

CHAIRMANS SPEECH – ANNUAL GENERAL MEETING, 20 AUGUST 2020

(In the event of any discrepancy between the oral and written version, the oral version prevails)

I will first give an account of the company's activities and overall results in the past financial year, and our CEO Kristian Teär will then comment on our financial results and present the company's strategy.

2019/20 was a disappointing year for Bang & Olufsen, in which we had to issue two profit warnings.

One of our priorities for the 2019/20 financial year was to create a demand-driven sales and distribution network. However, we failed to deliver sufficient progress in this area, which was one of the reasons for the unsatisfactory results.

We knew from the beginning of the financial year that our results would be negatively affected by the planned transition, which, among other changes, entailed a reduction in stocks held by our retail partners, less use of extended credits to partners and a reduction of sales through unauthorised channels.

However, it became clear early in the financial year that we were not seeing the desired outcome of these initiatives or effects of the upgrades to the network of stores we had initiated.

To counter this development, we decided to appoint Kristian Teär as our new CEO in October 2019. We also launched a number of sales and marketing initiatives to reverse the negative trends. In December, we also initiated a strategy process, which Kristian will tell you more about later on.

Unfortunately, the COVID-19 pandemic hit us at the worst possible time, just as we were beginning to see the effects of the many new initiatives. The COVID-19 crisis was also the reason why we had to issue our second profit warning in March, and why, in May, we had to ask our shareholders to support a capital increase that would secure capital to get through the crisis.

As a result of the slower reorganisation of our sales and distribution networks and the COVID-19 crisis, our revenue decreased by 29% in local currencies against expected single-digit growth relative to the previous year.

The shortfall in revenue negatively impacted our EBIT margin before special items, and we ended up with a negative margin of 15%.

The lower results also affected our free cash flows, which ended up at a negative DKK 234 million. However, we saw a significant positive effect from the strict management of our working capital and our ability to reduce our tied-up working capital during the year. This had a positive effect of DKK 82 million on our free cash flows this year.

As mentioned, the outbreak of COVID-19 impacted our business very significantly. Especially our fourth and final quarter was badly affected by the lockdown of countries worldwide and the resulting changes in consumer behaviour. We thus saw a drop in revenue of 39% in the fourth quarter. As much of Bang & Olufsen's revenue comes from physical stores, we were very vulnerable to the lockdowns.

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Many of our stores were temporarily closed during this period, and at one point more than 60% of our stores globally were closed at the same time. The stores that remained open experienced significantly less footfall, as people in most countries were encouraged to stay indoors.

To adapt to the changed consumer behaviour, we intensified our digital business and initiatives. We changed our e-commerce platform to enable customers to purchase all our products online, and we ensured that orders for, for example, TVs and loudspeakers requiring installation etc. were forwarded to the nearest dealer, who could handle the installation with the right precautions.

We also strengthened our online presence across many channels, and held a number of successful online concerts targeted at precisely the customer segments which we focus on. Finally, we also temporarily changed our revenue sharing on orders placed via our e-commerce platform to support our dealers, who were also hard hit by the crisis.

On the other hand, COVID-19 didn't have any significant impact on the availability of products in 19/20. However, the distribution of our products to the various markets was challenging due to the travel restrictions imposed worldwide. Among other effects, this resulted in increased logistics costs and extended delivery times, despite good work by our logistics team to meet the challenges.

The COVID-19 outbreak also reinforced our focus on liquidity and costs. This means, for example, that we decided to accelerate our cost programme, which we announced in March, and which will save the company DKK 175 million once it has been fully implemented.

We've also made use of the relief packages for businesses that several countries have established during the crisis. We're very grateful for the support we've received in this extraordinary situation.

However, all these initiatives were not enough to overcome this unprecedented global crisis, which is why, in May, we asked our shareholders to support a capital increase to get us through the crisis. We experienced great support from you, our shareholders, in June, and the capital increase has now been completed. As many as 99% of the shares offered for subscription were purchased by the company's shareholders. I would like to take this opportunity to thank you for your support.

As the negative development from the last financial year continued into 2019/20, new competences were required to get us back on the right track. In October, the Board of Directors therefore appointed Kristian Teär as our new CEO. Kristian has extensive experience from the world of consumer electronics and has successfully helped guide other companies through challenges similar to those faced by Bang & Olufsen.

We then implemented a major organisational change aimed at strengthening our global sales and marketing focus and reducing the complexity of the business. This included making the regional sales managers part of the day-to-day management team as well as the delegation of full responsibility for the distribution channels to the local markets so as to better support the sales and marketing activities in the various countries.

In addition, we changed our global marketing setup. Having previously been spread across several units, a single strong organisation was established which is far more capable of meeting the needs of our focus markets. In addition, we launched a number of targeted sales and marketing initiatives, which included the recruitment of more sales representatives on our most

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important markets, more product-focused marketing and closer collaboration with mono-brand stores.

To create a stronger and more profitable Bang & Olufsen, we decided in December to initiate a large-scale strategy process aimed at identifying the company's challenges, opportunities and new activities.

The strategy has been prepared by the company's management and employees in a close dialogue with the Board of Directors and with minimal use of external consultants – the purpose being to ensure a strong sense of ownership of the strategy internally in the organisation. The strategy has two tracks. In the short to medium term, the ambition is to ensure that Bang & Olufsen starts making money again. At the same time, the business must be geared to profitable and sustainable long-term growth.

It was clear that we needed to establish an efficient cost base and, first of all, as I've previously mentioned, we therefore launched a cost-cutting programme with the target being to reduce costs by up to DKK 175 million.

One of our objectives for the 2019/20 financial year was to increase the number of product launches relative to the previous year, which we have very successfully done.

