM Augustinus Fonden, Caf Invest a/s, Goodwings ApS

JESPER JARLBÆK

Danish, born 1956

Joined (until): 2011 (2026)
Not Independent*



Committee memberships
Audit Committee
Nomination Committee
Strategy Committee

Bang & Olufsen shares held, year-end:
26,372 (2024/25: 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, 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, SCANVENTURE A/S, Smartshare Systems A/S
- O JJ 2021 Holding ApS

CM = Chair VC = Vice Chair BM = Board member O = Other offices
■ Competencies possessed by Board member
* Having served on the Board for more than 12 years.

NANCY LIU

Taiwanese, born 1964

Joined (until): 2025 (2026)
Independent



Committee memberships
Audit Committee

Bang & Olufsen shares held, year-end:
0 (2024/25: 0)

- 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 Esprit Holding Limited
- O DFS Group Limited

TUULA RYTIÄ

Finnish, born 1967

Joined (until): 2019 (2026)
Independent



Committee memberships
Audit Committee
Technology Committee

Bang & Olufsen shares held, year-end:
24,300 (2024/25: 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, Kempower Oyj, Fugro N.V., eBrands Global Ltd., Tuxera, Business Forum Group

DORTE VEGEBERG

Danish, born 1972

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

Committee memberships
-



Bang & Olufsen shares held, year-end:
1,000 (2024/25: 1,000)

Competencies
Not mapped for employee representatives.

Directorships and other offices
-

Positions and other management duties
Radio and electronics worker, Production

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

KRESTEN BJØRN KRAB-BJERRE

Danish, born 1965

Employee-elected
Joined (until): 2026 (2027)
Not independent

Committee memberships
-



Bang & Olufsen shares held, year-end:
16,626 (2024/25: 5,800)

Competencies
Not mapped for employee representatives.

Directorships and other offices
Dansk Industri; Design Committee
Kolding Designskole; Committee of representatives

Positions and other management duties
Director, Head of Creative

SØREN BALLING

Danish, born 1971

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

Committee memberships
-



Bang & Olufsen shares held, year-end:
622 (2024/25: 8,622)

Competencies
Not mapped for employee representatives.

Directorships and other offices
CM Øster Hjem Bygningsartikler

Positions and other management duties
Production Manager, Mechanics

Executive Management Board

NIKOLAJ WENDELBOE

Danish, born 1975

Interim Chief Executive Officer
Executive Vice President
& Chief Financial Officer

Employed since
1 May 2019



Bang & Olufsen shares, year-end:
395,018 (2024/25: 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
BM Strandgaarden Partners ApS
O Director NWE Invest ApS

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



Shareholder information

Bang & Olufsen is committed to providing all stakeholders with timely, relevant information through open, transparent and active dialogue.

On 31 May 2026, Bang & Olufsen's market capitalisation was DKK 1.4 billion, excluding treasury shares. During the financial year 2025/26, the share price decreased by 25% to DKK 9.76. By comparison, the Nasdaq OMX MidCap index, of which Bang & Olufsen is a constituent, gained 14% over the same period, while the S&P Global Luxury Index increased by 5%. The Board and Executive Management recognise the importance of share price performance as a measure of shareholder value and remain focused on the disciplined execution of the strategy, which is designed to create long-term value.

Shareholder composition

At the end of financial year 2025/26, the company had approximately 25,500 shareholders, down from approximately 27,000 a year earlier.

The shareholder base is predominantly Danish: this nationality accounted for 65% of total share capital at 31 May 2026, compared with 61% at the beginning of the financial year.

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

On 15 August 2025, Bang & Olufsen initiated a share buyback programme to hedge the company's share-based incentive programmes, with a maximum allocation of DKK 65 million. The programme was completed 19 January 2026, and 2,974,761 treasury shares were acquired under the programme, at a total value of DKK 40.81m.

At 31 May 2026, the company held 4,719,497 own shares in total, corresponding to 3.2% of the share capital. Treasury shares are held for the purpose of hedging the AGM-approved long-term combined performance and restricted share programmes.

Share price development 1 June 2025 to 31 May 2026

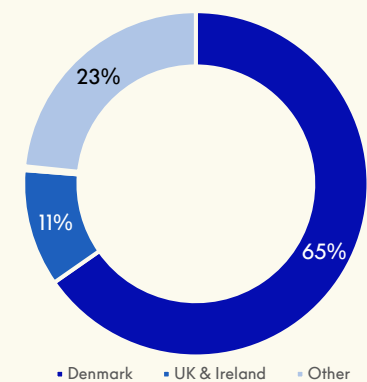


The Bang & Olufsen share

Stock exchange	NASDAQ Copenhagen		
Identification code (ISIN)	DK 0010218429		
	31 May 2026	31 May 2025	31 May 2024
Closing price (DKK)	9.76	13.10	10.40
Market value (DKKm)	1,438	1,930	1,277
Average daily turnover* (DKKm)	2.9	2.6	1.9
Shares issued	147,326,503	147,326,503	122,772,087
Treasury shares	4,719,497	2,963,183	1,768,231
Earnings per share (DKK)	-0.7	-0.2	-0.1
Price/Earnings	-13.4	-65.9	-75.7

**Historical average daily turnover figures have been revised to include turnover across all trading platforms and therefore may differ from figures previously reported.

*Shareholder composition, 31 May 2026



Major shareholders, 31 May 2026

Two shareholders have notified Bang & Olufsen that they hold more than 10% of the company’s share capital. Two 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
 - Chr. Augustinus Fabrikker Aktieselskab

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 2026, combined capital resources, comprising available liquidity of DKK 94m and the undrawn credit facility of DKK 200m, amounted to DKK 294m (year-end 2024/25: DKK 600m).

The Board of Directors proposes that no dividends be distributed for the financial year 2025/26.

Investor Relations activities

Bang & Olufsen aims to maintain open and constructive engagement with the market, ensuring that relevant and accurate information is made available in a timely manner. Alongside financial results and company announcements, the Executive Management Board and Investor Relations team communicate with stakeholders through webcasts, roadshows, conferences and conference calls.

The Investor Relations department is responsible for day-to-day engagement with current and potential shareholders as well as sell- and buy-side analysts. On 31

May 2026, Bang & Olufsen was covered by two equity analysts.

For a detailed list of analysts, investor materials, conference calls, and contact details for investor relations enquiries, please visit the <https://investor.bang-olufsen.com>.

Financial calendar

2026

13 August	Annual General Meeting Bang og Olufsen Allé 1 Denmark Deadline for subjects and proposals to the agenda 2 July 2026
7 October	Trading Statement Q1 2026/27

2027

13 January	Interim report H1 2026/27
8 April	Trading Statement Q3 2026/27
7 July	Annual report 2026/27
19 August	Annual General Meeting



Risk management

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

Bang & Olufsen regularly assesses the extent to which individual enterprise risks are acceptable or should be reduced to ensure a balance between risk and return. Similarly, an assessment is made of strategic opportunities to strengthen the company.

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

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

The enterprise risk management procedure sets out Bang & Olufsen's approach to enterprise risk management, the process for risk management, as well as 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 enterprise 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 Executive Management Board and relevant stakeholders to evaluate risks and mitigating actions based on possible impact and probability. These discussions throughout the year enable a proactive approach to adapting business processes and controls to meet, manage or mitigate such risks and opportunities, or prevent potential increases in the current level of risk exposure.

The annual enterprise risk management process identifies and assesses key risks based on the following:

- analysis of internal vulnerabilities and external risk influencers;
- interviews with the Global Leadership Team and other key stakeholders across the company with a focus on their field of expertise and the company in general;
- analysis and consolidation of identified lower-level risks based on their potential impact and probability;
- validation process with the Executive Management Board to align on the identified enterprise risks, including analyses and prioritisation to establish the company's risk profile; and
- regular interactions with the Audit Committee in the form of bi-monthly updates and bi-annual discussions.

The assessment considers the potential impact and probability of each key risk. The impact contains three dimensions; financial exposure, reputational damage, and licence 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 risks limits. Read more about this in the Sustainability Report.

Key risks and additional risks

The company has identified the following key enterprise risks, which could potentially threaten Bang & Olufsen's financial position, ability to execute on the strategy, or maintain a state of licence to operate. However, these do not represent all the risks associated with the business. Additional risks, which are not presented here may also have an adverse effect on the business. This includes highly dynamic external risks such as climate-related and geopolitical risks. These are monitored on a regular basis and, if deemed necessary, risk assessments are made locally to determine adequate mitigating actions. There are financial risks which will impact the company if they materialise. The company has, however, assessed that these have a low probability of materialising and so has not identified these as key risks.

Key Risks 2025/26



PRODUCTS FOR THE FUTURE

Description

Bang & Olufsen's success depends on its ability to continuously develop products that reflect the strategy, meet the evolving expectations of luxury clients, and sustain the brand's positioning in a competitive and dynamic market.

Risk

There is a risk that Bang & Olufsen is not able, in a timely manner, to develop products that fully reflect the clients' preferences. This includes a risk of insufficient understanding of client needs, willingness to pay, and expectations in the luxury segment. The potential consequences can be failure to meet consumer expectations, missed market opportunities, and inability to create a sustainable business in the future.

Mitigating actions 2026/27

The company is advancing its product development governance to ensure closer alignment between client insights and investment decisions throughout the product lifecycle. Focus is on deepening market understanding and ensuring our products reflect both our strategic direction and expectation of our clients.



SECURING GROWTH THROUGH RETAIL AND CHANNEL EXCELLENCE

Description

Bang & Olufsen's ability to deliver the luxury brand experience depends crucially on the strength and quality of its retail network. The monobrand partner network is the primary channel and maintaining a well-positioned retail presence in key markets is central to the company's growth.

Risk

There is a risk that Bang & Olufsen is not able to sustain and develop its retail partner network at the required speed to support the strategy. The luxury retail landscape faces structural challenges – rising occupancy costs, evolving client channel preferences and demanding economics for luxury retail partners pose challenges for network expansion and thereby could impact brand visibility and long-term revenue growth.

Mitigating actions 2026/27

Focus is on strengthening retail network governance and reinforcing the partner value proposition. The company is actively working on ensuring brand experience consistently across all touchpoints, developing the pipeline of retail partners in key markets.



SECURING FUTURE TALENTS

Description

Bang & Olufsen's ability to deliver on its strategy depends on securing and retaining the right people across a range of critical capability areas, from software to the specialised craft skills that underpin the company's distinctive manufacturing heritage.

Risk

There is a risk that Bang & Olufsen is unable to attract and retain critical talents as the market for specialised engineering and technology skills remains highly competitive. Failure to secure these capabilities could impact product quality, innovation, and the company's ability to grow.

Mitigating actions 2026/27

The company is investing in long-term capability development across all critical talent domains, with particular focus on targeted retention initiatives for engineering and technology talent. Efforts are underway to strengthen the company's employer brand and position Bang & Olufsen as an attractive destination for skilled professionals who share the company's passion for craftsmanship and innovation.



TECHNOLOGY AND IT SECURITY

Description

The consumer electronics industry is rapidly evolving, driven by AI and advanced software. Bang & Olufsen's ability to integrate these technologies while maintaining secure digital infrastructure is critical to sustaining its premium positioning.

Risk

There is a risk that Bang & Olufsen cannot remain competitive with peers who are investing heavily in product features powered by artificial intelligence. The sophistication of the global cyber threat landscape means that the digital infrastructure, client data, and operational systems require continuous and rigorous protection. Failure to advance technology capability or to safeguard digital assets could impact product competitiveness, client trust, and reputation.

Mitigating actions 2026/27

The company is advancing a technology vision by establishing an AI strategy. In parallel, the company continues to strengthen its IT security posture through ongoing investment in infrastructure protection, threat monitoring, and alignment with internationally recognised security frameworks.



SUPPLY CHAIN RESILIENCE AND COMPONENT AVAILABILITY

Description

Bang & Olufsen's products depend on a range of specialised components and technologies sourced from global suppliers. The increasing complexity of global supply chains, combined with geopolitical tensions, structural shifts in the technology component landscape, and acute constraints in the global memory chip (RAM) market — driven by data centre demand — means that securing reliable access to critical components is an operational and strategic priority.

Risk

There is a risk that Bang & Olufsen is unable to secure timely access to critical components required for manufacturing. Global RAM shortages impact production continuity, product launch timelines, the company's ability to meet product demand or require costly spot market sourcing.

Mitigating actions 2026/27

Focus is on strengthening supply chain resilience through active engagement with the supplier base to reduce concentration risk. The company has secured forward supply commitments and authorised premium spot market purchases to safeguard the next 12 months of production. Re-engineering options to qualify alternative components are also being explored.



GLOBAL MACRO-ECONOMIC AND GEOPOLITICAL UNCERTAINTY

Description

Bang & Olufsen operates in a complex and rapidly evolving global environment. Given that Bang & Olufsen operates across EMEA, APAC, and the Americas, macro-economic headwinds, and policy uncertainty in any of these regions can have direct consequences for revenue performance, cost structure, and strategic execution.

Risk

There is a risk that evolving trade dynamics, including tariff changes, export controls, and shifting bilateral relationships in key luxury markets, combined with softness in consumer confidence in certain geographies, could impact demand for the luxury products. Further, the expanding regulatory environment encompassing areas such as product compliance, data governance, and artificial intelligence requires expertise to navigate effectively.

Mitigating actions 2026/27

The company continues to prioritise geographic and channel diversification to reduce concentration risk in any single market. On the regulatory front, the company is actively building compliance capability across relevant legislative frameworks to ensure that evolving obligations are met and that regulatory risk is managed proactively.

Sustainability *Report*



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Advancing our sustainability priorities



Climate change

Science-based pathway to net-zero emissions

Decarbonising our own operations

Scope 1 and 2 emissions reduced by 90% vs 2021/22, supported by 100% renewable electricity and electrification of vehicle fleets.

Embedding climate performance in governance and incentives

Sustainability performance linked to our revolving credit facility with Nordea and integrated into supplier quarterly business reviews.

Reducing emissions from logistics

Logistics emissions intensity reduced by 34% through targeted transport optimisation.



Circular economy

Scaling circular design and responsible material sourcing across products and packaging

Advancing circular product design and material choices

Increased the number of products using technically **recirculated aluminium and/or plastics from seven to eight** and introduced recirculated NdFeB magnets for the first time.

Extending product lifecycles through refurbishment and upgrades

Continued Recreated Classics and launched the Reloved programme to enable **high value lifecycle** extension. A battery life extension initiative was also launched.

Embedding circularity through certification and packaging improvements

Achieved Cradle to Cradle Certified® Bronze for Beosound Premiere, introduced two new packaging designs, and increased the use of **FSC certified paper in our packaging**.



Our people

Supporting employee wellbeing and inclusive leadership

Strengthening inclusive leadership and governance

Achieved compliance with the Danish Gender Balance Act through equal gender representation on the Board of Directors.

Supporting employee wellbeing through leadership accountability

Introduced a Leadership Commitments framework to address work **related stress and strengthen people focused leadership practices**.



Business conduct

Strong supplier relationships, speak-up culture and robust cybersecurity

Strengthening supplier processes and relationships

Automated daily payment processing of supplier invoices to **improve efficiency, transparency, and collaboration with suppliers**.

Speak-up culture

A record-high number of BeoShare cases have been reported, indicating strong trust in the speak-up culture. We are closely monitoring other potential signals associated with this increase.

Enhancing governance and risk management

Initiated implementation of a Governance, Risk and Compliance (GRC) system to strengthen controls and reduce the risk of cybersecurity breaches.

Sustainability report

Basis for preparation

The reporting period covers the financial year 1 June 2025 – 31 May 2026. This sustainability report has been prepared on a consolidated basis and reflects the same reporting boundary as applied in the consolidated financial statements. It covers impacts, risks and opportunities (IROs) across our own operations and across the upstream and downstream value chain.

The report has been prepared in accordance with the Danish Financial Statements Act §99a and reflects current regulatory expectations. As we are no longer within the scope of the Corporate Sustainability Reporting Directive (CSRD), this report is not prepared in accordance with ESRS and does not constitute a CSRD-compliant sustainability statement. Our reporting approach is nonetheless guided by core principles reflected in the CSRD framework, including double materiality and a structured assessment of IROs. While inspired by this framework, the report is developed independently of formal CSRD or ESRS application.

The report reflects current data maturity and includes the use of estimates. Where limitations in data or methodology exist, these are described in the relevant sections. Throughout the sustainability report, selected ESG data and information have been marked with an asterisk (*) indicating that the selected ESG data and information have received limited assurance review in 2025/26 by an independent auditor.

Sustainability ambition

We create products designed to be part of life over time. Our ambition builds on a long-standing belief that great sound and meaningful experiences should last.

This is captured in our approach to creating “Magical Moments. Designed for Life”, where products are not only made to perform, but to be lived with, valued and passed on.

Timelessness sits at the core of our strategy and reflects our ambition to create enduring products that remain relevant as technologies and needs evolve, while supporting more circular consumption. Sustainability is embedded in how we design, deliver, and extend product life. Through service, repair, refurbishment, and resale, we support products beyond the first point of sale, enabling continued use, preserving value, and strengthening long-term relationships between product, client, and brand.

In this way, sustainability becomes part of how we deliver on our client promise. A model where value is created not only at the point of sale, but across the full product lifecycle. By extending product lifetimes and enabling continued use, we reduce the need for new resources, strengthen long-term client relationships and support recurring revenue streams and lifetime value.

Our ambition is supported by frameworks such as the UN Global Compact, which guide our approach to climate, circular product design and responsible business conduct.

Our sustainability ambition is informed by our DMA, which prioritises the most relevant IROs for our business and long-term value creation.

Our approach defines the areas where we have the greatest impact and where we focus our efforts:

(E) Carbon, circularity and resource efficiency: Extending product lifetimes and enabling circular use of materials through design, sourcing, service, repair and refurbishment.

(S) People, safety and responsible client experience: Ensuring responsible practices across our value chain while delivering consistent, high-quality and safe client experience throughout the product lifecycle.

(G) Ethics, transparency and trust: Strengthening governance, due diligence and transparency to support responsible business practices and accountability across the lifecycle.

Strategy and business model

Business model

We design, develop and deliver luxury audio and vision products and experiences, combining design, technology, materials and craftsmanship. We operate in the luxury segment, serving private clients and professional partners globally through own retail, partners and direct channels across consumer and professional audio markets.

While our underlying sustainability priorities remain anchored in our assessment of IROs, we increasingly articulate sustainability through our business model, focusing on how these are addressed in practice and contribute to long-term value creation.

Our business model is built on products designed for longevity and continued relevance. Value creation extends beyond the initial sale through service, repair, software updates, refurbishment and resale, supporting continued use and long-term client relationships.

Our value chain spans sourcing of materials and components, product development and manufacturing with strategic partners, and downstream distribution, retail, product use and end-of-life handling. Environmental and social impacts are primarily concentrated in upstream sourcing and manufacturing, while downstream activities are key levers to extend product lifetimes and improve resource efficiency.

We operate across both upstream and downstream activities, with different roles and levels of influence across each stage.

Business model



Sustainability governance

Our governance framework ensures clear oversight and accountability for managing material impacts, risks and opportunities across all levels of the organisation.

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.

Governance structure

Board of Directors

The Board of Directors oversees sustainability-related IROs and reviews progress on sustainability targets and priorities. It also approves our Global Policies covering sustainability-related topics. The Board’s oversight includes consideration of relevant inputs from the DMA and sustainability due diligence processes where applicable in relation to strategy, major transactions and enterprise risk management.

The Board’s ability to address material sustainability matters is assessed through the annual Nomination Committee competency assessment process, which includes consideration of relevant sustainability competencies and identification of any capability gaps. Board members collectively possess competencies across environmental, social and governance matters, ensuring appropriate expertise to oversee sustainability-related IROs.

Audit Committee

The Audit Committee oversees ESG-related reporting and receives three updates a year on sustainability governance, including compliance, whistleblower cases and IT security. Progress on sustainability priorities, including targets and key risk areas, is monitored through regular internal reporting and reviewed by the Audit Committee.

Executive Management Board

The Executive Management Board (EMB) is responsible for implementing sustainability priorities and managing material IROs. It is responsible for overseeing sustainability-related targets and is accountable for performance and for integrating material IROs into strategic planning, risk management and key business decisions, based on inputs from the DMA and due diligence processes, which have been further developed during the year and are being progressively integrated into governance and decision-making.

The EMB is supported in the work by the Sustainability committee. Sustainability targets are defined based on strategic priorities, while the Board of Directors oversees these targets and reviews progress as part of its governance responsibilities.

The EMB member possesses relevant competencies across environmental, social and governance areas.

Sustainability Committee

The Sustainability Committee consists of representatives from relevant functions across the organisation and supports the EMB by coordinating sustainability-related activities, monitoring progress on key sustainability topics and IROs, and preparing recommendations for decision-making. The Committee escalates key issues to the EMB or Audit Committee as needed.

Corporate Responsibility

The Corporate Responsibility function is responsible for coordinating and driving sustainability-related activities, including the identification and management of material IROs. It supports the EMB through monitoring, reporting and recommendations.

Supporting governance bodies

Supporting committees, including Compliance and IT security, oversee specific areas such as compliance, risk management, data protection and cybersecurity, reflecting its role as a material risk area. These bodies support the identification, management and escalation of sustainability-related risks and report into the overall governance structure.

Board of Directors, Representation	Unit	2024/25	2025/26
Members	Count	8	9
Shareholder-elected members	Count	5	6
Employee-elected members	Count	3	3
Female members (shareholder- and employee-elected)	%	38	33
Female members (shareholder-elected)	%	20	33
Female members (employee-elected)	%	67	33
Independent members	%	50	56



Accounting policies

Board of Directors:

- **Independent board members** – The definition of Board of Directors independence can be found in our Corporate Governance report, section 3.2.
- **Employee-elected members** – Accounts for the total number of members to the Board of Directors elected by Bang & Olufsen employees.
- **Shareholder-elected members** – Accounts for the total number of members to the Board of Directors elected by shareholders.
- **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.
- **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.

Sustainability reporting and risk management

We have established internal controls to support accurate and reliable sustainability reporting, including an ESG Accounting Manual, a DMA memo and playbook, and reporting controls aligned with relevant regulatory requirements. Reporting is supported by a risk-based approach to data collection and validation, where data across E, S and G areas is assessed based on availability, use of estimates, and complexity. Higher-risk data points receive enhanced review and validation.

Roles and responsibilities are clearly defined: data owners prepare the data, which is reviewed by management and validated by the ESG Controller. These controls are designed to reduce the risk of material misstatements and support continuous data quality improvement. The Audit Committee, EMB, and Sustainability Committee receive regular updates, ensuring appropriate oversight and governance.

Interests and views of stakeholders

We engage with key stakeholders across our value chain, including clients, employees, business partners, retail partners and investors, to understand how expectations relate to our strategy and product development.

Stakeholder input consistently reinforces product quality, durability and long-term usability as core to our experience, alongside expectations related to responsible sourcing, transparency and responsible business conduct. In particular, client and partner interactions highlight

longevity and lifecycle value as integral to our strategy, supporting continued product relevance and long-term client relationships.

These insights are incorporated into the development of our strategy, product offering and business model, and are used as input for our DMA. Stakeholder input is communicated to the EMB and integrated into management decision-making, strategy development and risk management processes, supporting alignment between stakeholder expectations and our long-term business direction.

Sustainability IROs

Material IROs arise from product design, material selection and sourcing, as well as how products are used, maintained and recirculated over time.

These IROs are directly linked to our ability to deliver on product longevity and lifecycle extension. They include supply chain dependencies, regulatory developments and increasing expectations related to product sustainability and transparency.

At the same time, our lifecycle approach supports opportunities related to extended product relevance, stronger client relationships and increased lifetime value through continued product use.

Financial relevance and resilience

Sustainability-related risks and opportunities may influence our financial position, performance and cash flows over time. While no material financial effects have been identified in the short-term, risks related to sourcing, materials and regulation may affect cost structures, supply stability and product requirements.

At the same time, durability and lifecycle extension, including service, repair, refurbishment and resale activities, support continued product relevance and contribute to service-based and recurring revenue over time. These effects are primarily reflected in cost of goods sold, operating expenses and revenue development.

While methodologies for quantifying financial effects continue to be developed, we provide qualitative

information where quantitative data is not yet available, reflecting current data maturity and methodological limitations. Sustainability considerations are integrated into strategic planning and decision-making, supporting the resilience of our business model over the short, medium and long-term.

Double materiality assessment

The following section outlines the process used to identify and prioritise the IROs that inform our sustainability disclosures and strategic focus.

DMA review

During 2025/26, we reviewed our DMA to confirm continued alignment with developments in our business model, value chain and external environment, and identified no material changes to, value chain coverage or



stakeholder groups. The structured process covers identification, validation and prioritisation of IROs across operations and the value chain, supported by internal experts and targeted deep-dives where regulatory, market or business developments indicated potential change. The methodology remains unchanged from prior years and is informed by sustainability due diligence inputs, combining available data, qualitative assessments and management judgement.

Changes and refinements

The 2025/26 review reflects a more focused assessment of our most significant IROs. Pollution is no longer considered a standalone material topic. Instead, pollution-related impacts are reflected within other material IROs, where they are assessed alongside related environmental drivers, including climate change adaptation and energy. Within Consumers and end-users, the material topics have been narrowed to privacy and product safety, while broader social inclusion impacts, including responsible marketing-related risks, were assessed below the materiality threshold.

Resource use and circularity have been further prioritised based on a more granular understanding of impacts, risks and opportunities related to materials, packaging and product lifecycle. Our prioritisation reflects where impacts and risks arise across the value chain: higher upstream exposure driven by external dependencies, and downstream areas where we have greater ability to influence product use, lifetime and end-of-life outcomes.

These insights inform management focus, risk management and due-diligence activities.

Areas of heightened risk

IROs are prioritised using a structured assessment of impact severity (scale, scope and irremediability) and financial risk, based on likelihood and potential financial effect. The assessment is conducted at topic and value-chain level with input from relevant data owners, and each IRO is documented and validated through cross-functional review. The review confirms an increased focus on downstream activities, particularly product use, lifetime extension and end-of-life handling, while social impacts and risks are primarily concentrated in our own workforce and among consumers and end users.

Governance and validation

The review is coordinated by the ESG Controller in collaboration with relevant data owners and is informed by our sustainability due diligence processes. Updates, including scoring and rationale, are documented and validated through established governance and include input from internal experts; no external stakeholder or expert consultations were conducted as part of this review. The outcome is discussed with the Sustainability Committee and the Audit Committee, and finally approved by the Board of Directors. It forms the basis for the year’s sustainability disclosures and ongoing risk management.

Double Materiality Assessment

FINANCIAL MATERIALITY	Financial material Cybercrime and cybersecurity	Double material Climate change adaptation Energy Resources inflows, including resource use
	Not material Pollution Water and marine resources Biodiversity and ecosystems Workers in the value chain Affected communities	Impact material Climate change mitigation Resource inflows Resource outflows Waste Working conditions Equal treatment and opportunities for all Information-related impacts Personal safety Corporate culture Relationships with suppliers
IMPACT MATERIALITY		



Climate change

Climate change impacts, risks and opportunities

Climate change presents material impacts, risks and opportunities (IROs) for us across our operations and value chain. Physical and transition risks, including supply chain disruptions and the pace of global grid decarbonisation, highlight the importance of building resilience and advancing effective climate action. At the same time, we identify strategic opportunities to support long-term value creation. We do this through circular models, such as our Recreated Classics, Reloved and BeoCare, the design of long-lasting, serviceable and upgradeable products, and collaboration with partners to reduce greenhouse gas emissions across the value chain.

During the financial year, we reviewed and refined our climate-related IROs. They reflect developments in the business, our progress against climate targets, and improvements in data availability and methodologies. Key updates include a clearer articulation of supply risks related to the availability of critical materials, which may become increasingly constrained under certain climate transition scenarios. We have also a more detailed assessment associated with grid decarbonisation, including delayed transition risks and increased access to low-carbon electricity.

Based on the identified IROs, we expect that climate-related physical and transition risks may affect the business over the short, medium and long-term. Physical risks may materialise through disruptions to

Climate change	IRO	I, R or O	Description	Location in value chain^^	Time horizon^^
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. Climate change may also disrupt the availability of certain materials used in our products (e.g., textiles), and increased industry-wide demand for low-impact components could affect our ability to procure them.	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
Energy	Use phase emissions	Risk, Potential negative impact	Use-phase emissions represent both a risk and an opportunity: global decarbonisation will reduce associated emissions over time, but slower progress could increase pressure on Bang & Olufsen to act in order to mitigate these impacts.	DS	M, L

suppliers, manufacturing partners and logistics networks. Increased costs or constraints related to critical materials may also materialise. Transition risks may arise from evolving regulation, market expectations and technological developments related to decarbonisation, energy efficiency, product use-phase emissions and circularity. These have potential implications on sourcing, product design and costs.

As data availability, methodologies and governance evolve, we intend to conduct a dedicated climate risk analysis. This will include scenario analysis of material physical and transition risk pathways over short-, medium-

and long-term horizons. This work is expected to support a more structured assessment of potential climate-related risk pathways over time. It will also strengthen our ability to monitor and respond to climate-related developments across the value chain.

Climate transition plan

The Intergovernmental Panel on Climate Change (IPCC) emphasises the need for rapid and sustained greenhouse gas emission reductions to limit global warming to 1.5°C. In line with this scientific consensus, we are committed to reducing our climate footprint. We aim to achieve Net

Zero greenhouse gas emissions across our value chain by 2039/40.

This commitment is aligned with the goals of the Paris Agreement and is operationalised through science-based near-term and long-term targets validated by the Science Based Targets initiative (SBTi). The targets cover both our own operations and our upstream and downstream value chain. It reflects the evidence that deep decarbonisation across all emission scopes is required to mitigate the impacts of climate change.

^ Upstream (US), Own operations (OO), Downstream (DS)
^^ Short (S), Medium (M), Long (L)

Our journey towards Net Zero^{*}

Near-term Targets[^]

To reduce absolute
Scope 1 and 2 emissions by

90%

by 2028/29

To reduce absolute
Scope 3 emissions by

37.8%

by 2029/30

Long-term Targets[^]

To maintain at least

90%

absolute Scope 1 and 2
emissions reductions from
2028/29 through 2039/40

To reach

Net Zero

in 2039/40 across our whole
value chain
(Scope 1, 2, and 3)



[^] Target years are financial years starting on 1 June and ending on 31 May. All targets refer to our baseline year FY2021/22. For more information about our science-based targets, refer to the SBTi dashboard.

Our climate transition approach is structured around a defined set of decarbonisation levers that together form the pathway towards our climate ambition. These levers provide a clear and actionable framework for delivering emissions reductions and mitigating climate-related risks.

Decarbonisation levers

We rely on four decarbonisation levers that guide our decarbonisation programme. These levers are informed by scientific and market research, aligned with our strategy, and designed to directly address our most material GHG emission hotspots. These have been identified through footprint assessments and ongoing engagement with suppliers.

Progress on the decarbonisation roadmap is reported quarterly to the Sustainability Committee. It is composed of the Executive Management Board, and overseen by the Board of Directors. Delivery of actions and emissions performance in own operations and value chain is monitored by the dedicated working groups throughout the financial year.

Product longevity and circular design

Product longevity is a core lever in our climate transition. For nearly a century, we have been guided by a belief in creating products that endure. This reflects our commitment to craftsmanship, quality and timeless design.

From a climate perspective, our long standing focus on product longevity aligns with scientific consensus and our

lifecycle assessments. These show that extending product lifetimes reduces the environmental impact of consumer electronics. Extending product use phases reduces or avoids impacts from materials, manufacturing, logistics and end-of-life treatment. Durable, modular design and lifecycle services keep products in use across owners and contexts. This makes longevity a structurally effective pathway for reducing value chain emissions and supporting our long-term Net Zero ambition.

Low-impact materials

A significant share of product related greenhouse gas emissions arises from the extraction and processing of raw materials. This makes material efficiency and material choice critical to lowering value chain emissions.

We aim to reduce embodied carbon by optimising material use and increasing the share of recycled and low carbon materials. We do this while carefully balancing material efficiency with product performance and the luxury experience expected by clients.

Renewable energy and electrification

Renewable energy and electrification underpin our efforts to structurally reduce emissions by phasing out fossil fuel dependency across our operations and value chain. This lever targets both direct and indirect energy usage (such as manufacturing by suppliers) and emissions resulting from the electricity consumed throughout the lifetime of our products.

By enabling increased access to renewable electricity and supporting the electrification of processes where technologically and economically feasible, we reduce exposure to fossil fuel related transition risks. This also allows us to position ourselves to benefit from ongoing grid decarbonisation. Over time, continued decarbonisation of electricity systems globally is expected to further amplify our emissions reduction potential.

Energy efficiency

We work to reduce greenhouse gas emissions by improving efficiency across our value chain. This includes lowering energy consumption during product use and optimising product distribution. Key actions include developing energy-efficient product use modes, continuously improving logistics planning and transport efficiency, and transitioning transport modes and fuels.

Current greenhouse gas accounting methodologies typically attribute use-phase emissions on an annual basis. As a result, long-lived products may appear more emissions-intensive over time. However, they can deliver lower total emissions when assessed over their full lifetime. We are closely following the ongoing review of the GHG Protocol Corporate Standards, which should better reflect and incentivise the manufacturing of long-lasting products.

The data marked with an ^{*} has received limited assurance in 2025/26.

Climate actions

We have identified and implemented initiatives across each of our decarbonisation levers to reduce greenhouse gas emissions. These initiatives are described in more detail in the Climate Actions table.

During the financial year, we further embedded sustainability into our financing by linking our Nordea revolving credit facility (RCF) to performance on product circularity and climate impact. This builds on our first sustainability-linked RCF established in 2022. The facility strengthens accountability by tying financing terms to progress on circular design, material health, durability and decarbonisation across our operations and value chain.

We aim to further develop our decarbonisation approach by establishing a fully costed and quantified Climate Transition Plan by the end of the next financial year. We expect it to have a clear organisational anchoring and a pathway to achieving our climate targets. This work will assess emissions reduction potential, investments and financial implications across levers. It will also identify new opportunities and align investment decisions, including sustainability-linked financing.

Stakeholder and sustainability policy

Our climate change mitigation and adaptation approach is embedded in our Stakeholder and Sustainability Policy. It describes how we manage our material sustainability matters. As part of our regular policy review and governance processes, the policy has been updated during this financial year. It now includes a dedicated

Decarbonisation lever	Description	Supporting targets	Actions taken during the financial year	Actions planned for the future
Product Longevity and Circular Design 	Designing products for long-term use and continued relevance, enabling repair, upgrade and refurbishment over time.	- All products^ beginning development from 2022/23 onwards are to be Cradle to Cradle certified® <i>^Excludes collaborations and partner products, accessories, Atelier products, products already in the company's product roadmap and taking into account the constraints of current technological developments.</i>	- Launched Reloved, Bang & Olufsen's certified refurbishment and resale platform, extending product lifetimes and reducing demand for virgin materials. - Achieved Cradle to Cradle Certified® certification for Beosound Premiere, reflecting circular design, material health and longevity considerations in new product development	Continue to apply the Cradle to Cradle Certified® framework as the foundation for integrating circular design principles into product development.
Low-impact materials 	Optimising material use and increasing the share of recycled and lower-carbon materials	At least 50% of aluminium procured by 2030 will be secondary aluminium and additional 10% will be procured with low-carbon technologies by 2030	- Integrated recycled materials into Beosound Premiere, including ~61% recycled plastics, reducing reliance on primary materials with higher embodied emissions. - Continued engagement in the First Movers Coalition Aluminium working group to support the scale-up of low-carbon and secondary aluminium. - Introduced circular sourced neodymium magnets in selected speaker driver units and spare parts, addressing a key material emissions hotspot	- Define targets for introducing higher shares of low-carbon materials - Introduce decarbonisation criteria into early stages of product development - Introduce Product Carbon Footprint requirements for key suppliers to enable targeted Scope 3 emissions reductions
Renewable energy and electrification 	Phasing out fossil fuels through electrification and enabling increased access to renewable electricity across the value chain	- Fully electric employee-fleet by 2026/27 - Fully electric service-fleet by 2028/29 - Continuous sourcing of 100% renewable electricity to cover Bang & Olufsen's operational electricity consumption	- Embedded decarbonisation performance scoring into Quarterly Business Reviews for suppliers representing 85% of direct spend and 40% of baseline emissions. - Set expectations for increased renewable electricity sourcing among Tier 1 suppliers. - Assessed energy use and electricity sourcing across more than 300 monobrand stores to support the introduction of renewable electricity contractual requirements. - Sourced 100% certified renewable electricity for Bang & Olufsen's own operations - More than 70% of our global vehicle fleet is now fully electrified	- Increase renewable electricity consumption in Tier 1 suppliers manufacturing - Set up renewable electricity sourcing requirements for our retail network - Continue the electrification of our fleet
Energy efficiency 	Improving efficiency across the value chain, including during product use and operations, and optimising product distribution through improved logistics efficiency and transport mode shifts where feasible.	Although no specific energy efficiency targets are currently in place, energy efficiency remains an ongoing focus to support reduced fossil fuel dependency and progress towards our science-based targets.	- Introduced intelligent battery charging management in partnership with Breathe Battery Technologies, improving energy efficiency during product use and extending battery lifespan. - Reduced air freight emissions by 58% and overall logistics emissions intensity by 34% through logistics optimisation, including a shift from air to road and sea transport.	Develop a pipeline of energy-efficiency initiatives across the product portfolio, working with functional experts to identify and priorities opportunities to reduce energy consumption during product use

section on climate change. It outlines our commitment to reducing our climate footprint across our value chain. This is in line with climate science and our validated science-based targets.

The general objective of the policy is to address our material sustainability matters, including climate change, by conducting business in a responsible and transparent manner. It is anchored in internationally recognised principles for environmental and climate impact. In relation to climate change, the policy supports in the reduction of greenhouse gas emissions across the value chain in line with the Paris Agreement. It addresses our material climate-related impacts associated with products, energy use and value chain activities. It also considers climate related physical and transition risks and opportunities (including regulatory developments, market expectations, technological change and the long-term resilience of the business).

The policy applies to all our corporate entities and all our employees globally, and is relevant to key stakeholder groups across the value chain. These include clients and end users, employees, retail partners, investors, and communities affected by our activities. Through our Supplier Code of Conduct, we also set expectations for suppliers to address climate change and align their practices with ours.

Ultimate accountability for the implementation of the policies rests with our Chief Financial Officer (member of

the Executive Management Board and who reports to our Chief Executive Officer). Operational execution and oversight are delegated to our Director of Corporate Responsibility and the Sustainability Committee. The policy refers to and is aligned with recognised third-party initiatives, including the UN Global Compact and the Science Based Targets initiative. These guide our approach to responsible business conduct and science-based climate action.

Climate targets

Our overarching ambition is to reach Net Zero emissions by 2040, and it is supported by our near-term science-based targets. Our climate reduction targets were developed in alignment with the 1.5°C temperature limit pathway of the Paris Agreement. It has been validated by the Science Based Targets initiative in accordance with the SBTi Corporate Net Zero Standard. The targets were modelled using the SBTi cross-sector absolute contraction approach.

Our GHG emission reduction targets are defined as gross targets and do not include GHG removals, carbon credits or avoided emissions. The targets cover Scope 1, Scope 2 and relevant Scope 3 emissions in line with the GHG Protocol and SBTi requirements. Scope 2 GHG emissions are calculated using the market based method, applied consistently for target setting and progress tracking.

As part of the target-modelling process, future developments were assessed using IEA decarbonisation

scenarios (STEPS, APS and NZE). This was used to evaluate the impact of system-level changes, particularly grid decarbonisation, on emissions from the use of sold products. The IEA scenario analysis indicates that continued grid decarbonisation has the potential to materially reduce our GHG emissions from the use of sold products (Scope 3, Category 11) over time. Under the most conservative scenario (STEPS), emissions are expected to decrease by 2030 compared to the 2021/22 baseline, with further reductions anticipated towards 2040 as electricity systems continue to transition.

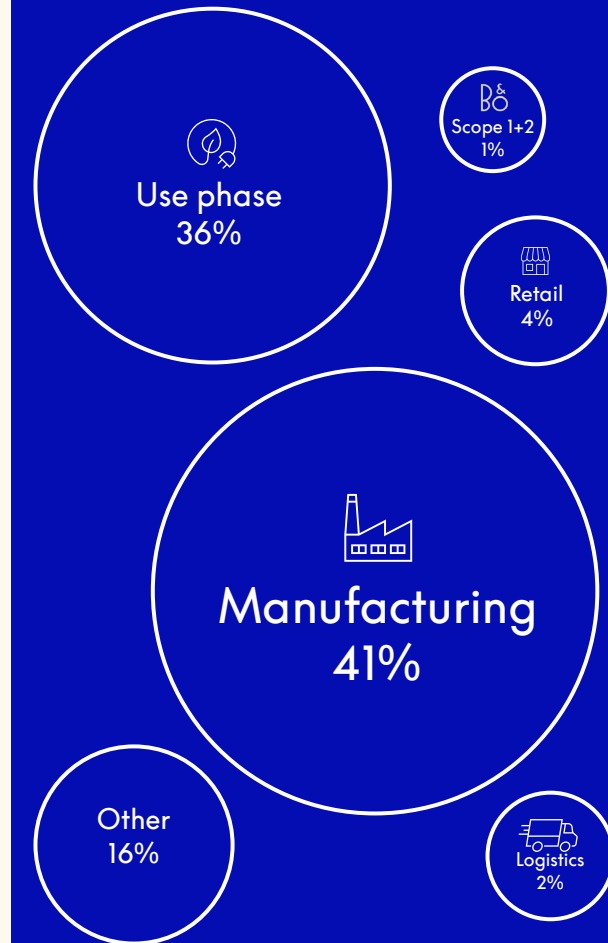
Given long-term uncertainty, future business, regulatory and technology developments were assessed conservatively. No changes in sales volumes or demand were assumed.

Decarbonisation performance Scope 1 and 2

In 2025/26, we continued to decarbonise our operations through electrification and renewable electricity sourcing. However, total reported Scope 1 and 2 emissions increased year-on-year due to changes in external energy supply factors.

Total energy consumption increased by 7% compared to the previous year. This increase was primarily driven by higher electricity consumption, reflecting increased production volumes at our manufacturing site in Struer, Denmark. In parallel, the ongoing electrification of our vehicle fleet is expected to gradually reduce fossil fuel

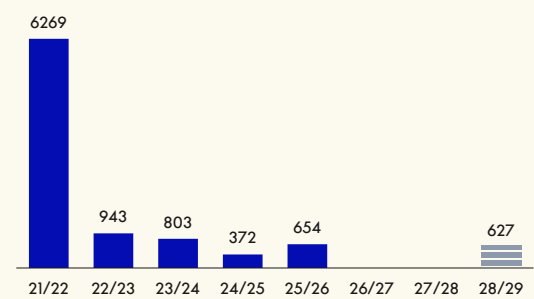
Where our emissions came from FY2025-26



The data marked with an * has received limited assurance in 2025/26.

consumption while increasing overall electricity demand, as combustion vehicles are replaced by electric alternatives.

Scope 1 and 2 emissions trajectory (tCO₂e)



During the year, we accelerated fleet electrification, reaching 81% electric vehicles in the employee fleet and 64% in the service fleet. As a result, fuel consumption has decreased by 45% compared to the 2021/22 baseline, corresponding to a reduction of 83 tCO₂e. This reflects the structural impact of fleet electrification on reducing direct fossil fuel use. However, maintenance of the electric boiler outweighed these positive effects, resulting in a 4% year-on-year increase in total Scope 1 emissions due to higher natural gas consumption.

The data marked with an * has received limited assurance in 2025/26.

Retail development remains a core element of our strategy, and we plan to continue increasing our corporate-owned stores footprint. To support this growth responsibly, we have extended our energy guidelines to cover all new corporate-owned stores. This ensures 100% renewable electricity is always sourced. In addition, we are developing energy-related criteria for location selection. We expect these to become fully operational in the next financial year.

For Scope 2 emissions accounting (market-based), we use contractual instruments (renewable electricity certificates) to substantiate renewable electricity claims. These certificates are unbundled from physical electricity purchases and are used to track the origin of electricity. Our approach follows the GHG Protocol Scope 2 Guidance’ Quality criteria. Our sourcing requirements aim to ensure that we only buy certificates that come from wind and/or solar power plants located in the same grid area as the point of consumption, and as close in time as possible. We annually review different types of contractual agreements to strengthen the additionality of our purchases. However, no economically and technically feasible alternative has been found at the moment.

While progress was made on renewable electricity sourcing and fleet decarbonisation, total Scope 1 and 2 emissions increased by 76% this year. This increase was driven by a significant change in the fuel mix of our district heating supplier, which relied more heavily on waste-based feedstock than in the prior year. As a result,

emissions from heating increased by a factor of 2.6 year-on-year, despite actual heat consumption being 2% lower.

Overall, Scope 1 and 2 emissions have been reduced by 90% compared to the 2021/22 baseline and continue to follow a downward trajectory. Emissions remain below our

Energy consumption		
Energy consumption and mix (MWh)	Comparative (2021/22)	2025/26*
Total energy consumption from fossil sources	16,553^	6,397
Total energy consumption from nuclear sources	1,380^	-
Total energy consumption from renewable sources	2,931^	11,439
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	2,100	384
Fuel consumption from natural gas	3,235	497
Fuel consumption from other fossil sources	-	-
Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	11,218^	5,515

^Figures have been restated following a methodology update implemented in 2025/26. The change is primarily driven by improved data quality and availability. Previously reported baseline figures from our 2024/25 Sustainability Statement: Fossil sources: 9,636; Nuclear: 0; Renewable: 2,483; Purchased or acquired electricity, heat, steam, or cooling from fossil sources: 4,300.

2028/29 near-term science-based target, demonstrating sustained progress despite year-to-year volatility driven by external energy factors.

Scope 3

Value chain emissions account for more than 99% of our total greenhouse gas footprint. In 2025/26, Scope 3 emissions decreased by 9% compared to the previous year and have been reduced by approximately 50% compared to the 2021/22 baseline. This is primarily driven by lower sales volumes, highlighting the strong coupling between sold units and absolute emissions. The reduction is further supported by decreases in emissions intensity per product and the optimisation of logistics and distribution channels. The ongoing decarbonisation of electricity grids further reduces emissions from the use phase of sold products.

Reducing this dependency between volumes and emissions is therefore a central focus for us. A key lever is product design and material selection. Recycled and low-carbon materials are increasingly integrated into new products. Our Cradle-to-Cradle certified products now achieve an average recycled content of 37% plastic and 42% aluminium. These design choices directly lower product-level emissions and support future growth with a lower carbon footprint. During 2025/26, this focus was extended beyond mechanical components to critical materials such as neodymium, resulting in the first-time use of recycled neodymium in our speakers. Going forward,

further reductions will also focus on electronic components, which define most of our product footprint.

This design approach is complemented by circular business models that extend product lifetimes. The launch of the Reloved programme establishes a market for certified refurbished Bang & Olufsen products, giving products a second life while reducing portfolio emissions intensity and reinforcing the brand's position.

In parallel, we are strengthening collaboration across our value chain to address emissions beyond direct product design. During 2025/26 representing 85% of direct spend and 40% of baseline value chain emissions were systematically assessed. Decarbonisation performance is now embedded as a formal criterion in our supplier engagement and commercial decision-making processes.

Additionally, all current Original Design Manufacturers (ODMs) have been formally engaged on the importance of increasing low-emissions electricity sourcing.* Currently, around 36% of ODMs' manufacturing electricity consumption is sourced from low-emissions sources on average. During 2025/26, we required each ODM to develop a renewable electricity strategy, including near-term targets to increase renewable electricity consumption over the next three years. This engagement aims to reduce manufacturing-related emissions and, over time, lower the carbon footprint of our products.

*The data marked with an * has received limited assurance in 2025/26.*

Within our downstream value chain, our retail development strategy is also set to impact on our Scope 3 footprint. To better measure, control, and mitigate these impacts, we rolled out an Energy and Emissions Survey during 2025/26 covering more than 300 monobrand stores globally.* The results enabled us to establish a more robust and transparent understanding of the electricity footprint of our retail network. It also allowed us to identify the current penetration and remaining potential for renewable electricity sourcing across geographies. Based on these insights, we are strengthening our approach to retail decarbonisation. From the next financial year, we will phase-in contract requirements to source 100% renewable electricity, where market conditions allow.

Looking ahead, our focus remains on strengthening decarbonisation governance, further embedding eco-design principles into product development, and deepening collaboration with key suppliers to lower our products' footprint.



Accounting policies

Energy consumption and GHG emissions – We consume energy from vehicle fuel, natural gas, electricity, and district heating for the operation of our 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.

	2021/22	2023/24	2024/25	2025/26*	variation from baseline
Disaggregated GHG emissions (tCO₂e)					
Scope 1 GHG emissions	1,212	292	190	197	-83.7%
Scope 2 GHG emissions (location-based)	1916 ^A	1,579	1,026 ^A	1,280	-33.0%
Scope 2 GHG emissions (market-based)	5,057	510	183	457	-91.0%
Total gross Scope 3 GHG emissions	198,090 ^A	130,340	108,163 ^A	98,626	-50.1%
Purchased goods and services	99,867 ^A	67,403	54,684 ^A	49,416	-50.5%
Capital goods	3,608 ^A	2,290	1,639 ^A	2,479	-31.3%
Fuel and energy-related activities	2,257 ^A	1,497	1,298 ^A	1,149	-49.1%
Upstream transportation and distribution	11,164	2,291	4,662 ^A	2,317	-79.2%
Waste generated in operations	113	135	113 ^A	150	32.7%
Business travel	1,297 ^A	1,208	1,314 ^A	1,574	21.4%
Employee commuting	1,002	886	922 ^A	994	-0.8%
Upstream leased assets	67 ^A	51	62 ^A	48	-28.4%
Downstream transportation and distribution	7,035 ^A	5,033	4,694 ^A	4,147	-41.1%
Processing of sold products	112 ^A	137	72 ^A	54	-51.8%
Use of sold products	70,578 ^A	48,560	37,972 ^A	35,706	-49.4%
End-of-life treatment of sold products	990 ^A	849	731 ^A	592	-40.2%
Downstream leased assets	-	-	-	-	-
Franchises	-	-	-	-	-
Investments	-	-	-	-	-

^AFigures have been restated following a methodology update implemented in 2025/26. The change is primarily driven by updates to the Scope 3 methodology, with additional refinements to modelling assumptions and minor corrections. Previously reported baseline figures from our 2024/25 Sustainability Statement: Scope 2 GHG emissions (location-based): 1,868; Scope 3 total: 188,416; Purchased goods and services: 91,512; Capital goods: 6,181; Fuel and energy-related activities: 2,268; Business travel: 1,182; Upstream leased assets: 93; Downstream transportation and distribution: 7,772; Processing of sold products: 101; Use of sold products: 66,078; End-of-life treatment of sold products: 951. Previously reported 2024/25 figures: Scope 2 GHG emissions (location-based): 1,159; Scope 3 GHG emissions as a total: 115,191.

Energy consumption – Energy consumption data is primarily based on primary activity data, covering approximately 90% of total energy consumption. This includes supplier invoices and metered data for electricity, district heating and natural gas, as well as actual fuel consumption for company-owned and leased vehicles where available. When primary data is not available, energy consumption is estimated using the best available proxies, such as kilometres driven, vehicle efficiency assumptions or spend data, applying recognised conversion factors. All fuel volumes are converted to energy using net calorific values to ensure consistency over time. Energy consumption is allocated by energy source based on supplier specific information where available, and otherwise using recognised residual mixes for the relevant markets. Renewable energy consumption is substantiated through the use of unbundled renewable energy certificates, which are applied in line with market-based accounting rules.

Scope 1 and 2 emissions – Scope 1 and 2 greenhouse gas emissions are calculated by applying appropriate and regularly updated emission factors to the underlying energy activity data. Emission factors are sourced from energy suppliers where available, and otherwise from recognised databases such as ecoinvent and DEFRA. Scope 2 emissions are reported using a market-based approach, applying a zero-emission factor to the portion of electricity covered by renewable energy certificates. Scope 1 and 2 emissions exclude biogenic CO₂ where emission factors allow for a reliable separation, and fugitive emissions from refrigerant gases are excluded due to their low materiality; greenhouse gas removals are not reflected in Scope 1 and 2 emissions.

Scope 3 emissions – 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
Emissions from product manufacturing are calculated on a cradle to gate basis using representative product carbon footprints derived from LCAs, including specific treatment of refurbished products. Emissions from services and other non-product-related purchases are estimated using spend based methods.

• **Category 2:** Capital goods
Emissions related to capital expenditure are calculated using spend based EEIO emission factors, adjusted to reflect inflation and changes in GDP CO₂ intensity.

• **Category 3:** Fuel and energy-related activities
Emissions from upstream fuel and energy production and distribution corresponding to Bang & Olufsen’s Scope 1 and Scope 2 energy consumption

• **Category 4 :** Upstream transportation and distribution
Emissions are calculated on a well to wheel basis for company paid transportation, prioritising supplier reported data and otherwise using activity based estimates, in alignment with the GHG Protocol, ISO 14083 and the GLEC Framework.

• **Category 5: Waste:** Waste emissions are calculated using site specific waste data where available and employee-based estimates (average waste generation factors and where available, waste treatment factors by waste type and disposal route) otherwise, applying waste stream specific emission factors.

• **Category 6:** Business travel
This category includes emissions from business travel activities, including air travel and rental cars. Emissions are calculated using supplier-provided emissions data where available and supplemented by spend-based estimates where primary activity data is not available.

• **Category 7:** Employee commuting
Emissions from employees commuting between their reported home addresses and their regular workplace. 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.

• **Category 9:** Downstream transportation and distribution
Emissions are accounted for from downstream transportation, retail and warehousing activities. Emissions from retail and warehousing activities are estimated based on energy consumption, using reported or modelled energy intensity per square metre and applying appropriate country- and fuel-specific emission factors. Transportation not paid for by Bang & Olufsen is also accounted for in this category, following the same accounting policies and methodology as applied in Category 4.

• **Category 10:** Processing of sold products
This category includes emissions from further processing of products sold to third parties. Emissions are calculated using supplier provided, unit based energy consumption data allocated to Bang & Olufsen products

• **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

Bang & Olufsen accounts for emissions from the end of life treatment of products and packaging for units sold and discontinued during the reporting year. Emissions are calculated by applying waste stream specific emission factors to estimated material weights for packaging and electronic components.

• **Categories 13:** (Downstream leased assets), 14 (Franchises), and 15 (Investments) were excluded as they do not apply to our business.

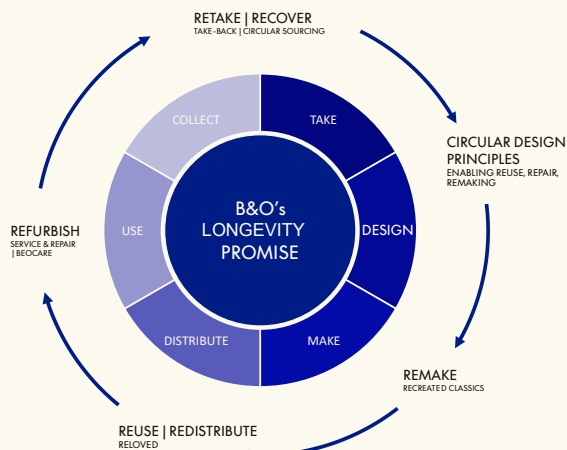
Emissions Restatement – We periodically review and analyse previously reported greenhouse gas emissions to assess whether restatements are required, in line with the GHG Protocol and the Science-Based Targets initiative. A restatement is applied when the cumulative absolute impact of methodological improvements, data updates, emission factor changes, error corrections or boundary clarifications exceeds 5% relative to our emissions baseline. In FY 2025/26, this threshold was exceeded (cumulative baseline impact of ~5.9%), and the FY 2021/22 baseline restated, with subsequent years updated to maintain comparability. The restatement was driven primarily by an update to the sales data methodology used as a key activity driver for Scope 3 (notably Categories 1, 11 and 12), supplemented by improvements to retail energy modelling (including refined store electricity estimates and first-time estimation of store heating) and an updated methodology for refurbished products; additional minor corrections and boundary clarifications were also implemented.

Resource use and circular economy

Circular economy impacts, risks and opportunities

Guided by our heritage and circular design principles, inspired by Cradle to Cradle thinking, we focus on creating products built to last, with modularity, reparability and repeated use enabled by design.

The circular system below shows how our longevity promise is applied across the product lifecycle, guiding our transition towards a more circular business model. Based on our DMA review, our updated IROs provide a more granular, value-chain-specific assessment, with a stronger focus on access to strategic materials and a clearer distinction between actual and potential risks. The review also identifies additional circular opportunities across sourcing, product design, and packaging.



Resource use and circular economy	IRO	I, R or O	Description	Location in value chain [^]	Time horizon ^{^^}
Resources inflows	Access to critical materials	Risk, Potential negative impact	Reliance on aluminium, electronic components (PCB's), rare earth metals for magnets in speaker drivers, and materials for lithium-ion batteries, create risks related to availability, cost volatility, environmental impact, and supply security.	US	S, M
Resources inflows	Packaging materials	Risk, Potential negative impact	The use of complex, virgin, and/or non-recyclable materials in packaging could, in combination, lead to yield loss in the recycling process. This creates risks of waste, higher costs, and misalignment with circularity expectations.	US, DS	L
Resources inflows	Circular sourcing of key materials	Opportunity, Positive impact	Circular sourcing across the value chain offers a clear opportunity to increase circularity performance, enhance brand trust, and reduce long-term dependency towards scarce resources. As we increase utilization of cycled materials in our products, we strengthen our market position, meet growing sustainability demands, and unlock financial benefits through improved resilience and client loyalty.	US, OO	S, M
Resource outflows related to products and services	Design for product longevity and circularity	Opportunity, Positive impact	B&O has a strong foundation in designing long-lasting and timeless technology products that remain in use beyond their initial lifecycle. This positions the company as a potential front-runner in product longevity and circularity within the audio and vision segment. Initiatives that support design for longevity and circularity, including solutions that enable product reuse and remanufacturing - such as the Reloved and Recreated Classics programs - are expected to contribute to reduced material consumption and lower generation of electronic waste.	OO	M
Resource outflows related to products and services	Repairability and product limitations	Risk, Actual negative impact	Certain product categories remain difficult or not technically feasible to service and repair due to extreme compactness, construction complexity, and the implications of product miniaturisation. These factors may limit product lifespan and pose challenges to the achievement of circularity ambitions.	OO	S
Waste	Value chain waste	Risk, Actual negative impact	Production generates significant aluminium scrap and packaging waste. Current focus is mainly on our own operations at Factory 5, with less visibility into other sites and ODM partners.	US, OO	S, M, L
Waste	Post-consumer e-waste and packaging	Risk, Actual negative impact	End-of-life handling of products and packaging, especially batteries and electronics, is inconsistent across markets. Limited data knowledge and control over consumer household waste including e-waste and packaging waste creates regulatory and sustainability risks.	DS	S, M, L
Waste	Circular packaging solutions	Opportunity	Transition to renewable, recyclable, or reduced packaging unlocks opportunities for cost savings, compliance, brand leadership, and closing material loops.	OO	S, M, L
Waste	Extended product lifespan	Actual positive impact	By providing product care and service support that exceeds standard market practice, we extend product lifetimes, reducing resource consumption linked to pre-mature replacements and e-waste. This contributes to a positive environmental impact by promoting more circular product use.	DS	L

[^] Upstream (US), Own operations (OO), Downstream (DS)

^{^^} Short (S), Medium (M), Long (L)

Circular economy policies

Our Stakeholder and Sustainability Policy address IROs for circular economy and resource use related to our operations, value chain and specific stakeholder groups.

In 2025/26 we continued to apply the Cradle to Cradle Certified® framework to integrate circular design principles into our new product development. This ensures that chemical transparency, material health & safety, circular sourcing, product longevity & circularity are embedded in our products by design, enabling future active cycling of products and resources, through service, upgrade, repair, refurbishment, and recycling.

In practice, we apply modular design principles where possible to support repair, upgrade, customisation and improve ease of disassembly. In combination with selection of high quality and pure materials to support product durability, modularity supports a higher yield and quality in relation to end-of-life separation and processing, allowing materials to be recovered and recirculated efficiently. To further support closed material loops, we also prioritise responsibly sourced renewable materials and technically recirculated material inputs wherever feasible. Through this structured framework, we continue to strengthen resource efficiency and advance our circularity ambitions across our portfolio.

Circular economy actions and targets

Reloved programme

In October 2025, we advanced our circularity agenda with the launch of the Bang & Olufsen Reloved programme, a certified pre-owned initiative designed to extend product lifetimes and embed circularity into the client experience and business model. Pre-owned products are taken back, inspected, refurbished and certified by authorised technicians in Struer, Denmark to ensure they meet defined performance and quality standards before entering a second use phase. Refurbished products are sold via our e-commerce platform with official certification and a warranty of up to three years.

The programme launched in selected ecom European markets with monthly curated releases across different use cases and price points, with eight collections released during the reporting period. Reloved supports our commitment to longevity, value retention and circular resource use, demonstrating how high-quality legacy products can remain in active use while maintaining performance, brand integrity and relevance.

In 2026/27, we expect to expand Reloved by enabling European monobrand and company-owned stores to inspect and resell Reloved certified products with full warranty coverage.

Recreated Classics

During the reporting year, we continued the Recreated Classics programme as a complement to Reloved within the second-life domain, together demonstrating product longevity beyond first use. While Reloved focuses on broader accessibility, Recreated Classics offers remanufactured products characterised by handcrafted restoration, high scarcity and preservation of original design and performance. Products are restored to near-new function and appearance while retaining their historical significance and are delivered with a five-year warranty.

During 2025/26, limited editions of the Beogram 4000c recreated turntable and the Beosystem 9000c recreated CD music system were remanufactured and delivered on a made-to-order basis.

Cradle to Cradle Certified®

During the reporting period, we completed one new Cradle to Cradle Certified® Full Scope certification at Bronze level with the launch of Beosound Premiere, bringing the total portfolio to nine certified products across multiple categories.

The following products have achieved Cradle to Cradle Certified® Full Scope Bronze (v.4.0 / v.4.1) status: Beosound Level, Beolab 8, Beosound A5, Beosound Theatre, Beosound A1 (3rd Generation), Beosound Emerge, Beoplay H100, Beoconnect Core, and Beosound Premiere.

By aligning product development with the Cradle to Cradle Certified® framework, we embed robust, third-party-audited circular design principles from early development stages, covering material health, reparability, refurbishment and end-of-life processing. Together with Reloved and Recreated Classics, the framework demonstrates how design for longevity can extend beyond first use, supporting circular value creation, premium quality and performance, and our Net Zero ambition.

Lifecycle extension and recycling

During the reporting period, we advanced lifecycle extension through both repair and recycling initiatives. We launched a pilot project in selected mono brand retail stores across Europe to expand out of warranty repair services to additional product categories, developing and testing repair solutions for two wearable and portable speaker products. To support consistent in-store execution, we introduced a Repair Instruction Handbook for retail partners, which is currently being tested and will inform potential scaling of the service.

In parallel, we continued our participation in REECirkEL, a two-year innovation project running until February 2027 focused on improving the recycling of household electronic waste. The project aims to develop scalable solutions for recovering rare earth elements, particularly NdFeB magnets, from post-consumer waste. During the period, we contributed to design for recyclability studies for wearable devices and participated in pilot scale

recycling trials, and we will continue our involvement in the next reporting year.

First-Movers Coalition Aluminium working group

We progressed our commitment under the First Movers Coalition (FMC) Aluminium Working Group, a World Economic Forum initiative focused on accelerating decarbonisation through early demand for low-carbon and recycled aluminium. As part of this effort, we increased the integration of technically recirculated aluminium across our product portfolio.

Extending product lifespan

We advanced product lifespan initiatives spanning both design and post-sale interventions. We partnered with Breathe Battery Technologies to integrate adaptive charging software as the default solution for the Beo Grace earphone, dynamically adjusting charging based on real-time battery condition. As a result of this implementation, Beo Grace equipped with Breathe Charge achieves an improved balance between charging performance, battery longevity, and consistent daily use.

In parallel, we implemented initiatives to extend the life of products already in use. Two new repair modules were developed and introduced for legacy Beolab stereo speakers (Beolab 5 and Beolab 4000), enabling continued servicing of key components. Additional actions included trade-in campaigns and spare-parts harvesting systems to support reparability, reuse of functional components, and

reduced premature replacement, in line with our longevity, circularity and Net Zero objectives.

By end of 2026/27, we will ensure user-replaceable batteries are offered as spare parts via our e-commerce platform, enabling low-complexity maintenance, longer product lifetimes, and compliance with EU Right to Repair and emerging Ecodesign requirements. We will expand out-of-warranty repair solutions to at least five additional wearable and portable speaker products.

Packaging and product launches

During the reporting period, two new packaging designs were introduced alongside product launches in the earphone and soundbar categories, with improvements in material selection, recyclability and material efficiency compared to legacy formats (Beoplay EX and Beosound Stage). The updated packaging concept was subsequently applied to Beosound Premiere and Beo Grace, incorporating a higher share of responsibly sourced paper, increased recycled content and reduced plastic components.

As a result, five core products are now distributed using these updated packaging concepts. In addition, we completed a mapping of responsibly sourced renewable and technically recirculated paper materials across all nine Cradle to Cradle Certified® Full Scope Bronze products (see table representing C2C Certified® product during 2025/26). Together, these initiatives represent tangible progress in reducing virgin material use, plastic

content and material complexity, while supporting easier waste sorting and improved end-of-life handling.

Product Name	Recycled Content (%)	FSC-Certified Content (%) (may include recycled)	Materials used (representing ≥95% of total packaging^ (may include recycled weight)
Beosound Premiere	58%	81%	Paper

^ All packaging data presented in the table above has been verified using Cradle to Cradle documentation and supporting certification materials. Percentages for recycled and Forest Stewardship Council® (FSC) certified content may overlap, as some FSC certified fibres are also recycled; accordingly, these values should not be aggregated.

Key targets include prioritising paper-based solutions, increasing responsibly sourced and recycled materials, and ensuring that FSC-certified paper represents a minimum of 20% of total packaging weight in all primary product packaging launching from 2027/28.

Circular Sourcing of Key and Critical Raw Materials

Key material groups relevant to our products have been identified for the reporting period. These key and critical raw materials represent both supply and recyclability risks, as well as opportunities to strengthen supply resilience, reduce environmental impact and support circularity objectives. The accompanying table shows estimated material shares placed on the market in 2025/26, based on currently available data for Cradle to Cradle Certified® Full Scope Bronze products only.

Key materials*	Total weight (%)	Total weight of products sold (kg)
Plastic (hard)	31.4%	77,224
Metal (steel)	22.2%	56,917
Metal (aluminium)	14.6%	39,089
PCB/PCBA	9.2%	26,941
Speaker driver magnets	9.1%	24,943
Battery pack	3.4%	10,919
Plastic (soft)	3.4%	12,380
Metal (other)	2.4%	5,945
Wood/timber	1.4%	3,830
Leather	0.0%	510
Total weight of key materials	100.0%	265,690
Other materials (below threshold)	2.9%	6,991

During the reporting period, progress was made in circular sourcing, with the number of products incorporating technically recirculated aluminium and/or plastics increasing from seven to eight.

Cycled content of key materials*	Recycled material share (%) of products sold
Plastic (hard)	37%
Metal (aluminium)	32%
Metal (steel)	0%

The data marked with an * has received limited assurance in 2025/26.

During 2025/26, we focused on increasing the use of circular sourced rare earth minerals in speaker driver units in alignment with strategic suppliers, reducing our reliance on virgin critical raw materials. As a result, circular sourced Neodymium (NdFeB) was implemented for the first time in one active product in a speaker driver magnet.*

Durability and repairability

We design our products with a strong focus on longevity and repairability. Across the product portfolio, we apply a structured approach to assess durability, serviceability and recyclability, which are continuously reviewed and strengthened.

We define designed lifetimes for each product category based on intended use, supported by reliability modelling and physical testing, including accelerated ageing, mechanical fatigue, UV and climate testing.

Repairability is assessed for selected products using an internal repairability index covering disassembly, repair information, spare parts availability and software support. The results inform product design improvements, with coverage expected to expand over time.

Recyclability of our products

The designed recyclability of selected products is assessed using Waste Electrical and Electronic Equipment (WEEE) based reporting. These assessments estimate the proportion of product materials that are designed to be

The data marked with an * has received limited assurance in 2025/26.

recyclable at end of life under current, commonly available recycling technologies.

Designed recyclability of packaging is not yet evaluated through a dedicated quantitative assessment framework. However, packaging development is guided by design principles that prioritise the use of mono material solutions and avoid combined or complex material mixes, in order to improve compatibility with established recycling systems and infrastructure.

Designed recyclability rates for Cradle to Cradle Certified® products*	Reuse/ Recycling (%)
On the Go	
Beoplay H100 (incl. leather pouch)	82%
Beosound AI 3rd Gen	87%
Flexible Living	
Beosound Emerge	86%
Beosound A5	84 – 88%
Beosound Level	85%
Staged	
Beolab 8	91%
Beosound Theatre	90%
Beosound Premiere	88%
Enablers	
Beoconnect Core	92%

Re-use / Recycling (%) indicates the share of materials intended to be recyclable using current, widely available recycling

technologies. It does not reflect actual recycling rates or real-world recycling outcomes. Where a range is shown, this represents variation between product versions with minor differences in designed recyclability rate.



Accounting policies

Circular Sourcing - Circular sourcing refers to increasing the amounts of cycled and/or responsibly sourced renewable content in products to support circularity and reduce reliance on virgin resources.

Critical Raw Materials – Materials that have high economic importance and are subject to supply risk, due to factors such as geographic concentration, economic or geopolitical limitations, low end-of-life recycling input rates or difficulties in substitution.

Cycled content – Material or parts that have been reclaimed, recycled, salvaged, or otherwise captured from a pre-consumer or post-use phase of a previous cycle.

Calculation: The recycled material share is calculated by first determining the total amount of recycled material placed on the market for each material group and then dividing this by the total weight of that same material group. The result is expressed as a percentage.

Designed Recyclability Rate – The share of the resource outflow that is designed and manufactured in such a way that it can be processed into recycled material. It is a reporting indicator on how the product and used materials can be recycled by an existing recycling scheme and that ‘use phase’ does not significantly change the recyclability.

Calculation: The re-use/recycling percentage is sourced directly from the Waste Electrical and Electronic Equipment (WEEE) report prepared by SGS. Within the WEEE assessment, products are evaluated at part, component, and material level in accordance with applicable WEEE requirements to determine the share of materials that are prepared for re-use or sent for recycling. Based on this standardized evaluation methodology, SGS derives the re-use/recycling rate as the percentage of the total product weight that is attributed to re-use and recycling.

Durability – The ability of a product, component or material to remain functional and relevant under specified conditions of use, maintenance and repair, until the technical end of life.

Key Materials – Those that are typically produced through processes involving high water consumption and/or high pollutant intensity. Key materials in this report include those ≥ 5% by weight or cost, and all critical materials regardless of concentration (applied only to Cradle to Cradle Certified® products).

Reporting categories, based on Cradle to Cradle groupings and B&O materials are: Aluminium; Battery Pack; Leather; Metals (Other); PCB/PCBA; Plastics (Hard and Soft); Speaker Driver Magnets; Steel; Wood/Timber.

Calculation: Total weight of all key materials was calculated by multiplying quantities sold in the reporting year by the corresponding per-unit material weight, then aggregating the results across all products within each material group.

Packaging – Any material or component designed to contain, protect, handle, deliver, or present a product to the end user or consumer. The following items are not considered packaging for the purpose of our data collection: Tertiary packaging (brown

boxes or corrugate cartons) used exclusively for shipping or logistics, protective materials for transportation.

Rare earth minerals – These are a group of chemically similar metallic elements found in the Earth’s crust. Their electronic structures give them special magnetic properties, which are important for making our products. Neodymium (NdFeB) is used in permanent magnets for components such as speaker drivers.

Strategic raw materials - Materials identified as strategically important to the company due to supply risk, economic relevance, or environmental impact. It must meet at least one of the following criteria:

- (1) It is classified as a critical raw material and/or
- (2) It is identified as a key material based on Bang & Olufsen’s internal operational and environmental assessment.



Own workforce

Own workforce impacts, risks, and opportunities

We identify workforce-related impacts, risks, and opportunities across all employees, reflecting our ongoing focus on wellbeing and inclusive working conditions. Key risks relate to workload pressure, organisational changes, and potential inequalities in pay. We recognise these may affect wellbeing, engagement, and retention. While impacts are not systemic, we recognise isolated risks such as stress, physical strain, and potential bias. At the same time, we see opportunities to strengthen our culture, improve working conditions, and advance equity and inclusion. We do this through targeted initiatives, data-driven oversight, and leadership engagement. All of this is supported by clear targets on wellbeing and gender representation. While no material human rights risks were identified through the DMA, we continue to monitor human rights-related indicators, including substantiated cases of harassment, discrimination and other severe incidents. This supports early identification of issues and assessment of policy effectiveness, reinforcing our commitment to a safe and respectful workplace.

Policies

2025/26 marked our centenary year, a milestone that brought our global workforce together and reinforced the role our people play in carrying a 100-year legacy of craft, design and sound forward. We work actively to create an inclusive and caring workplace that supports employee well-being, stability, and personal growth. The People & Diversity Policy guides how we safeguard human

Own workforce	IRO	I, R or O	Description	Location in value chain^	Time horizon^^
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. In addition, 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 deadlines.	OO	S
Working conditions	Health and safety	Risk, Actual negative impact	The demands of factory work may pose a risk to employee's 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

^ Upstream (US), Own operations (OO), Downstream (DS)
^^ Short (S), Medium (M), Long (L)

rights and ensure that every employee is met with dignity, fairness, and respect. The policy covers our entire workforce. Our People & Diversity Policy sets out the overall approach to ensuring fair, safe and inclusive working conditions for all employees, and also covers core elements including, equal treatment, diversity, health and safety and employee engagement. It applies to our entire workforce. We uphold internationally recognised human rights standards across our workforce, guided by the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Our People & Diversity Policy translates these commitments into practice, affirming fundamental rights including

freedom from discrimination, freedom from forced labour, and the right to a safe and respectful working environment. These commitments are reinforced through our Business Conduct & Ethics Policy, leadership principles, internal handbooks, and procedures addressing offensive behaviour. Where national and international standards differ, human rights considerations take precedence.

Grievance mechanisms

We prioritise ongoing and meaningful engagement with our workforce through regular, transparent communication on business developments, strategy, and people initiatives across the organisation. Employees can

raise concerns, share ideas, and influence working conditions through multiple formal and informal channels, including our confidential whistleblower platform BeoShare (also available to external stakeholders), anonymous employee surveys, and an online works council form. All reported cases are handled through a systematic and objective process, with investigations, employee engagement, and involvement of People & Culture where relevant. Where material impacts are identified, appropriate remedies are applied to address root causes and mitigate risks, with full details of the process available on our website, intranet, and in our Business Conduct and Ethics Policy.

Our progress

During 2025/26, we advanced several initiatives to strengthen both physical and mental working conditions, promote secure employment, and enhance engagement across the organisation.

Growth & development

We continued the follow up on our employee experience survey, BeoVoice from late 2024/25 through structured team dialogues aimed at improving day to day working conditions, physical and mental wellbeing and broader health and safety practices. This has shaped our 2025/26 priorities: strengthen wellbeing efforts (including DE&I aspects), improve the physical working environment in Lyngby and the factories in Struer, and continue to focus on tone of voice and everyday cultural behaviour to improve the mental work environment even further. In 2026, we received the results from the latest survey. The results indicate a continued positive development in employee motivation. The results also showed that psychological safety remains at a consistently high level. We will continue to measure the effectiveness of these activities through our employee surveys.

Inclusion & equity

During the year, we strengthened data-driven oversight of pay and career progression to support fair pay, equal opportunities, and readiness for the EU Pay Transparency Directive. This included targeted reviews of role architecture, progression frameworks, and pay structures to identify and mitigate risks of unequal outcomes,

particularly for underrepresented groups. The initiative supports trust, transparency, and robust governance of people and reward processes and will continue into 2026/27 ahead of regulatory implementation in 2027.

Our DE&I Council – a cross-organisational group representing diverse functions – plays an active role in shaping the agenda for Diversity, Equity and Inclusion. In 2025/26, the Council focused on equity and inclusion, working closely with People & Culture to analyse career progression and people review processes using people analytics and employee insights to identify potential perception gaps and structural barriers affecting fairness in progression and reward outcomes. Based on this work, the Council contributed to proposals to strengthen consistency, transparency and equity in talent and people review practices. These focus areas will continue in 2026/27, including contributions to goal setting, talent and succession practices, and the further embedding of inclusion across the organisation.

Human rights	Unit	2024/25	2025/26
Substantiated cases of harassment, incl. discrimination	Count	1	-
Substantiated cases of severe human rights incidents	Count	-	-
Amount of material fines, penalties and compensation related to the above mentioned incidents	mDKK	-	-

Case study: engaging together for the future

The 2025/26 financial year marked an important milestone for us, as we celebrated our centenary together with employees from across the organisation. To honour this unique moment in our history, colleagues from all global locations were invited to Struer to take part in the 100 year anniversary celebrations, where we also brought the organisation together in culture workshops to reflect on who we are, what we stand for, and how our shared culture supports our journey forward.

Building on this momentum, we initiated a company wide cultural transformation programme aimed at strengthening our organisational foundations and better supporting our strategic ambitions. The process was deliberately inclusive, involving employees from all parts of the organisation to ensure that diverse perspectives and lived experiences shaped the direction of our cultural evolution and reinforced collective ownership of the workplace we are creating together.

Through this collaborative work, we identified focus areas for the cultural shift that capture the behaviours, mindset changes and ways of working needed to accelerate our transformation. Based on this foundation, we developed a new Leadership Commitments framework, reflecting what it means to lead here in the next phase of our journey and providing a common language aligned with our cultural aspirations and strategic direction. The Leadership Commitments serve as a compass for how we innovate, collaborate, make decisions and bring our values to life in day to day interactions.

As a first step in a more comprehensive plan, in Spring 2026 we rolled out a Leadership Training programme with the Leadership Commitments Framework at its heart, bringing leaders across locations, functions and experience levels together to drive cultural change and elevate performance and engagement. Further activities aimed at the full organisation is expected to come to life in 2026/27.



Own workforce – targets

We are internally tracking our progress on actions related to our own workforce and that address our material IROs. We have set targets to improve mental wellbeing by reducing stress related cases and to increase gender representation in key management bodies in order to promote diversity, equal opportunities across the organisation.

We have set a target to reduce the 12 month average percentage of stress related cases by 25% by 2027/28, using 2024/25 as the benchmark year. While the number of stress-related cases remained at a similar level compared to 2024/25, reducing work-related stress remains a key priority. We have set a long-term target to reduce the 12-month rolling average of stress-related cases by 25% by 2027/28. To support this ambition, we have strengthened our preventive approach, with increased focus on leadership capability and collaboration with Health & Safety representatives. These initiatives, launched towards the end of 2025/26, aim to proactively address risk factors, improve early intervention, and promote sustainable working conditions across the organisation.

Danish Gender Balance Act

We are subject to the Danish Gender Balance Act, which requires companies to meet targets for equal gender representation in upper management bodies before 30 June 2026. For senior leadership, we have set a target to achieve 40% representation of the underrepresented

gender by 2026/27. As of 2025/26, the representation of women in senior leadership is 33%.*

Based on the current composition and expected changes before 30 June 2026, we assess that the statutory target of equal gender representation under the Danish Gender Balance Act will not be achieved within the required timeframe for senior leadership.

We have actively prioritised gender balance in appointments to senior leadership positions during the financial year through onboarding of female talents. However, due to attrition and changes in the composition of senior leadership, progress on gender representation was lower than expected within the timeframe set by the Act.

We will continue our efforts to improve gender balance in Senior Leadership by maintaining a strong focus on succession planning, development and mentor programmes and continue ensuring that qualified female candidates are actively considered in future external and internal recruitment processes for senior leadership roles.

With regard to the Board of Directors, gender balance is assessed in accordance with the Danish Gender Balance Act, which requires separate reporting for AGM elected and employee elected members. As of 2025/26, Bang & Olufsen has achieved an equal gender distribution in both categories as set by the Act.

Own workforce characteristics

This section provides an overview of our workforce, outlining key employment characteristics to contextualise our broader social disclosures and support our quantitative metrics.

Own workforce characteristics

Country (headcount)	2024/25	2025/26*
Denmark (total)	787	893
Rest of the world (total)	332	348
Total	1,119	1,241
Rest of the world (female)	119	137
Rest of the world (male)	213	211
Denmark (female)	284	325
Denmark (male)	503	568

Diversity

We recognise that diverse leadership contributes to stronger decision-making, innovation and long-term value creation. Within our organisation, women are currently the underrepresented gender. We remain committed to improving gender diversity in leadership positions and acknowledge that progress requires sustained and targeted action.

Employee type and diversity metrics*

Headcount by contract type	Female	Male	Total
Employees	462	779	1,241
Permanent employees	388	690	1,078
Temporary employees	74	89	163
Non-guaranteed hours^	2	17	19

^Non-guaranteed hours employees are a sub-category of Temporary employees

Voluntary turnover	Unit	2024/25	2025/26*
Voluntary turnover rate	%	7.5	5.1

The reduction in voluntary turnover is driven by a combination of fewer voluntary resignations, a higher average headcount, and increased employee engagement. Employee survey results indicate a more engaged workforce, which may have contributed to stronger employee retention during the period.

Gender distribution in management*	Unit	Director+	Senior Leadership
Male	Headcount	48	10
Female	Headcount	20	5
Male	%	71	67
Female	%	29	33

The data marked with an * has received limited assurance in 2025/26.

Wages

We are committed to maintaining fair and competitive compensation practices across our organisation. For all salaried positions, we use 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. 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 non-salaried employees, we apply the Danish job classification system (DISCO) to benchmark wages and assess the overall competitiveness and appropriateness of remuneration. We fully comply with all applicable minimum wage regulations as defined by national legislation and collective bargaining agreements.

Remuneration

We are committed to transparent and equitable compensation practices, with a particular focus on addressing the gender pay gap. Our market-competitive remuneration framework is based on objective criteria, including role complexity, performance, experience, qualifications, and potential. In preparation for the EU Pay Transparency Directive, we are strengthening our job architecture to enable systematic comparison of roles of equal value and to monitor and report on gender pay

gaps and total compensation as part of our broader commitment to an inclusive workplace.

The increase in the annual total remuneration ratio is primarily driven by the exceptional severance payout to our former CEO, Kristian Teär, following his departure in January 2026. Excluding this one-off event, the ratio would be more aligned with prior year levels.

Remuneration metrics	Unit	2024/25	2025/26*
Gender pay gap	%	12.3%	12.0%
Annual total remuneration ratio	Ratio	34.6	58.3

Health and safety

We are committed to protecting the health and safety of our own workforce and to providing a safe and supportive working environment.

During the reporting period, 100% of our employees were covered by a health and safety management system, based on applicable local legal requirements*. These systems ensure a structured approach to identifying, preventing, and mitigating occupational health and safety risks and support compliance with regulatory standards.

- Our health and safety management systems include:
- Regular workplace and task-based risk assessments
 - Mandatory health and safety training as an integral part of onboarding of new employees
 - Incident and near-miss reporting procedures

- Continuous monitoring and follow-up on identified risks and corrective actions

The systems are continuously reviewed and developed through employee engagement, safety performance monitoring, and targeted preventive initiatives.

Preventive measures and continuous improvement initiatives

In the previous reporting year, we conducted a global Workplace Assessment (WPA) survey. During the reporting period, we analysed and shared results across the organisation and monitored the implementation of agreed initiatives to strengthen local ownership of health and safety improvements and ensure systematic follow-up on employee feedback.

Accident prevention and health & safety induction in production areas

During the reporting period, we observed a small increase in physical accidents within production areas. As a response, we intensified our focus on preventive measures and learning from incidents, including:

- Strengthening root-cause analysis capabilities for employees involved in incident registration and handling;
- Initiating dialogues in relevant production areas to increase awareness of the importance of near-miss reporting as a preventive tool;

- Emphasising systematic registration and follow-up of near-miss incidents in order to reduce the risk of actual accidents occurring.

These actions aim to improve incident investigations and strengthen a proactive safety culture. During the reporting period, we updated the health and safety onboarding material for production roles to support consistent awareness of key risks and procedures. The table shows work-related fatalities, accidents, and injuries for the reporting period, with complete data currently available for Denmark only. Due to resource constraints, a consistent global system for collecting health and safety incident data has not yet been implemented, but establishing such a system remains a priority to strengthen transparency, oversight, and preventive health and safety management over time.

Health and safety	Unit	2024/25	2025/26*
Fatalities	Count	-	-
Days of absence	Count	11	30
Injuries without lost time	Count	8	12
Injuries with lost time	Count	4	4
Total injuries	Count	12	16
Rate of work-related injuries (per 1 mil hours)	%	2.9%	2.5%

The data marked with an * has received limited assurance in 2025/26.



Accounting policies

Our social data is reported as of 31 May 2026 (end of period, EOP), is based on headcount, and includes only people employed by us, unless otherwise stated. Data is extracted from SuccessFactors, our Human Resources system.

Annual total remuneration ratio – The annual total remuneration of Bang & Olufsen’s highest paid individual, divided by the average employee’s yearly remuneration (excluding the highest paid individual). This calculation excludes share-based payments, pension, and other social security costs.

Director+ – Employees in the global job levels EMB, senior vice presidents, vice presidents, senior directors and directors. Female/male percentages are calculated as the number of female/male Director+ employees divided by the total number of Director+ employees. This is an internal Bang & Olufsen job level classification and is not intended to align with or represent definitions under any regulatory framework.

Employee – An individual who is in an employment relationship with the undertaking according to national law or practice. This includes people employed at Bang & Olufsen A/S.

- Permanent employees: all employees on non-time bound contracts.
- Temporary employees: all employees on timebound contracts.
- 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.

- Non-salaried employees: employees in Denmark who are covered by the Industriens Overenskomst (Industry Collective Agreement) and whose employment terms are determined by collective bargaining agreements rather than individual salaried contracts.
- Rest of world: The total number of employees in the rest of the world is calculated as the total number of employees in the group excluding employees based in Denmark.

Fines and penalties, human rights – The total amount of fines, penalties and compensation related to incidents of harassment, discrimination and other human rights violations is recognised based on amounts recorded in the financial statements during the reporting period.

Gender pay gap – Calculated as the difference between the average annualised base salary for male and female divided by the average annualised base salary for men. This calculation excludes variable pay and benefits, is based solely on base salary figures, and includes only employees classified as salaried (thereby excluding non-salaried 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.

Headcount – Headcount is based on the number of individuals employed by Bang & Olufsen, and who perform work for its entities at the end of the reporting period, irrespective of the number of working hours.

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.
- Injuries without lost time: This is the count of the number of work-related injuries without lost time during the reporting period.
- Injuries with lost time: This is the count of the number of work-related injuries with lost time where employees did not come to work the following day due to the 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 work-related injuries: Rate of work-related injuries for our own workforce measured in injuries per 1 million hours worked also defined as LTI. LTI is based on the annual working hours per headcount.

Senior Leadership – Count of individuals in senior leadership positions (employees in the EMB and the People Managers reporting to a member of the EMB).

Substantiated cases of harassment, including discrimination – Cases are reported through BeoShare. Harassment is a situation where an unwanted conduct related to a protected ground of discrimination or religion or belief, disability, age, ethnicity, nationality, sexual orientation, or other forms of discrimination occurs with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment. Discrimination can occur directly or indirectly. Direct discrimination occurs when an

individual is treated less favourably by comparison to how others, who are in a similar situation, have been or would be treated, and the reason for this is a particular characteristic they hold, which falls under a ‘protected ground’. Indirect discrimination occurs when an apparently neutral rule disadvantages a person or a group sharing the same characteristics. It must be shown that a group is disadvantaged by a decision when compared to a comparator group. A case is assessed through an objective investigation process, where facts and evidence are gathered and evaluated against defined criteria (e.g., link to protected characteristics, unequal treatment, and severity). Substantiated cases are those that have been investigated, found to have had merit, and closed based on an investigation (cases can be partially substantiated, where an allegation encompasses several aspects, but only a subset of them can be confirmed).

Substantiated cases of human rights incidents – Cases are reported through BeoShare. These incidents are understood as the number of substantiated instances of: (a) judicial and non-judicial proceedings that have been initiated (such as cases before domestic courts and tribunals, mediation, complaints filed with the National Contact Points for OECD Multinational Enterprises); and/or (b) incidents registered by the undertaking, including those identified through its internal processes. Substantiated cases are those that have been investigated, found to have had merit, and closed based on an investigation (cases can be partially substantiated, where an allegation encompasses several aspects, but only a subset of them can be confirmed).

Voluntary turnover rate – The number of employees who leave voluntarily divided by the average headcount of employees during the reporting period.

Consumers and end-users

Impacts, risks and opportunities

We are committed to delivering safe, trusted, and responsible user experiences, with a focus on consumer wellbeing, data protection, and brand integrity throughout the value chain. Through responsible product design, secure data practices, and carefully selected partnerships, we aim to uphold high standards of consumer care and trust. Following a DMA review in the reporting period, we removed the IRO on responsible marketing practices, as it was assessed to no longer be material.

Clients – policies

Our approach to clients is set out in our Stakeholder and Sustainability Policy, with the ambition to deliver excellent client experiences, build strong relationships, and communicate the value of circular and long-lived consumer electronics. We place clients at the centre of our activities by embedding client experience in technology, maintaining high quality in products and services, addressing enquiries, feedback, and complaints effectively with partners, and using client feedback to continuously improve service.

Our Business Conduct and Ethics Policy and Privacy Policy define our approach to data privacy, IT security, and data ethics, ensuring responsible and secure handling of personal data across our global operations. All employees are expected to comply with these policies. As a UN Global Compact member, we align with global standards for responsible business conduct and apply data

protection principles such as lawfulness, fairness, transparency, data minimisation, accuracy, and confidentiality.

We do not maintain a standalone policy on audio or hearing health. Potential impacts are addressed through our global product safety, testing, and certification framework for audio products, including design features such as active noise cancelling. All products are tested and certified in line with applicable safety and regulatory requirements.

Client engagement

Engagement with consumers and end-users is central to our operations and informs how we manage actual and potential impacts. We collect feedback through multiple channels, including NPS scoring, product and brand perception surveys, customer service interactions, and a direct CEO feedback channel.

We do not conduct dedicated engagement activities focused on audio health. Relevant interactions take place indirectly through product information, user settings such as ANC and transparency modes, and customer support. 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 and long-lasting electronics. Client inquiries, feedback, and complaints are actively addressed, and ongoing satisfaction surveys support continuous improvement as part of our strategy. A dedicated Privacy

Consumers and end-users	IRO	I, R or O	Description	Location in value chain^	Time horizon^^
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

^ Upstream (US), Own operations (OO), Downstream (DS)
^^ Short (S), Medium (M), Long (L)

Team within Corporate Responsibility reviews all consumer-facing activities for compliance with data protection requirements and maintains our Privacy Policy, including data subject rights.

Consumer perspectives related to product use are gathered through general feedback and service interactions and may inform product development and software updates. We do not have specific processes to engage vulnerable or marginalised consumer groups on hearing health.

Consumers can reach us through phone, email, contact forms, a CEO feedback form, a dedicated Privacy Team email, and a confidential whistleblower channel protected by a no-retaliation policy. While we do not assess

awareness of these channels directly, their use is reflected in product and service feedback.

Product safety and quality risks are managed through strict manufacturing controls and a dedicated Product Compliance function that monitors current and upcoming legislation. Products undergo multiple safety and quality checks during manufacturing, deviations are addressed immediately, and recall processes and ad hoc task forces are in place if safety risks arise post-sale. Data privacy risks are managed through an annual review cycle covering policies, systems, training, and awareness for employees and retail partners.

Clients – actions

The Privacy Team follows an annual cycle to ensure continuous consideration of data privacy, including reviewing the Privacy Policy, updating records of processing activities, and providing training to teams handling personal data to ensure regulatory and policy compliance. This process supports the protection of clients' and employees' data protection rights. The Privacy Team also maintains a dashboard with key indicators to monitor the effectiveness of the global privacy compliance programme.

Key actions related to audio health focus on product design and development, including the integration of active noise cancelling across products, ongoing testing and certification, and continued investment in software support and product performance. Products in development are expected to meet at least the same audio performance standards as existing products. Potential negative impacts on consumers' audio health are mitigated through product design features, certification, and compliance with applicable standards. While audio-health-specific outcomes are not tracked separately, potential issues are identified through general testing, certification processes, and customer feedback mechanisms.

Clients – targets

We maintain a target of no privacy data breaches occurring in our own operations on a global scale during the financial year. A privacy data breach is defined as any data breach which would require us to file a self-disclosure of the breach to national Data Privacy Authorities. The target is set to ensure the policy objective of ensuring responsible practices relating to the treatment and security of personal data is achieved.

Business conduct

Business conduct impacts, risks and opportunities

We are committed to conducting business with integrity, transparency, and respect for all our stakeholders. Our global business conduct policies guide how we engage with our employees, partners, and suppliers, and support a culture of ethical behaviour and open dialogue. We recognise that maintaining trust requires ongoing focus on areas such as employee voice, responsible supplier practices, and digital security. This section outlines the key risks and opportunities related to business conduct, along with the measures we take to strengthen transparency, accountability, and resilience across our operations.

Policies

Integrity, transparency, and responsible business conduct are embedded in our culture and governance. Our approach is guided by five global policies approved by the Board of Directors and managed through our ISO 9001–certified quality management system, with the Business Conduct and Ethics Policy as the primary policy addressing business conduct risks. Our commitment extends across our value chain through a Supplier Code of Conduct aligned with international standards and participation in global initiatives. A strong speak-up culture, supported by BeoShare, compliance training, and regular employee feedback, underpins our efforts, with oversight from the Audit Committee and Board of Directors to ensure accountability and continuous improvement.

Business Conduct	IRO	I, R or O	Description	Location in value chain^	Time horizon^^
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
Management of relationships with suppliers	Payment practices	Actual negative impact	Efficient payment processes are critical for maintaining fair supplier relationships. While payments are now automated and processed daily, there remains a minor risk that system errors, disputed invoices, or future regulatory changes could cause isolated payment delays or increased administrative burden.	US, OO	S
Cybercrime and cybersecurity		Risk, Potential negative impact	There is a risk that we are a target for cybercrime due to the nature of our connected electronic products and 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

^ Upstream (US), Own operations (OO), Downstream (DS)
^^ Short (S), Medium (M), Long (L)

Our anti-corruption policy forms part of the Business Conduct and Ethics Policy and includes a zero-tolerance policy towards any form of direct or indirect bribery or corruption. It includes facilitation payments, whether offered or accepted by employees or business stakeholders. To ensure compliance, annual e-learning on the Policy is shared with in-scope employees and high-risk third parties. They undergo due diligence to screen for corruption risks, and this work will continue in 2026/27. No cases of bribery or corruption have been registered in 2025/26. No material corruption risks have been

identified to arise from our own business activities, and no such risks have been identified in the DMA.

Actions

During 2025/26, we significantly strengthened payment practices by moving from manual weekly payments to automated daily processing, materially reducing the risk of late payments and supporting fair and reliable supplier relationships.

2025/26 demonstrated continued progress in the maturity of our Global Compliance Programme. We exceeded our

target for expected BeoShare cases, indicating a trusted speak-up culture among employees and external stakeholders, while continuing to monitor any reasons for exceeding the target. Compliance e-learning focused on topics raised in prior cases achieved its target completion rate, supported by awareness activities including a global data privacy campaign. In addition, a new AI Committee was established to support the ethical use of AI.

Compliance	2024/25	2025/26
BeoShare cases	11	22

Payment practices

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.

As mentioned above, we have strengthened our payment practices by moving from manual weekly payments to automated daily processing during 2025/26, thereby reducing the risk of late payments.

Payment practices	Unit	2024/25	2025/26*
% payments aligned with standard payment terms			
Small suppliers	%	90.5%	93.0%
Large suppliers	%	89.7%	94.0%
Legal proceedings			
Outstanding legal proceedings for late payments	Number	-	-

Third-party due diligence

Our high-risk commercial partners are subject to an onboarding due diligence process with screening of ownership structure, key stakeholders and key risks such as sanctions and relations to politically exposed persons.

Our approach to supplier due diligence is structured around risk and spend relevance. Key product-related

suppliers are required to complete a self-assessment questionnaire aligned with our Supplier Code of Conduct, covering environmental, social and governance criteria. For our Original Design Manufacturers, we conduct ESG audits every other year with a focus on follow-up and continuous improvement on identified findings.

Cybercrime and cybersecurity

We recognise the critical importance of safeguarding our IT infrastructure, products, and client data against cyber threats. Security incidents could result in service disruption, data breaches, reputational damage, and financial penalties. Key risks include ransomware attacks, unauthorised access to systems or customer data, and exploitation of connected products.

These risks are addressed through a phased cybersecurity programme aligned with global standards and supported by cyber insurance. During the year, we initiated the implementation of a Governance, Risk and Compliance (GRC) system to further strengthen oversight of IT security and regulatory compliance across all corporate systems. The GRC setup provides a consolidated view of risks, controls, and compliance status and supports the continuous collection of evidence for IT security and compliance purposes.

Governance is ensured through a Board-approved Information Security Policy, a dedicated Chief Information Security Officer, and oversight by the IT Security Committee and the Audit Committee, with the IT Security Committee operating as part of business-as-usual activities. Our target is to prevent any cyberattack from causing a stop to our daily business operations.

In 2025/26, the SIEM system successfully detected all five major severity incidents through monitoring of anomalous user behaviour and related security events. Upon detection, predefined response playbooks were triggered, supported by prompt analyst intervention, to contain the threats. Response measures included credential resets, session revocation, and detailed investigation to assess and mitigate potential impact.

All identified incidents were promptly contained through immediate response actions, including password resets, session revocation, and thorough investigation to assess potential data exposure.

Cybercrime and cybersecurity	2024/25	2025/26*
Incidents raised by the B&O SIEM system	3,255	1,961
True positive incidents	52	43
Major severity incidents raised	4	5



Accounting policies

Payment terms – The calculations for payment practices are based on all supplier invoices over the full reporting period and are based on simple (unweighted) averages. Suppliers are classified as small or large based on an annual spend threshold of DKK 1 million.

Outstanding legal proceedings for late payments – refers to any active, unresolved formal judicial actions initiated by a creditor against Bang & Olufsen to recover overdue invoices or debt.

Cybercrime and cybersecurity –

- B&O SIEM: Bang & Olufsen Security Information & Event Management system. 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.
- True positive: 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.
- Major severity: any externally-originating event that results in a measurable adverse effect on the confidentiality, integrity, or availability of our digital infrastructure, and is urgent.

The data marked with an * has received limited assurance in 2025/26.

Consolidated *financial statements*

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Income statement

1 June – 31 May

(DKK million)	Notes	2025/26	2024/25
Revenue	2.1	2,468	2,553
Production costs	2.2, 2.4, 2.5	-1,032	-1,149
Gross profit		1,436	1,404
Development costs	2.2, 2.4, 2.5	-375	-340
Distribution and marketing costs	2.2, 2.4, 2.5	-1,009	-895
Administrative costs	2.2, 2.4, 2.5	-139	-153
Other operating income	2.3	11	-
Operating profit/(loss) (EBIT)		-76	16
Financial income	6.5	84	68
Financial expenses	6.5	-71	-82
Financial items, net		13	-14
Profit/loss before tax (EBT)		-63	2
Income tax	2.6	-44	-31
Profit/loss for the year		-107	-29
Earnings per share			
Earnings per share, basic (EPS) and diluted (EPS-D), DKK	8.2	-0.7	-0.2

Statement of comprehensive income

1 June – 31 May

(DKK million)	Notes	2025/26	2024/25
Profit/loss for the year		-107	-29
Items that may be reclassified subsequent to the income statement:			
Exchange adjustments of subsidiaries		1	-9
Fair value adjustments of hedging instruments		-10	-7
Value adjustments of hedging instruments reclassified in			
Revenue		2	10
Production costs		7	-3
Items that will not be reclassified subsequent to the income statement:			
Actuarial gains/losses on defined benefit plans		-	-4
Income tax relating to items that will not be reclassified to profit or loss	2.6	-	1
Other comprehensive income/loss for the year, net of tax		-	-12
Total comprehensive income/loss for the year		-107	-41

Statement of financial position

Assets

(DKK million)	Notes	31-05-26	31-05-25
Goodwill		42	42
Acquired rights and software		116	98
Completed development projects		179	159
Development projects in progress		148	148
Intangible assets	5.1	485	447
Property, plant and equipment	5.1	214	211
Right-of-use assets	5.2	264	136
Tangible assets		478	347
Non-current other receivables		5	20
Deferred tax assets	2.6	41	75
Total non-current assets		1,009	889
Inventories	4.1	418	447
Trade receivables	4.2	300	348
Tax receivable	2.6	27	28
Other receivables	4.3	61	61
Prepayments	4.3	33	42
Securities	6.1, 6.2	240	380
Cash	6.1, 6.2	134	145
Total current assets		1,213	1,451
Total assets		2,222	2,340

Equity and liabilities

(DKK million)	Notes	31-05-26	31-05-25
Share capital	6.4	737	737
Translation reserve		8	7
Reserve for cash flow hedges		-3	-2
Retained earnings		264	402
Total equity		1,006	1,144
Lease liabilities	6.2, 6.3	221	104
Pensions	3.4	10	15
Deferred tax	2.6	9	8
Provisions	6.6	30	37
Mortgage loans	6.3	42	50
Non-current other liabilities		1	2
Total non-current liabilities		313	216
Lease liabilities	6.2, 6.3	70	59
Mortgage loans	6.3	3	3
Bank loans	6.1, 6.2	280	175
Provisions	6.6	67	42
Trade payables	6.2	313	453
Tax payable	2.6	20	21
Other liabilities	4.3	150	227
Total current liabilities		903	980
Total liabilities		1,216	1,196
Total equity and liabilities		2,222	2,340

Statement of cash flows

1 June – 31 May

(DKK million)	Notes	2025/26	2024/25
Profit/loss before tax (EBT)		-63	2
Financial items, net		-13	14
Depreciation, amortisation and impairment		259	245
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		183	261
Other non-cash items		23	-23
Change in net working capital	4.3	-133	47
Other cash flows from operating activities		25	-
Interest received		84	64
Interest paid		-68	-83
Income tax paid		-10	-10
Cash flows from operating activities		104	256
Purchase of intangible assets		-194	-200
Purchase of tangible assets		-57	-39
Sales of tangible assets		6	-
Sublease payment		-	1
Other cash flows from investing activities		-	-2
Operational investments		-245	-240
Free cash flow		-141	16
Sale of securities	6.1	140	9
Financial investments		140	9
Cash flows from investing activities		-105	-231

(DKK million)	Notes	2025/26	2024/25
Repayment of lease liabilities	6.1, 6.3	-55	-46
Repayment of mortgage loans	6.1, 6.3	-8	-3
Proceeds from loans and borrowings	6.1, 6.3	105	-
Repayment of loans and borrowings	6.1, 6.3	-	-206
Purchase of treasury shares	6.4	-50	-20
Rights issue	6.4	-	217
Cash flows from financing activities		-8	-58
Cash and cash equivalents, opening balance		145	177
Foreign exchange gain/loss on cash and cash equivalents		-2	1
Change in cash and cash equivalents		-9	-33
Cash and cash equivalents, closing balance		134	145
Available liquidity	6.1	94	350



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 2025	737	7	-2	402	1,144
Profit/loss for the year	-	-	-	-107	-107
Other comprehensive income/loss:					
Exchange adjustments of subsidiaries	-	1	-	-	1
Fair value adjustments of hedging instruments	-	-	-10	-	-10
Value adjustments of derivatives reclassified in					
Revenue	-	-	2	-	2
Production costs	-	-	7	-	7
Other comprehensive income/loss	-	1	-1	-	-
Total comprehensive income/loss for the year	-	1	-1	-107	-107
Share-based payments	-	-	-	19	19
Acquisition of treasury shares	-	-	-	-50	-50
Equity at 31 May 2026	737	8	-3	264	1,006
Equity at 1 June 2024	613	16	-2	329	956
Profit/loss for the year	-	-	-	-29	-29
Other comprehensive income/loss:					
Exchange adjustments of subsidiaries	-	-9	-	-	-9
Fair value adjustments of hedging instruments	-	-	-7	-	-7
Value adjustments of derivatives reclassified in					
Revenue	-	-	10	-	10
Production costs	-	-	-3	-	-3
Actuarial gains/losses on defined benefit plans	-	-	-	-4	-4
Income tax on items that will not be reclassified to the income statement	-	-	-	1	1
Other comprehensive income/loss	-	-9	-	-3	-12
Total comprehensive income/loss for the year	-	-9	-	-32	-41
Share-based payments	-	-	-	32	32
Capital increase	124	-	-	104	228
Costs related to rights issue	-	-	-	-11	-11
Acquisition of treasury shares	-	-	-	-20	-20
Equity at 31 May 2025	737	7	-2	402	1,144

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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 approved by Management and Board of Directors and published on 2 July 2026 and will be presented to the shareholders for approval at the Annual General Meeting on 13 August 2026.

The Group's consolidated financial statements have been prepared on a going concern basis and in accordance with IFRS Accounting Standards as adopted by the EU as well as 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), which is also the functional currency of the parent company. 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. 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 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, while 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 as well as 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 2026 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
2.6	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 extension 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 Accounting Standards) and interpretations as adopted by the EU and effective for the financial year commencing 1 June 2025 or earlier.

The new or revised standards and interpretations did not have a material impact on recognition and measurement, nor did they result in any material changes to disclosures in the notes. Accordingly, in all material aspect the annual report has been prepared in accordance with the accounting policies applied in previous years.

New and amended IFRS standards and interpretations not yet applicable within the EU

The IASB has issued a number of new standards and amendments that are not yet in effect or endorsed by the EU and are therefore not relevant for the preparation of the 2025/26 consolidated financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements was issued by the IASB in April 2024 and will replace IAS 1 Presentation of Financial Statements. The standard is effective for annual reporting periods beginning on or after 1 January 2027, with early adoption permitted.

The standard introduces new requirements for the presentation and disclosure of financial statements, including mandatory totals and subtotals in the income statement. Furthermore, entities are required to classify all income and expenses in the income statement into one of five categories: operating, investing, financing, income taxes and discontinued operations, of which the first three are new. The most significant expected impact relates to the reclassification of financial items into categories reflecting the underlying nature of the related activities.

IFRS 18 also introduces changes to the presentation and classification of the statement of cash flows. Certain financial items will be reclassified from operating activities to investing or financing activities, and the starting point for operating cash flows under the indirect method will be aligned with operating profit. The adoption of the standard is expected to affect presentation only and will not impact the Group's total cash flows or the recognition or measurement of income, expenses, assets or liabilities. In addition, IFRS 18 introduces a new note on management-defined performance measures in the financial statements, including reconciliation to the most directly comparable IFRS-defined subtotal.

Based on the assessment performed to date, IFRS 18 is expected primarily to affect the presentation, classification and disclosure of the Group's financial performance. Consequently, IFRS 18 is expected to result in significant changes to the Group's external financial reporting presentation and disclosures, and implementation activities will continue during the period leading up to first-time adoption.

The Group intends to adopt IFRS 18 from 1 June 2027 and it will be applied retrospectively.

The Group does not expect other new or amended standards to have significant impact on the consolidated financial statements when implemented. Such standards will be implemented when they become effective.



Section 2

Operations

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2.1 Revenue and operating segments

(DKK million)	2025/26						2024/25					
	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	1,183	284	731	2,198	270	2,468	1,253	317	693	2,263	290	2,553
Production costs	-570	-122	-307	-999	-33	-1,032	-626	-161	-327	-1,113	-36	-1,149
Gross profit	613	161	424	1,198	238	1,436	628	156	366	1,150	254	1,404
Gross margin	51.8%	56.9%	58.0%	54.5%	87.9%	58.2%	50.1%	49.3%	52.8%	50.8%	87.4%	55.0%
Capacity costs excl. depreciation, amortisation and impairment						-1,264						-1,143
Depreciation and amortisation						-259						-245
Other income						11						-
Financial items, net						13						-14
Profit/loss before tax (EBT)						-63						2

(DKK million)	2025/26						2024/25					
	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	1,164	443	591	2,198	270	2,468	1,191	405	667	2,263	290	2,553
Production costs	-490	-186	-323	-999	-33	-1,032	-504	-180	-429	-1,113	-36	-1,149
Gross profit	674	257	268	1,198	238	1,436	687	225	238	1,150	254	1,404
Gross margin	57.9%	58.0%	45.3%	54.5%	87.9%	58.2%	57.7%	55.5%	35.8%	50.8%	87.4%	55.0%

The Group reports internally to Management on two dimensions – being by “strategic market” and by “product category”. Both dimensions include all channels relating to the distribution and sale of our products. The “strategic markets” have been identified as the reportable segments being the primary dimension used by Management to review the operating results. The additional financial information provided to Management by “product category” has voluntarily been disclosed as well.

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 of DKK 226m (2024/25: 214m) is part of Brand Partnering and other activities and is recognised at a point in time.



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, while non-current assets are based on Bang & Olufsen's locations.

2.1 Revenue and operating segments (continued)

(DKK million)	2025/26		2024/25	
	Revenue	Share of revenue, %	Revenue	Share of revenue, %
China	364	15%	342	13%
USA	271	11%	301	12%
Denmark	193	8%	201	8%
United Kingdom	190	8%	189	7%
Germany	135	5%	162	6%
South Korea	115	5%	123	5%
Switzerland	92	4%	100	4%
Netherlands	84	3%	85	3%
France	75	3%	77	3%
Italy	59	2%	57	2%
Taiwan	59	2%	57	2%
Japan	57	2%	56	2%
Spain	52	2%	55	2%
Hong Kong	49	2%	39	2%
Brand Partnering & other activities (global activities)	270	11%	290	12%
Rest of world	403	17%	419	17%
Total	2,468	100%	2,553	100%

(DKK million)	Non-current assets*	
	2025/26	2024/25
EMEA**	784	727
Americas	158	57
Asia	27	33
Total	968	817

*Non-current assets less deferred tax assets.

**Of which DKK 627m in Denmark (31 May 2025: DKK 616m).



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. 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)	2025/26	2024/25
Breakdown by function:		
Production costs	1,032	1,149
Development costs	375	340
Distribution and marketing costs	1,009	895
Administrative costs	139	153
Total	2,555	2,537
Specification:		
Materials and consumables	841	990
Staff costs	954	866
Depreciation, amortisation and impairment	259	245
Marketing costs	212	163
Other external costs	289	273
Total	2,555	2,537
Depreciation, amortisation and impairment		
Intangible assets, amortisation	153	145
Property, plant and equipment, depreciation	49	48
Right-of-use assets, depreciation	55	47
Loss on disposals	2	5
Total	259	245
Depreciation, amortisation and impairment relate to:		
Production costs	30	28
Development costs	137	124
Distribution and marketing costs	80	82
Administrative costs	12	11
Total	259	245

In 2025/26, total operating expenses recognised in the income statement increased by DKK 18m to DKK 2,555m, corresponding to an increase of 1%. The overall increase was driven by increased development costs as well as distribution and marketing costs. This was partly offset by reduced administration costs and reduced production costs, which improved 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 and increasing component costs.

Comments on development costs appear on the next page.

Distribution and marketing costs increased by DKK 114m to DKK 1,009m. The increase was primarily driven by increased retail and marketing activities, costs related to the increased number of company-owned stores as well as costs related to reorganisation.

Administrative costs decreased by DKK 14m to DKK 139m.



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 as well as 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 and office costs as well as depreciation, amortisation and impairment losses.

2.2 Costs (continued)

(DKK million)	2025/26	2024/25
Development costs		
Incurred development costs before capitalisation	396	368
Of which capitalised	-142	-138
Incurred development costs after capitalisation	254	230
Capitalisation (%)	35.8%	37.5%
Total amortisation and impairment losses on development projects	121	110
Development costs recognised in the consolidated income statement	375	340
Incurred development costs before capitalisation ratio (% of revenue)	16.0%	14.4%

Development costs increased by DKK 35m to DKK 375m 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 1.6pp to 16.0% due to software focus, introduction of Atelier offerings and continued focus on 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)	2025/26	2024/25
Development costs	375	340
Distribution and marketing costs	1,009	895
Administrative costs	139	153
Total	1,523	1,388

2.3 Other operating income

(DKK million)	2025/26	2024/25
Proceeds from dispute with Danish Customs Authority	8	-
Gain on sale of building	3	-
Total	11	-

DKK 8m of proceeds received in connection with a favourable ruling on an old dispute with the Danish Customs Authority. Furthermore, interest of DKK 38m was also received in connection with the ruling (see note 6.5). Both amounts are considered special items (see note 2.5).

2.4 Government grants

(DKK million)	2025/26	2024/25
Government grants	-	8
Breakdown by function:		
Production costs	-	-
Development costs	-	-
Distribution and marketing costs	-	8
Administrative costs	-	-
Financial expenses	-	-
Total	-	8

No government grants were received in 2025/26 due to a change in the timing of the expected grants.

In 2024/25, government grants related primarily to grants in China of DKK 8m.



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.

2.5 Special items

(DKK million)	2025/26	2024/25
Severance and garden leave, Executive Management Board	24	-
Reorganisation costs and severance	46	10
Consultants	1	-
Proceeds from dispute with Danish Customs Authority	-46	-
Total	25	10
Production costs	8	1
Development costs	19	1
Distribution and marketing costs	38	4
Administrative costs	6	4
Other operating income	-8	-
Total EBIT effect	63	10
Financial items	-38	-
Total	25	10



Accounting policies

Special items consist of income and expenses 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.

Special items in 2025/26 amounted to DKK 25m (2024/25: DKK 10m) related to costs associated with organisational changes implemented during the year. This included severance and garden leave for employees and members of the Executive Management Board, as well as external advisory and consulting costs incurred in connection with these initiatives.

Furthermore, special items included income recognised following a favourable ruling in a dispute with the Danish Customs Authority, presented in other operating income (DKK 8m) and financial items (DKK 38m).

2.6 Tax

Tax for the year

Tax on profit was DKK 44m in 2025/26 (2024/25: DKK 31m). The effective tax rate in 2025/26 was -70.5% (2024/25: 2,154.6%). The effective tax rate was primarily affected by the impairment of deferred tax assets of DKK 44.4m. 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 as well as pension obligations and is recognised in retained earnings.

(DKK million)	2025/26			2024/25		
	Income statement	Other comprehensive income	Total tax	Income statement	Other comprehensive income	Total tax
Tax for the year						
Current tax	8	-	8	15	-	15
Change in deferred tax during the year	32	0	32	19	0	19
Current tax adjustments to prior years	2	-	2	-	-	-
Deferred tax adjustments to prior years	2	-	2	-3	-	-3
Total	44	0	44	31	0	31

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 below for 2025/26..

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	1.107	835	-131,7	-5,0	-5,2
Norway	17	0	0,6	0,0	0,0
Sweden	16	2	0,5	0,0	0,1
Germany	103	19	8,2	2,1	2,0
Switzerland	85	10	4,0	1,0	1,7
Austria	14	7	0,9	0,2	0,2
UK	167	46	6,6	1,2	0,9
Netherlands	75	3	2,0	0,4	0,3
Belgium	30	3	0,9	0,2	0,9
France	53	24	1,7	0,4	0,0
Spain	45	11	1,0	0,2	0,6
Italy	50	9	1,6	0,4	0,2
USA	276	44	21,1	0,1	1,0
Japan	22	9	0,4	0,2	0,6
China	367	48	20,1	5,0	7,5
Hong Kong	40	31	0,2	2,0	2,0
Singapore	0	47	0,2	0,0	0,3
Bulgaria	0	32	-1,0	0,0	0,1
Total	2.468	1.180	-62,7	8,4	13,2

2.6 Tax (continued)

EFFECTIVE TAX RATE FOR THE YEAR

Country	%								Amount							
	Tax calculated on result for the year before tax	Deviating tax rates in foreign subsidiaries	Non- deductible costs and non- taxable income	Adjust- ments 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	Adjust- ments to prior periods	Foreign withholding tax	Impairment of deferred tax assets	Other	Total
Denmark	22.0%	0.0%	-4.0%	0.0%	-0.2%	-48.7%	0.6%	-30.3%	-29.0	0.0	5.2	0.0	0.3	64.1	-0.8	39.8
Norway	22.0%	0.0%	0.0%	0.0%	0.0%	-13.1%	1.6%	10.6%	0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0
Sweden	22.0%	-1.5%	0.0%	4.6%	0.0%	-16.1%	-0.7%	8.4%	0.1	0.0	0.0	0.0	0.0	-0.1	-0.1	0.0
Germany	22.0%	3.4%	0.0%	11.7%	0.0%	0.0%	0.0%	37.2%	1.8	0.3	0.0	1.0	0.0	0.0	0.0	3.1
Switzerland	22.0%	3.5%	0.0%	0.0%	0.0%	0.0%	-0.4%	14.8%	0.9	0.1	0.0	0.0	0.0	0.0	0.0	1.0
Austria	22.0%	1.0%	0.0%	6.2%	0.0%	0.0%	0.0%	29.2%	0.2	0.0	0.0	0.1	0.0	0.0	0.0	0.3
UK	22.0%	3.0%	0.0%	35.4%	0.0%	0.0%	-0.7%	59.7%	1.4	0.2	0.0	2.3	0.0	0.0	0.0	3.9
Netherlands	22.0%	-3.0%	0.0%	-2.9%	0.0%	0.0%	0.0%	16.1%	0.4	-0.1	0.0	-0.1	0.0	0.0	0.0	0.3
Belgium	22.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	32.9%	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.2
France	22.0%	3.0%	0.0%	0.0%	0.0%	-23.1%	-0.2%	-14.1%	0.4	0.1	0.0	0.0	0.0	-0.4	0.0	0.0
Spain	22.0%	3.0%	0.0%	-8.5%	0.0%	-7.3%	0.0%	9.2%	0.2	0.0	0.0	-0.1	0.0	-0.1	0.0	0.1
Italy	22.0%	5.9%	0.0%	18.6%	0.0%	0.0%	-0.4%	42.5%	0.4	0.1	0.0	0.3	0.0	0.0	0.0	0.8
USA	22.0%	5.0%	1.7%	4.9%	0.0%	-90.3%	0.0%	-56.6%	4.6	1.1	0.4	1.0	0.0	-19.0	0.0	-11.9
Japan	22.0%	9.3%	0.0%	-46.5%	0.0%	0.0%	5.9%	-9.3%	0.1	0.1	0.0	-0.3	0.0	0.0	0.0	-0.1
China	22.0%	2.8%	0.3%	-0.3%	0.0%	0.0%	-0.3%	51.1%	4.4	0.6	0.1	-0.1	0.0	0.0	-0.1	5.0
Hong Kong	22.0%	-12.3%	1002.2%	78.9%	0.0%	0.0%	4.5%	1095.3%	0.0	0.0	2.0	0.2	0.0	0.0	0.0	2.2
Singapore	22.0%	-6.0%	0.0%	-235.8%	0.0%	0.0%	-3.3%	-223.0%	0.0	0.0	0.0	-0.3	0.0	0.0	0.0	-0.3
Bulgaria	22.0%	-12.0%	0.0%	0.0%	0.0%	9.6%	0.0%	45.1%	-0.2	0.1	0.0	0.0	0.0	-0.1	0.0	-0.2
2025/26	22.0%	-4.1%	-12.2%	-6.5%	-0.4%	-70.6%	1.5%	-70.5%	-13.8	2.6	7.7	4.1	0.3	44.4	-0.9	44.3
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

2.6 Tax (continued)

Deferred tax

At 31 May 2026, net deferred tax assets amounted to DKK 32m (31 May 2025: DKK 67m). The decrease primarily reflects temporary differences related to provisions and other categories. 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 41m (31 May 2025: DKK 75m), of which DKK 11m related to the Group's jointly taxed companies in Denmark, DKK 21m related to the US, DKK 4m to Germany and DKK 3m to China, whereas the remaining DKK 2m related to other of the Group's foreign legal entities. Revised transfer pricing assumptions and EBIT margins have increased the expected utilisation of tax losses in foreign jurisdictions while concurrently reducing the earnings basis supporting the deferred tax asset in Denmark.

Supporting evidence for recognition of our deferred tax asset includes the Group's expected improved earnings capacity as a result of our strategic execution and ambitious retail plans to expand our presence in key cities in the coming years. Operating margin is further expected to increase driven by gross margin increase, due to a focus on the luxury segment, and efficiency and cost measures taken during the year. As a result, taxable profits in Denmark are expected to materialise within the foreseeable future.

Tax loss carry forwards recognised at 31 May 2026 amounted to DKK 24m (31 May 2025: DKK 5m).

The Group's tax policy is available on the Group's website.

(DKK million)	Assets		Liabilities		Net assets	
	31-05-26	31-05-25	31-05-26	31-05-25	31-05-26	31-05-25
Deferred tax						
Non-current assets	1	8	9	8	-8	-0
Inventories	1	6	0	0	1	6
Receivables	2	1	0	0	2	1
Provisions	10	25	0	0	10	25
Tax loss carry forwards	24	5	0	0	24	5
Other	3	31	-	-	3	31
Total	41	75	9	8	32	67

(DKK million)	2025/26	2024/25
Change in deferred tax, net during the year		
Non-current assets	-8	7
Inventories	-5	1
Receivables	-	-1
Provisions	-15	-5
Tax loss carry forwards	20	-31
Other	-27	13
Total	-35	-17

At 31 May 2026, the value of unrecognised deferred tax assets amounted to DKK 393m (31 May 2025: DKK 352m). Of this amount, DKK 390m related to Denmark (31 May 2025: DKK 328m), DKK 1m to the US (31 May 2025: DKK 22m), and DKK 2m to other legal entities abroad (31 May 2025: DKK 2m). A total of DKK 252m related to tax loss carry forwards (31 May 2025: DKK 277m), DKK 251m of which can be carried forward indefinitely (31 May 2025: DKK 255m). At 31 May 2026, the total gross unrecognised tax loss carry forwards were DKK 1,144m (31 May 2025: DKK 1,259m), while the total gross unrecognised temporary differences were DKK 640m (31 May 2025: DKK 341m). 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.

2.6 Tax (continued)



Critical accounting estimates and judgements

Deferred tax assets

Management assess 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 2026.

The Group recognises deferred tax assets, including the tax base of tax loss carry forwards, 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 carry forwards, 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

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3.1 Staff costs

(DKK million)	2025/26	2024/25
Wages and other remuneration	844	752
Share-based payments	15	32
Pensions 3.4	53	47
Other social security costs	42	35
Total staff costs	954	866
Average number of full-time employees	1,147	1,013
Staff costs relate to:		
Production costs	167	134
Development costs	276	246
Distribution and marketing costs	406	372
Administrative costs	105	114
Total staff costs	954	866



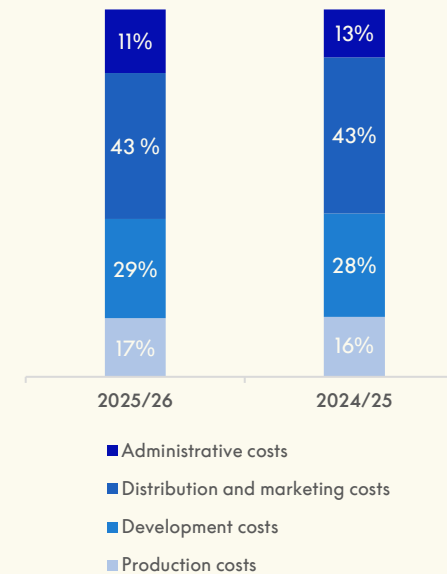
Accounting policies

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.

Allocation of staff costs, %



3.2 Remuneration of management

Total remuneration to the Executive Management Board (EMB) amounted to DKK 42m (2024/25: DKK 49m). This represented a decrease of DKK 7m compared to 2024/25 driven by bonus performance.

The Board of Directors decided to cancel the special short-term cash-based retention programme for members of the Executive Management Board (EMB) at the end of financial year 2024/25.

The costs of the bonus program and the share-based program (LTIP) are based on performance during 2025/26 and provisioned during the year. Costs were lower than last year, driven primarily by the missing business performance.

Termination and severance payments for the year amounted to DKK 20m. Termination costs for the former CEO amounted to DKK 18m and were partially paid in cash and partially paid with 440,000 shares in the Company, valued at a fair value of DKK 10.36 per share. In addition to the remuneration paid, provisions were made for remuneration during the notice period. The provisions amount to DKK 5m and include an estimate of future vesting of LTIP shares.

Termination payments of DKK 2m to other key employees were related to three employees who left the Company (2024/25: DKK 5m).

The terms of notice for the members of the Executive Management Board are consistent with normal market conditions (up to 24 months).

Professional fees in connection with assistance on tax-related matters incurred by the Executive Management Board are reimbursed when they are incurred.

Board of Directors

In 2025/26, the Board of Directors received total remuneration of DKK 6m (2024/25: DKK 5m). The increase is driven by changes to committee structure and remuneration hereof.

The full remuneration report for the financial year 2025/26 can be found at <https://investor.bang-olufsen.com/remuneration>.

(DKK million)	2025/26			2024/25		
	Board of Directors	Executive Management Board	Other key employees*	Board of Directors	Executive Management Board	Other key employees
Wages, salaries and fees	6	15	22	5	14	22
Pensions	-	1	2	-	1	2
Bonus	-	4	3	-	22	9
Termination and severance payments	-	18	2	-	-	5
Total	6	38	29	5	37	38
Share-based payments	-	4	3	-	12	7
Total remuneration	6	42	32	5	49	45

*Other key employees refers to members of Group Management

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.

Half of the restricted shares are performance based and eligible for vesting in equal tranches over three financial years, depending on performance relative to certain KPIs defined by the Board of Directors for each performance year. The remaining shares are retention incentives and 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 KPI achievement.

Any vested restricted shares will be released after the adoption of the Annual Report at the 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 2026	Maximum market value at grant date (DKK million)	Accumulated cost recognised (DKK million)	Estimated remaining maximum value to be expensed (DKK million)	Grant date	Last vesting date
Programme start date								
13.07.2023	01.06.2023-31.05.2026	10.36	2,076,039	80	22	-	13.07.2023	31.05.2026
11.07.2024	01.06.2024-31.05.2027	9.45	2,993,602	73	18	11	11.07.2024	31.05.2027
17.07.2025	01.06.2025-31.05.2028	13.41	2,628,230	156	9	29	17.07.2025	31.05.2028
Total			7,697,871	309	49	40		

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 table below, with 2025/26 including an additional grant for the interim CEO.

In 2025/26, a total of 1,536,505 shares were exercised under the programme initiated in 2022 (2024/25: 500,048). This programme ended with a weighted performance index of 83 over the three-year period at the grant share price of 14.28.

The programme initiated in 2023 ended at 31 May 2026 and approximately 2,076,039 shares will be exercised after the annual general meeting. The programme ended with a weighted performance index of 71 over the three-year period at the grant share price of 10.36.

The cost of the share programmes for the year amounted to DKK 15m (2024/25: DKK 32m) with the decrease driven by the reduced earnings for the year, which resulted in an overall combined performance index of 65 (2024/25: index 139).

The accumulated costs recognised for the three ongoing programmes totalled DKK 49m (2024/25: DKK 56m) with an estimated remaining maximum value to be expensed of DKK 40m (2024/25: DKK 52m).



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.

Average share price at grant date is based on the volume-weighted average price of the company's shares traded on Nasdaq Copenhagen three days after the publication of the annual reports.

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 4,719,497 shares at 31 May 2026 (31 May 2025: 2,963,183 shares).

TABLE - SHARES OUTSTANDING

Shares outstanding	Executive Management Board	Other employees	Total
2025/26			
Shares outstanding at 1 June	3,341,574	6,548,876	9,890,450
Shares granted during the year	1,748,472	2,780,112	4,528,584
Shares exercised during the year	-491,101	- 1,045,404	- 1,536,505
Shares forfeited during the year	-2,432,407	- 2,752,251	- 5,184,658
Total number of shares outstanding	2,166,538	5,531,333	7,697,871
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	- 491,330	- 1,300,578	- 1,791,908
Total number of shares outstanding	3,341,574	6,548,876	9,890,450

3.4 Pension and similar retirement obligations

(DKK million)	2025/26	2024/25
Amount recognised in the income statement		
Defined contribution plans	53	47
Defined benefit plans	0	0
Total pension amount charged to the income statement	53	47
Amount recognised in the balance sheet		
Wholly unfunded defined benefit plans	2	2
Wholly or partly funded defined benefit plans	16	20
Present value of defined benefit obligation at 31 May	18	22
Fair value of plan assets	-8	-7
Defined benefit plan obligation at 31 May	10	15

(DKK million)	2025/26	2024/25
Actuarial assumptions		
Discount rate p.a.	4.1%	3.8%
Expected salary increase p.a.	2.3%	2.4%
Expected rate of return p.a.	2.3%	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.



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

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4.2	Trade receivables	114
4.3	Net working capital	115



4.1 Inventories

(DKK million)	2025/26	2024/25
Inventories before write-downs	454	481
Write-downs	-36	-34
Total	418	447
Raw materials	23	29
Work in progress	28	21
Spare parts	76	71
Finished goods	278	326
Prepayments for goods	13	-
Total	418	447
Inventories recognised in production costs	841	990

Prepayments for goods relates to components (memory chips).



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 or 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)	2025/26	2024/25
Trade receivables at 31 May, before impairment	316	359
Impairment at 1 June	-11	-9
Impairment losses recognised	-2	-1
Realised impairment losses	-5	1
Reversed impairment losses	2	-2
Impairment at 31 May	-16	-11
Trade receivables at 31 May	300	348

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.

(DKK million)	31-05-26		31-05-25	
	Amount	Impairment	Amount	Impairment
Maturity analysis:				
Amounts not due	299	-4	358	-3
Past due up to 30 days	-	-	-	-
Past due between 31 and 60 days	1	-	-	-
Past due between 61 and 90 days	5	-1	-	-
Past due between 91 and 120 days	-	-	-	-
Past due more than 120 days	11	-11	1	-8
Trade receivables	316	-16	359	-11

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 macroeconomic factors affecting credit risk.

Management continues to assess credit risk in order to ensure that it 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.

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 Net working capital

(DKK million)	31/05/26	31/05/25	Change
Inventories	418	447	-29
Trade receivables	300	348	-48
Other receivables*	61	59	2
Prepayments	33	42	-9
Trade payables	-313	-453	140
Other liabilities	-150	-227	77
Total	349	216	133

* At 31 May 2025, other receivables were adjusted for financial receivables relating to leases of DKK 2m not included as net working capital. No financial receivables relating to leases at 31 May 2026.

Net working capital increased by DKK 133m during the year to DKK 349m (31 May 2025: DKK 216m).

Inventories decreased by DKK 29m to 418m, reflecting continued focus on inventory management. Trade receivables decreased mainly driven by lower revenue in Q4 2025/26 compared to last year. Payables decreased by DKK 217m, driven by the timing of payments and a decrease in bonus accruals.



Accounting policies

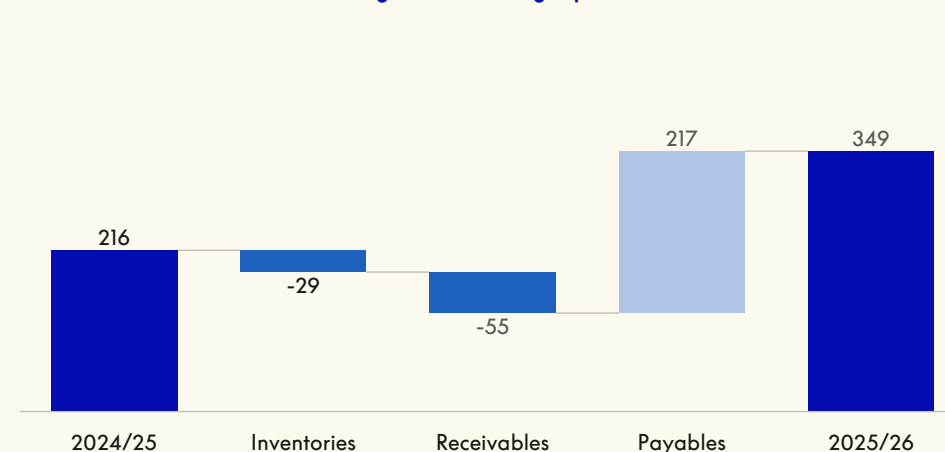
Other receivables and prepayments

Other receivables comprise VAT receivables, loans to partners, interest receivables and derivatives. 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.

Change in net working capital, DKKm



Section 5

Invested capital

5.1	Intangible assets and property, plant and equipment	117
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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 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
Additions	-	53	44	98	195	7	10	9	13	22	61
Disposals and terminations	-	-39	-	-1	-40	-18	-	-18	-5	-	-41
Completed development projects and assets	-	-	97	-97	-	8	9	-	-	-23	-6
Exchange rate adjustments	-	-	-	-	-	-	-	-1	-1	-	-2
At 31 May 2026	64	248	819	148	1,279	335	519	129	92	28	1,103
Depreciation, amortisation and impairment											
At 1 June 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
Amortisation and depreciation	-	-32	-121	-	-153	-13	-17	-6	-13	-	-49
Disposals and terminations	-	36	-	-	36	16	-	18	5	-	39
Exchange rate adjustments	-	-	-	-	-	-	-	1	-	-	1
At 31 May 2026	-22	-132	-640	-	-794	-248	-474	-108	-59	-	-889
Carrying amount											
At 31 May 2026	42	116	179	148	485	87	45	21	33	28	214
At 31 May 2025	42	98	159	148	447	87	43	18	34	29	211

5.1 Intangible assets and property, plant and equipment (continued)

Impairment

Recognised impairment

No impairment was recognised in 2025/26.

Impairment test of goodwill

The carrying amount of goodwill amounted to DKK 42m (31 May 2025: 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% (2024/25: 1.5%) and a discount rate of 9.5% were applied (2024/25: 7.0%).

The impairment test showed significant headroom from value in use to the carrying amount. Management is of the opinion that the applied assumptions are reasonable.

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 327m at 31 May 2026 (31 May 2025: DKK 307m). The main additions in the 2025/26 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 life 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 Leases

(DKK million)	Land and buildings	Other equipment	Total
Carrying amount at 1 June 2024	134	2	136
Additions	20	16	36
Remeasurements	13	-	13
Disposals	-3	-1	-4
Depreciation for the year	-43	-4	-47
Depreciation on disposals	3	1	4
Exchange rate adjustments	-2	-	-2
At 31 May 2025	122	14	136
Carrying amount at 1 June 2025	122	14	136
Additions	72	3	75
Remeasurements	108	-	108
Disposals	-	-1	-1
Depreciation for the year	-50	-5	-55
Depreciation on disposals	-	1	1
At 31 May 2026	252	12	264

Repayment of lease liability amounted to DKK 55m in 2025/26 (2024/25: DKK 46m). Expenses relating to short-term and low-value leases were insignificant.

(DKK million)	2025/26	2024/25
Amounts recognised in the income statement:		
Interest expenses	-12	-10
Short-term leases	0	0
Expenses relating to variable payments	-9	-8
Income from subleases	1	1
Lease liabilities		
Non-current	221	104
Current	70	59
Total lease liabilities	291	163



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 2025/26 was around 5.4% (2024/25: 5.6%).

5.2 Leases (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.



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

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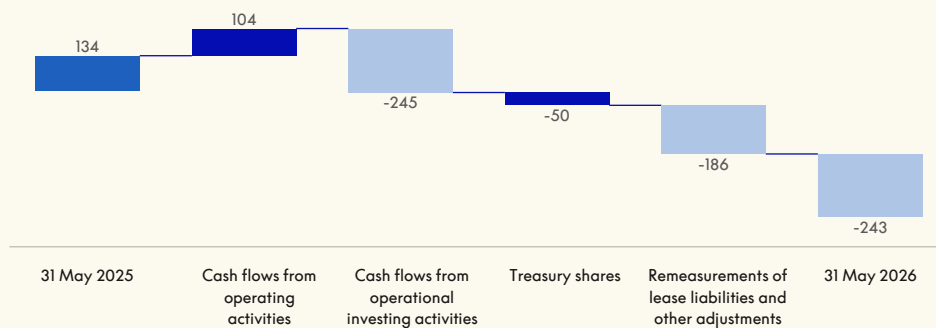
6.1 Net interest-bearing deposit/debt

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 future date. 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 2026, repo transactions amounted to DKK 230m (31 May 2025: DKK 175m).

Net interest-bearing debt amounted to DKK 243m (31 May 2025: a deposit of DKK 134m). The decrease was mainly due to the free cash flow of DKK -141m offset by additions and remeasurement of liabilities (DKK 183m) and purchase of treasury shares (DKK 50m).

Change in net interest bearing deposit/debt, DKKm



(DKK million)	31-05-26	31-05-25
Mortgage loans (non-current)	-42	-50
Mortgage loans (current)	-3	-3
Bank loans (current)	-280	-175
Lease liabilities (non-current)	-221	-104
Lease liabilities (current)	-70	-59
Other non-current liabilities	-1	-2
Interest-bearing debt	-617	-393
Finance lease receivables (current)	0	2
Cash (current)	134	145
Securities (current)	240	380
Interest-bearing assets	374	527
Net interest-bearing deposit/debt	-243	134

Net available liquidity was DKK 94m (31 May 2025: DKK 350m), consisting of cash and securities offset by repo transactions and draw on credit facilities presented as bank loans.

(DKK million)	31-05-26	31-05-25
Cash (current)	134	145
Securities (current)	240	380
Bank loans	-280	-175
Available liquidity	94	350

Including the undrawn part of our ESG-linked credit facility, capital resources were DKK 294m (31 May 2025: DKK 600m), consisting of available liquidity of DKK 94m (31 May 2025: DKK 350m) and undrawn committed credit facilities of DKK 200m (31 May 2025: DKK 250m).

6.2 Financial instruments by category

(DKK million)	31-05-26	31-05-25
Non-current other receivables	5	20
Trade receivables*	300	348
Other receivables	61	61
Cash	134	145
Financial assets at amortised cost	500	574
Securities	240	380
Fair value through income statement	240	380
Derivatives used for hedge accounting	1	1
Fair value through other comprehensive income	1	1
Financial assets	741	955
Mortgage loans	45	53
Bank loans	280	175
Lease liabilities	291	163
Trade payables	313	453
Other liabilities	143	219
Financial liabilities at amortised cost	1.072	1.063
Derivatives used for hedge accounting	7	7
Fair value through other comprehensive income	7	7
Financial liabilities	1.079	1.070

* Pledged 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 2025: DKK 100m).

(DKK million)	Less than one year	Between one and five years	More than five years	Total	Carrying amount
Contractual maturity analysis for financial liabilities					
31-05-26					
Mortgage loans	5	17	37	59	45
Lease liabilities	72	180	88	340	291
Bank loans	280	-	-	280	280
Trade payables	313	-	-	313	313
Other liabilities	150	-	-	150	150
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
Other liabilities	226	-	-	226	226

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.

The fair value of securities was based on observable market data and is part of level 1 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



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 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	31-05-26 Carrying amount	31-05-25 Carrying amount
Interest profile of mortgage loan				
Fixed rate loans, DKK	2.4%	2040	45	53
Total loans			45	53

(DKK million)	31-05-24	Financing cash flow	Additions and remeasure- ments	Reclassifi- cations	31-05-25	Financing cash flow	Additions and remeasure- ments	Reclassifi- cations	31-05-26
Change in interest bearing debts									
Lease liabilities	162	-47	48	-	163	-55	183	-	291
Long-term mortgage loans	53	-	-	-3	50	-5	-	-3	42
Short-term mortgage loans	3	-3	-	3	3	-3	-	3	3
Bank loans	381	-206	-	-	175	105	-	-	280
Other non-current liabilities	2	0	-	-	2	-	-1	-	1
Total	601	-256	48	-	393	42	182	-	617

We have a mortgage loan with a three-year interest refinancing period. A property was sold during the financial year, resulting in an extraordinary repayment of DKK 5m on the mortgage loan. The mortgage loan's interest terms were recently updated in 2025/26 at 2.4% plus contribution margin, providing an annual percentage rate of 3.8%.



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	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Treasury shares						
1 June	2.963.183	1.768.231	14	9	2,0	1,4
Acquired in connection with long-term incentive programme	3.699.761	1.695.000	18	8	2,5	1,2
Share-based programmes	-1.503.447	-500.048	-8	-3	-1,0	-0,3
Severance agreements	-440.000	-	-3	-	-0,4	0,0
Additions	-	-	-	-	-	-0,3
31 May	4.719.497	2.963.183	21	14	3,1	2,0

All treasury shares are held by Bang & Olufsen A/S.

(DKK million)	2025/26	2024/25
Share repurchases for the year	50	20

It is the objective of Bang & Olufsen's capital management to secure 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 comprises equity and interest-bearing debt. Interest-bearing debt includes mortgage financing, bank loans (including REPO transactions) and lease liabilities. In addition to the Group's capital structure, the Group holds a committed revolving credit facility of DKK 300m (31 May 2025: DKK 300m) with its primary bank. On 31 May 2026, a loan of DKK 50m (31 May 2025: DKK 0m) was drawn on the revolving credit facility and it was further utilised for the issuance of bank guarantees and other ancillary services.

At 31 May 2026, Bang & Olufsen held a total of 4,719,497 treasury shares (31 May 2025: 2,963,183) for the purpose of hedging the value of its long-term incentive programmes.

At 31 May 2026, the share capital consisted of 147,326,503 shares (31 May 2025: 147,326,503) 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.

For details of monetary transactions, see the statement of changes in equity.



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)	2025/26	2024/25
Interest income from banks	37	51
Other financial income	46	14
Exchange rate gain, net	-	3
Financial income	84	68
Interest expenses to banks	-47	-62
Other financial expenses	-8	-10
Fair value adjustments of securities	-2	0
Interest expenses on lease liabilities	-12	-10
Exchange rate loss, net	-2	-
Financial expenses	-71	-82
Financial items, net	14	-14

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.

In 2025/26, DKK 38m of interest was received in connection with a favourable ruling on an old dispute with the Danish Customs Authority.



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 also included.

6.6 Provisions

(DKK million)	Warranty	Reorgani- sation	Other provisions	Total
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
At 31 May 2025	74	0	5	79
Provisions in the year	27	43	7	62
Provisions used during the year	-39	-15	-3	-42
Provisions reversed in the year	-2	-	-	-2
At 31 May 2026	60	28	9	97
Maturity analysis for provisions				
Due between 1-5 years	30	-	-	30
Non-current provisions	30	-	-	30
Due within one year	30	28	9	67
At 31 May 2026	60	28	9	97

Provisions for warranty of DKK 60m were recognised at 31 May 2026 (31 May 2025: DKK 74m) 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.

Provision for reorganisation of DKK 28m was recognised at 31 May 2026 (31 May 2025: DKK 0m) to cover severance costs in respect of the reorganisation announced in Q4 2025/26.

Other provisions of DKK 9m (31 May 2025: DKK 5m) related primarily to employee anniversary benefits 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 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.



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.

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.

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

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7.1 Financial risks

We have global activities that expose us to a range of financial risks.

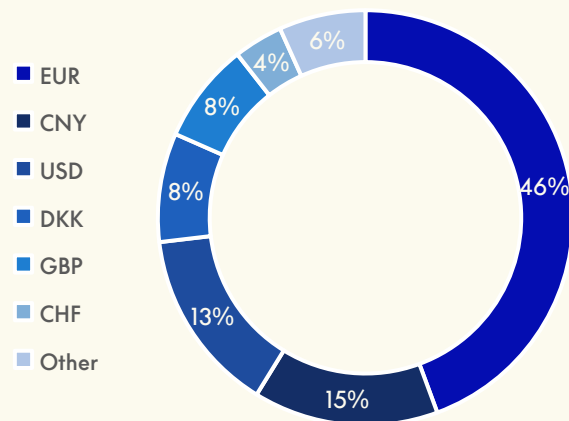
The management of financial risks is centralised. The overall objectives and policies for the Group's financial risk management are outlined in our Treasury guideline. Financial risk management is conducted by the Group Treasury department.

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, intercompany outstanding balances, and translation risk when translating foreign entities into the Group's presentation currency.

Currency flow of revenue in 2025/26:



In 2025/26, 92% of the Group's revenue (2024/25: 92%) was in foreign currencies.

Entities in	Functional currency	Change during 2025/26 (in %)
Eurozone	EUR	0.10%
China	CNY	-4.63%
US	USD	-7.23%
UK	GBP	-3.10%
Switzerland	CHF	2.00%

Changes in exchange rates during the year reduced revenue by 2.0% in 2025/26 (2024/25: reduced by 0.3%).

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 134m (2024/25: DKK 145m), yield interest in the short-term money market. Securities, which totalled DKK 240m (2024/25: DKK 380m), consisted of a portfolio of bonds primarily held to maturity. The bond portfolio is recognised at fair value; hence we are exposed to an interest rate risk during the tenor of the bonds. In 2025/26, the value of the bond portfolio decreased by DKK 140m primarily driven by a portfolio rebalancing in August 2025, when the portfolio was reduced by 128m DKK.

Interest-bearing debt consisted of bank loans of DKK 280m (2024/25: DKK 175m), mortgage debt of DKK 45m (2024/25: DKK 53m) at a floating rate that is fixed until March 2029, and lease liabilities of DKK 291m (2024/25: DKK 163m). At the end of the financial year, the Group's net interest-bearing debt totalled DKK 243m (2024/25: net interest-bearing deposit of DKK 134m), corresponding to 11% of the total financial position (2024/25: 6%).

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 45% of total trade receivables were insured via credit insurance at 31 May 2026 (31 May 2025: 57%).

We have a limited number of large key partners, which constitutes a concentration risk on receivables. Top 5 debtors accounted for 35% of total trade receivables at 31 May 2026 (31 May 2025: 36%). 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.

In 2025/26, 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 2026, cash and cash equivalents amounted to DKK 134m (2024/25: DKK 145m). Including securities and repo, available liquidity amounted to DKK 94m (2024/25: DKK 350m).

We have a committed revolving credit facility of DKK 300m with our main bank as part of our capital and liquidity readiness. On 31 May 2026, a loan of DKK 50m (31 May 2025: DKK 0m) was drawn on the revolving credit facility and it was further utilised for the issuance of bank guarantees and other ancillary services. The credit facility is subject to financial covenants, including leverage (NIBD/EBITDA) and minimum asset values. All covenants are continuously monitored to ensure that management, if needed, can initiate mitigating actions to ensure compliance. Compliance on covenants are being reported to our bank on a monthly basis.

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 5% of our production costs (2024/25: 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 5.8m on financial items (2024/25: negative DKK 3.8m). 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 1.7m increase (2024/25: DKK 3.1m), offset by a negative fair value adjustment of DKK 3.5m (2024/25: negative DKK 3.7m). The effect from other interest-bearing debt and deposits would be negative at DKK 4.0m (2024/25: negative DKK 3.1m) mainly driven by bank 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 effect from transactional risk on revenue and earnings are derived from changes in selected currencies compared to average annual rates. The effect from translational risk on equity is derived from changes to the 31 May 2026 closing rates for selected currencies and includes the equity of all subsidiaries. Translational risk related to external balance sheet items are deemed immaterial as main exposure is in EUR.

The estimates are presented below on an unhedged basis. The applied exchange rate movements are based on annualised historical volatility calculated from daily exchange rate movements over the period 1 June 2025 to 31 May 2026.

(DKK million)	Increase	2025/26			Increase	2024/25		
		Revenue	Profit/loss before tax	Equity before tax		Revenue	Profit/loss before tax	Equity before tax
USD	5.5%	17	-25	7	5.0%	19	-16	8
GBP	3.5%	7	5	3	5.0%	10	7	3
CNY	5.0%	18	14	7	5.0%	17	12	6
CHF	3.0%	3	2	0	5.0%	5	4	0
Other	4.0%	8	4	5	5.0%	9	6	4
Total		53	0	22		60	13	21

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.

Derivatives contracted by the Group to hedge foreign exchange risk related to future transactions are specified below:

For information on financial risks and management of those risks, see note 7.1.

(DKK million)	31-05-26					31-05-25				
	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 & swaps										
USD	Negative	12 months	6.348	0	140	Negative	12 months	6.721	-5	139
GBP	Positive	12 months	8.384	-1	46	Positive	12 months	8.630	-1	41
CHF	Positive	12 months	8.145	0	28	Positive	12 months	7.990	0	34
CNY	Positive	12 months	0.896	-5	90	Positive	12 months	0.914	0	84
JPY	Positive	12 months	0.041	0	17	Positive	12 months	0.046	0	20
SGD	Negative	12 months	5.116	0	9	Negative	12 months	5.206	0	10
Derivatives for hedging				-6	330				-6	328

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)	31-05-26	31-05-25
Other receivables, current	1	1
Other liabilities, current	-7	-7
Total	-6	-6

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

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8.1 Fees to auditors

(DKK million)	2025/26	2024/25
Statutory audit	2.1	1.8
Other assurance services	1.8	2.3
Tax services	1.6	1.1
Other services	0.5	0.2
Total	6.0	5.4

Fees for other assurance services provided by Deloitte to the Bang & Olufsen Group mainly consist of fees related to the auditing of subsidiaries and assurance on sustainability report.

8.2 Earnings per share

(1,000 shares)	2025/26	2024/25
Profit/loss for the year, DKKm	-107	-29
Average number of shares outstanding	147,327	147,327
Dilutive effect of average outstanding shares	-	-
Average number of shares outstanding, including dilutive effect	147,327	147,327
Earnings per share (EPS), DKK	-0.7	-0.2
Earnings per share, diluted (EPS-D), DKK	-0.7	-0.2

8.3 Contingent liabilities, collateral and other financial commitments

Bang & Olufsen Group has issued guarantees in an amount of DKK 62m (31 May 2025: DKK 67m). 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 45m (31 May 2025: DKK 53m) as security for DKK 45m of the Group's mortgage loan (31 May 2025: DKK 53m).

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 2025: DKK 87m).

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 2026, repo transactions amounted to DKK 230m (31 May 2025: 175m).

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 2025: 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 record a provision for contingent losses when it is both probable that a liability has been incurred and that 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 enforcement of our retail partner agreement 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 the 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 2025/26 other than ordinary remuneration, as described in notes 3.2 and 3.3, and sales of products on employee terms and conditions.

Other transactions

There were no other transactions with related parties in 2025/26.

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, %	LTM (latest twelve months) Net income for the year x 100 / Average total assets
Return on equity, %	LTM (latest twelve months) Net income for the year x 100 / Average total equity
Return on invested capital, %	LTM (latest twelve months) Net operating profit after tax x 100 / Average invested capital
Revenue per share	Revenue per average number of outstanding shares
Revenue per share, diluted	Revenue per diluted average number of outstanding shares
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)	2025/26	2024/25
Revenue growth (according to P&L)	-3	-1
Foreign exchange	1	-
Growth in local currencies	-2	-1

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)	2025/26	2024/25
EBIT	-76	16
Depreciation, amortisation and impairment	259	245
EBITDA	183	261
Special items, net	63	10
EBITDA before special items	246	271
EBIT	-76	16
Special items, net	63	10
EBIT before special items	-13	26



Parent company *financial statements*

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Income statement and statement of comprehensive income

1 June – 31 May

(DKK million)	Notes	2025/26	2024/25
Revenue	3	566	558
Production costs	4, 5, 6	-78	-79
Gross profit		488	479
Development costs	4, 5, 6	-370	-337
Distribution and marketing costs	4, 5, 6	-266	-248
Administrative costs	4, 5, 6	-138	-144
Other operating income	7	3	-
Operating profit/loss (EBIT)		-283	-250
Income from investment in subsidiaries		330	230
Financial income	9	39	67
Financial expenses	9	-41	-69
Financial items, net		-2	-2
Profit/loss before tax (EBT)		45	-22
Income tax	10	30	22
Profit/loss for the year		75	0
Total comprehensive income for the year		75	0
Distribution of profit/loss for the year:			
Reserve for development costs		19	18
Retained earnings		56	-18
Total		75	0

Statement of financial position

Assets

(DKK million)	Notes	31-05-26	31-05-25
Acquired rights		99	85
Completed development projects		179	159
Development projects in progress		148	148
Intangible assets	11	426	392
Property, plant and equipment	11	51	60
Right-of-use assets	12	14	19
Tangible assets		65	79
Investment properties	13	49	44
Investment in subsidiaries	15	607	607
Deferred tax assets	10	11	30
Total non-current assets		1,158	1,152
Trade receivables		35	51
Tax receivable		53	46
Interest-bearing receivables from subsidiaries		282	228
Other receivables		13	17
Prepayments		17	15
Securities		240	380
Cash		55	38
Total current assets		695	775
Total assets		1,853	1,927

Equity and liabilities

(DKK million)	Notes	31-05-26	31-05-25
Share capital	16	737	737
Reserve for development costs		260	241
Retained earnings		103	78
Total equity		1,100	1,056
Lease liabilities	12, 17	8	14
Provisions		0	2
Mortgage loans	17	42	50
Total non-current liabilities		50	66
Lease liabilities	12, 17	8	8
Mortgage loans	17	3	3
Bank loans	19	230	175
Interest-bearing debt to subsidiaries	19	304	387
Trade payables	19	94	120
Provisions		14	0
Other liabilities		50	112
Total current liabilities		703	805
Total liabilities		753	871
Total equity and liabilities		1,853	1,927

Statement of cash flows

1 June – 31 May

(DKK million)	Notes	2025/26	2024/25
Profit/loss before tax (EBT)		45	-22
Financial items, net	9	2	2
Income from investment in subsidiaries		-330	-230
Depreciation, amortisation and impairment	6	171	163
Operating profit/loss before depreciation, amortisation and impairment (EBITDA)		-112	-87
Other non-cash items		18	29
Change in net working capital		-58	23
Interest received		40	68
Interest paid		-41	-68
Income tax received		41	51
Cash flows from operating activities		-112	16
Purchase of intangible assets	11	-187	-187
Purchase of tangible assets	11,12,13	-10	-16
Sale of tangible assets		3	-
Income from investment in subsidiaries		330	230
Operational investments		136	27
Free cash flow		24	43
Change in interest-bearing receivables from subsidiaries		-54	-34
Change in interest-bearing debt from subsidiaries		-83	387
Sale of securities		140	9
Financial investments		3	362
Cash flows from investing activities		139	389

(DKK million)	Notes	2025/26	2024/25
Repayment of lease liabilities	17	-7	-5
Repayment of mortgage loans	17	-8	-3
Repayment of loans and borrowings	17	55	-556
Purchase of treasury shares		-50	-20
Right issues		-	217
Cash flows from financing activities		-10	-367
Cash and cash equivalents, opening balance		38	-
Change in cash and cash equivalents		17	38
Cash and cash equivalents, closing balance		55	38

Statement of changes in equity

1 June – 31 May

(DKK million)	Share capital	Reserve for development costs	Retained earnings	Total
Equity at 1 June 2025	737	241	78	1,056
Profit/loss for the year	-	19	56	75
Comprehensive income for the year	-	19	56	75
Share-based payments	-	-	19	19
Purchase of treasury shares	-	-	-50	-50
Equity at 31 May 2026	737	260	103	1,100
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 treasury shares	-	-	-20	-20
Equity at 31 May 2025	737	241	78	1,056



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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 2 July 2026 and will be presented to the shareholders for approval at the Annual General Meeting.

The financial statements of Bang & Olufsen A/S for 2025/26 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU as well as 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 and correction of errors

The description in note 1.3 to the consolidated financial statements regarding new standards issued effective for the 2025/26 Annual Report covers the Parent Company as well.

Classification of functional split of costs in the income statement and notes

An error in the classification of costs in the income statement for the prior year has been identified. Comparative figures have been adjusted accordingly. Production costs have been adjusted from DKK 50m to DKK 79m. Development costs have been adjusted from DKK 496m to DKK 337m. Distribution and marketing costs have been adjusted from DKK 89m to DKK 248m, and administration costs have been adjusted from DKK 173m to DKK 144m. The related notes have been updated accordingly.

The error did not impact operating profit/loss or profit/loss for the year.

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)	2025/26	2024/25
Geographical breakdown:		
Denmark	350	349
Brand Partnering & other activities (global activities)	210	199
Rest of world	6	10
Total	566	558
Breakdown by nature:		
Royalty and license	494	485
Rental income	72	73
Total	566	558

4 Staff costs

(DKK million)	2025/26	2024/25*
Wages and other remuneration	406	376
Share-based payments	15	32
Pensions	30	26
Other social security costs	4	4
Total staff costs	455	438
Staff costs relate to:		
Production costs	29	31
Development costs	224	202
Distribution and marketing costs	114	109
Administrative costs	88	96
Total staff costs	455	438
Average number of full-time employees	448	392

*Restated

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)	2025/26	2024/25*
Incurring development costs before capitalisation	391	365
Of which capitalised	-142	-138
Incurring development costs after capitalisation	249	227
Capitalisation (%)	36.3%	37.9%
Total amortisation and impairment losses on development projects	121	110
Development costs recognised in the income statement	370	337

*Restated

6 Depreciation, amortisation and impairment

(DKK million)	2025/26	2024/25*
Depreciation, amortisation and impairment		
Intangible assets, amortisation	149	139
Property, plant and equipment, depreciation	10	10
Investment properties, depreciation	5	4
Right-of-use assets, depreciation	7	6
Loss on disposals	0	4
Total	171	163
Depreciation, amortisation and impairment relate to:		
Production costs	13	13
Development costs	132	124
Distribution and marketing costs	17	18
Administrative costs	9	8
Total	171	163

*Restated

7 Other operating income

(DKK million)	2025/26	2024/25
Gain on sale of building	3	-
Total	3	-

DKK 3m related to gain on the sale of a building which was part of the investment properties (see note 13).

8 Special items

(DKK million)	2025/26	2024/25
Severance, Executive Management Board	23	-
Reorganisation costs and severance	28	8
Total	51	8
(DKK million)	2025/26	2024/25
Production costs	6	0
Development costs	19	1
Distribution and marketing costs	20	4
Administrative costs	6	3
Total	51	8

Special items consist of expenses related to reorganisation 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)	2025/26	2024/25
Interest income from banks	32	33
Interest income from subsidiaries	0	13
Other financial income	7	21
Financial income	39	67
Interest expenses	-23	-61
Interest expense to subsidiaries	-10	-4
Interest expenses on lease liabilities	-1	-1
Other financial expenses	-3	0
Exchange rate losses, net	-4	-3
Financial expense	-41	-69
Financial items, net	-2	-2

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)	2025/26	2024/25
Tax for the year		
Current tax	-48	-39
Change in deferred tax during the year	19	16
Current tax adjustments to prior years	-1	-
Deferred tax adjustments to prior years	0	1
Total	-30	-22

	2025/26		2024/25	
	%	DKKm	%	DKKm
Effective tax rate for the year				
Calculated tax on result for the year before tax	22.0%	10	22.0%	-5
Non-deductible costs and non-taxable income	-148.9%	-67	222.7%	-49
Adjustments to prior periods	-2.2%	-1	-4.5%	1
Impairment of deferred tax assets	62.2%	28	-136.4%	30
Other	0.0%	0	-4.5%	1
Effective tax rate for the year	-66.9%	-30	99.3%	-22

	Assets		Liabilities		Net assets	
(DKK million)	31-05-26	31-05-25	31-05-26	31-05-25	31-05-26	31-05-25
Deferred tax						
Non-current assets	-	-	12	15	-12	-15
Tax loss carry forwards	11	10	-	-	11	10
Other	12	35	-	-	12	35
Total	23	45	12	15	11	30

For the assessment of the future utilisation of deferred tax assets, see note 2.6 to the consolidated financial statements.

(DKK million)	2025/26	2024/25
Change in deferred tax, net during the year		
Non-current assets	3	3
Tax loss carry forwards	1	-21
Other	-23	1
Total	-19	-17

At 31 May 2026, the net deferred tax asset totalled DKK 11m (31 May 2025: DKK 30m). The decrease of DKK 19m was mainly due to an increase in tax carry forwards related to our US activity.

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 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
Additions	45	44	98	187	3	6	9
Disposals	-37	-	-1	-38	-	-	-
Completed development projects and assets	-	97	-97	-	-	-8	-8
At 31 May 2026*	173	819	148	1,140	194	89	283
Depreciation, amortisation and impairment							
At 1 June 2024	-124	-409	-	-533	-140	-77	-217
Amortisation and depreciation	-29	-110	-	-139	-8	-2	-10
Disposals	73	-	-	73	-	5	5
At 31 May 2025	-80	-519	-	-599	-148	-74	-222
Reclassification of assets from assets held for sale to land and buildings				-			-
Amortisation and depreciation	-28	-121	-	-149	-8	-2	-10
Disposals	34	-	-	34	-	-	-
At 31 May 2026	-74	-640	-	-714	-156	-76	-232
Carrying amount							
At 31 May 2026	99	179	148	426	38	13	51
At 31 May 2025	85	159	148	392	43	17	60

*There are no contractual obligations regarding the purchase of property, plant and equipment.

12 Leases

(DKK million)	Land and buildings	Other equipment	Total
Carrying amount at 1 June 2024	17	2	19
Additions	-	8	8
Disposals	-	-1	-1
Depreciation for the year	-5	-2	-7
At 31 May 2025	12	7	19
Carrying amount at 1 June 2025	12	7	19
Additions	-	1	1
Remeasurements	1	-	1
Depreciation for the year	-5	-2	-7
At 31 May 2026	8	6	14

See note 17 for a maturity analysis for lease liabilities.

(DKK million)	2025/26	2024/25
Amounts recognised in the income statement:		
Interest expenses	-1	-1
Lease liabilities		
Non-current	8	14
Current	8	8
Total lease liabilities	16	22

Repayments of lease liabilities amounted to DKK 7m in 2025/26 (2024/25: DKK 5m). Expenses relating to short-term and low-value leases were insignificant.

13 Investment properties

(DKK million)	
Cost	
At 1 June 2024	159
Additions	3
Completed assets	3
At 31 May 2025	165
Additions	4
Disposals	-18
Completed assets	8
At 31 May 2026	159
Depreciation and impairment	
At 1 June 2024	-117
Depreciation during the year	-4
At 31 May 2025	-121
Depreciation during the year	-5
Disposals	16
At 31 May 2026	-110
Net book value	
At 31 May 2026	49
At 31 May 2025	44

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 72m was received from investment properties in 2025/26 (2024/25: DKK 73m). Directly attributed operating expenses were DKK 46m (2024/25: DKK 46m).

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 2025/26 or 2024/25.

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 9.5% (2024/25: 7.0%).

Financial assets – impairment losses during the year

No impairment losses were recognised on non-current financial assets in 2025/26 or 2024/25.

15 Investments in subsidiaries

(DKK million)	31-05-26	31-05-25
Bang & Olufsen Operations A/S	600	600
B&O Play A/S	7	7
Total	607	607

At 31 May 2026, investments in subsidiaries amounted to DKK 607m (31 May 2025: DKK 607m). There were no acquisitions or disposals in 2025/26 (2024/25: none).

See note 8.6 to the consolidated financial statements for an overview of Group companies.

16 Share capital

At 31 May 2026, the share capital consisted of 147,326,503 shares (31 May 2025: 147,326,503) 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	
	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25
Treasury shares						
1 June	2,963,183	1,768,231	14	9	2.0	1.4
Acquired in connection with long-term incentive programmes	3,699,761	1,695,000	18	8	2.5	1.2
Share-based programmes	-1,503,447	-500,048	-8	-3	-1.0	-0.3
Severance agreements	-440,000	-	-3	-	-0.4	-
Additions	-	-	-	-	-	-0.3
31 May	4,719,497	2,963,183	21	14	3.1	2.0

All treasury shares are held by Bang & Olufsen A/S.

Major shareholders, 31 May 2026

Four 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
- Chr. Augustinus Fabrikker Aktieselskab

17 Mortgage loans and lease liabilities

			31-05-26	31-05-25
(DKK million)	Nominal interest value	Year of maturity	Carrying amount	Carrying amount
Terms and repayment schedule				
Fixed-rate loans, DKK	2.4%	2040	45	53
Total loans			45	53

We have a mortgage loan with a three-year interest refinancing period. A property was sold during the financial year, resulting in an extraordinary repayment of DKK 5m on the mortgage loan. The mortgage loan was most recently refinanced in 2025/26 at 2.4% plus contribution margin, providing an annual percentage rate of 3.8%.

(DKK million)	31-05-24	Financing cash flow	Additions and remeasurements	Reclassifications	31-05-25	Financing cash flow	Additions and remeasurements	Reclassifications	31-05-26
Change in interest bearing debts									
Lease liabilities	20	-5	7	-	22	-7	1	-	16
Long-term borrowings	53	-	-	-3	50	-5	-	-3	42
Short-term borrowings	3	-3	-	3	3	-3	-	3	3
Bank loans	731	-556	-	-	175	55	-	-	230
Total	807	-564	7	-	250	40	1	-	291

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 15m (2024/25: DKK 32m) was recognised in the year as part of staff costs.

19 Financial instruments by category

(DKK million)	31-05-26	31-05-25
Trade receivables	35	51
Interest-bearing receivables from subsidiaries	282	228
Cash	55	38
Financial assets at amortised cost	372	317
Securities	240	380
Fair value through income statement	240	380
Financial assets	612	697
Mortgage loans	45	53
Bank loans	230	175
Lease liabilities	16	22
Interest-bearing debt from subsidiaries	304	387
Trade payables	94	120
Other liabilities	50	121
Financial liabilities at amortised cost	739	879

(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 2026					
Mortgage loans	5	17	37	59	45
Bank loans	230	-	-	230	230
Lease liabilities	8	8	-	16	16
Interest-bearing debt to subsidiaries	304	-	-	304	304
Trade payables	94	-	-	94	94
Other liabilities	50	-	-	50	50
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
Other liabilities	121	-	-	121	121

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)	2025/26	2024/25
Statutory audit	0.3	0.2
Other assurance services	0.5	0.9
Tax services	1.6	1.1
Other services	0.2	-
Total	2.6	2.2

Fees for other assurance services provided by Deloitte to the Bang & Olufsen Group mainly consist of fees related to assurance on sustainability report.

21 Contingent liabilities, collateral and other financial commitments

The Bang & Olufsen Group has issued guarantees totalling DKK 62m (2024/25: DKK 67m). The guarantees mainly relate to a rent obligation connected 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 2025/26 for some of its 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 2025/26 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)	2025/26	2024/25
Purchase of services - subsidiaries	75	57
Rental income - subsidiaries	72	73
Income from investment in subsidiaries	330	230
Royalty income - subsidiaries	278	276

At 31 May 2026, Bang & Olufsen A/S had receivables from subsidiaries of DKK 282m (31 May 2025: DKK 228m) and payables of DKK 304m (31 May 2025: DKK 387m). Trade receivables are generally subject to payment terms of 30 days from the end of month of invoice, and 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 2025/26 or in 2024/25.

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 2025/26.

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.



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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 2025 – 31 May 2026.

The Annual Report is prepared in accordance with IFRS Accounting Standards as adopted by the EU and disclosure requirements for listed entities in Denmark.

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 2026 as well as of the results of their operations and the Group’s cash flows for the financial year 1 June 2025 – 31 May 2026.

In our opinion, the Management’s review 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 report included in the Management Review is further prepared in accordance with Danish Financial Statements Act. In our opinion the consolidated environmental, social and governance (ESG) statements has been prepared in accordance with the accounting policies for basis for reporting, and the environmental, social and governance-related accounting policies. We believe that it provides a reasonable and fair presentation of the Group’s ESG activities and performance.

Furthermore, in our opinion, the Annual Report of Bang & Olufsen A/S for the financial year 1 June 2025 to 31 May 2026 with the file name BangogOlufsen-2026-05-31-1-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, 2 July 2026

Executive Management Board:

Nikolaj Wendelboe
Interim CEO & EVP, CFO

Board of Directors:

Juha Christensen
Chair

Albert Bensoussan
Vice Chair

Anders Colding Friis

Jesper Jarlbæk

Nancy Liu

Tuula Ryttilä

Dorte Vegeberg

Kresten Bjørn Krab-Bjerre

Søren Balling

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 2025 – 31 May 2026, 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 2026, and of the results of their operations and cash flows for the financial year 1 June 2025 – 31 May 2026 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), as applicable to audits of financial statements of public interest entities, and the additional ethical requirements applicable in Denmark to audits of financial statements of public interest entities. We have also 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 3 years up to and including the financial year 2025/26.

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 2025 – 31 May 2026. 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 2.6 – Tax of the consolidated financial statements. The deferred tax assets were 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 2.6 – Tax of the consolidated financial statements against applicable financial reporting standards.

Statement on the management commentary

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 report 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 report, 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 01.06.2025-31.05.2026, with the file name BangogOlufsen-2026-05-31-1-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 2025 – 31 May 2026, with the file name BangogOlufsen-2026-05-31-1-en.zip, is prepared, in all material respects, in compliance with the ESEF Regulation.

Copenhagen, 2 July 2026

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 selected disclosures in the sustainability report

To the stakeholders of Bang & Olufsen A/S

Limited assurance conclusion

We have conducted a limited assurance engagement on the selected ESG data and information (hereafter "ESG Disclosures") marked with "*" on pages 56-85 in the Sustainability Report of Bang & Olufsen A/S (the "Group") included in the section Management Review for the financial year 1 June 2025 – 31 May 2026.

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 ESG Disclosures are not prepared, in all material respects, in accordance with applied accounting policies as described on pages 56-85.

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance engagements other than audits or reviews of historical financial information ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the

level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion. Our responsibilities under this standard are further described in the Auditor's responsibilities for the assurance engagement section of our report.

Our independence and quality management

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Other matter

The comparative information included in the ESG Disclosures of the Group prior to the financial year 1 June 2024 – 31 May 2025 were not subject to a limited assurance engagement. Our conclusion is not modified in respect of this matter.

Management's responsibilities for the sustainability report

Management of the Group is responsible for:

- Designing and implementing a process for identifying the information included in the sustainability report as described in the sustainability reporting practice applied on pages 61-62;
- Identifying the information to be reported in ESG Disclosures as described in the accounting policies applied on pages 56-85;
- The preparation of the sustainability report in accordance with accounting policies applied;
- Designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability report, in accordance with accounting policies applied 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 ESG Disclosures in the sustainability report are 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 ESG Disclosures in the sustainability report.

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 sustainability report include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to assessed risks of material misstatement at the disclosure level. 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 ESG Disclosures in the sustainability report.

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 report.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of the ESG Disclosures in its sustainability report by obtaining an understanding of the Group's control environment,

processes and information systems relevant to the preparation of the ESG Disclosures in the sustainability report but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Performed inquiries of relevant personnel and analytical procedures on ESG Disclosures in the sustainability report;
- Performed substantive assurance procedures on ESG Disclosures in the sustainability report; and
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and how these methods were applied.

Other information

Management is responsible for other information. The other information comprises the remaining part of the information including targets, which is included in the sustainability report, and which is not included in the ESG Disclosures identified on pages 56-85 in the sustainability report.

Our conclusion on the ESG Disclosures identified on pages 56-85 in the sustainability report does not cover other information, and we do not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the ESG Disclosures identified on pages 56-85 in the sustainability report, our responsibility is to read other information and, in doing so, consider whether other information is materially inconsistent with the ESG Disclosures identified on pages 56-85 in the sustainability report or our knowledge obtained during the assurance engagement, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Copenhagen, 2 July 2026

Deloitte

Statsautoriseret Revisionspartnerselskab
Business Registration No. 33 96 35 56

Thomas Simoni
State Authorised Public Accountant
Identification No (MNE) mne45826

Aida Sasivarevic
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BANG & OLUFSEN

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