In September, we announced Beosound Stage, which is our first soundbar, and we can now offer Bang & Olufsen sound for all makes of televisions. We also launched our new TV, Beovision Harmony, which is available in 65", 77" and, most recently, 88" with a variety of colour and materials options. And, in March, we introduced our latest multiroom loudspeaker, Beosound Balance.

We've also upgraded a number of our existing products by adding new features, technology, updated designs or through the launch of the products in new colours and materials. For example, we've launched the third generation of our E8 earphones, and, in May, we launched the second generation of our iconic A1 Bluetooth loudspeaker. The new A1 has a slimmer design and a greatly improved performance, both when just listening to music and when used as a loudspeaker for phone calls. It's now also completely waterproof, which means that it can be used in many more contexts.

I would also like to highlight our launch, this year, of the first products on our new technology platforms, which we've worked on in the past few years. In future, it will enable us to improve the user experience and to increase the efficiency of our product development, as it will reduce the time it takes to develop new products, improve product quality, reduce the support burden and make it easier continuously to update the software for the products.

For a company like Bang & Olufsen, the quality of the products we develop is absolutely essential. It is therefore gratifying to see that – despite intensifying international competition, new technologies and increased consumer demands – Bang & Olufsen is among the very best in the world when it comes to developing audio and TV products.

The last three products we launched in the 2019/20 financial year received fantastic reviews from the experts, and, to me, it highlights the fact that Bang & Olufsen is a highly competitive company,

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that we've accelerated our innovative power and that we offer products which are relevant to consumers. This is key to re-establishing a profitable business.

I will now give the floor to our CEO Kristian Teär, who will elaborate on our financial results and our strategy.

Thanks, Juha. I will start by looking at our financial results.

As also mentioned by the chairman in his introduction, our results were negatively impacted by a lack of progress in the transition of our sales and distribution network – and then obviously by COVID-19, which particularly affected us in the fourth quarter.

Revenue fell by 29% relative to the previous year to DKK 2,036 million. The decrease in revenue made itself felt in all three regions, whereas we saw a positive development from Brand Partnering and other activities, despite this area also being hit by COVID-19 in the last quarter.

Our gross margin decreased to 41.1%. Last year, the gross margin was positively affected by currency hedging, which explains 2.5 percentage points of the decrease. Another reason for the decrease was a higher proportion of revenue from end-of-life products, which were sold at reduced prices. The reason for this was a build-up of stocks in the previous year, and we've therefore had to reduce our stocks.

The decrease in revenue and the lower gross margin resulted in a drop in our EBIT margin before special items to minus 15%.

We posted a loss after tax of DKK 576 million. A fairly significant part of this loss was due to a tax asset writedown of DKK 265 million in the third quarter. The writedown has no liquidity effect, and the tax asset is not lost. We can therefore use it later on if our results improve sufficiently.

This year, we've had particular focus on our cost base and, as mentioned, we launched a comprehensive cost-cutting programme in March aimed at helping us reduce our costs significantly when fully implemented.

Total capacity costs for the financial year were reduced by 10%. Capacity costs were negatively affected by special items of DKK 43 million related to our cost-cutting programme as well as severance pay for former board members, but positively affected by government relief packages, which have contributed DKK 24 million during the year.

Our development costs fell by 15% relative to last year. This doesn't mean that we've invested less in our products this year. Rather, the decrease is due to lower depreciation on previous projects and to the capitalisation of several cost items, including costs relating to our new technology platforms.

Our distribution and marketing costs have decreased by 15% relative to the previous year. One reason for the decrease is that we've given priority to upgrading our stores and instead reduced marketing costs. Furthermore, in the previous year, we had a number of our own stores in China, which have now been taken over by new partners in the region, which has also reduced costs.

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However, administrative expenses were up 16% on the previous year. The level has been affected by special items totalling DKK 31 million related to the above severance pay as well as consultancy fees relating to the cost-cutting programme. Disregarding these special items, administrative expenses were down 13%, greatly driven by a strong cost focus.

In the previous financial year, we saw a sharp increase in tied-up working capital, including for stock building, and reducing our working capital was a clear objective for 2019/20. Steps to achieve this included better management of our production in relation to sales and a tighter credit policy. I'm therefore pleased that we've significantly improved our working capital this year.

Our investments were around the same level as in the previous year, and it's important for me to stress that we need to carry on investing in our business.

The declining revenue meant that we had negative free cash flows totalling DKK 234 million. This is an improvement on the previous financial year as a result of the previously mentioned improvements in our tied-up working capital.

Our cash flow decreased during the year as a result of the negative free cash flows, and our cash and cash equivalents amounted to DKK 215 million at the year-end.

As the chairman also mentioned, we implemented a capital increase immediately after the end of the 2019/20 financial year in order to strengthen our capital base and enable us to overcome the expected negative effects of COVID-19 on the new financial year. The capital increase has given us a net capital injection of approximately DKK 356 million, which means that we start the 2020/21 financial year with a liquidity position of DKK 571 million. Added to this is a credit facility of DKK 100 million with our bank. We thus have the resources needed to develop our business in the coming years.

In April, I presented the company's new strategy in connection with our financial statements for Q3.

The background for the strategy work was a number of fundamental issues that we, as a company, must resolve if we are to create profitable and sustainable long-term growth.

Our analysis showed that the company has been trying to do too many things in too many markets at once for too many years. We have lacked focus, and if you scale a business without first resolving the fundamental issues, you simply end up tackling the same problems only in many more markets. We're now addressing these issues to ensure that we become a profitable business again, while building a strong platform for future growth.

Our first priority with the new strategy is to ensure that Bang & Olufsen will again make money in the short and medium term – “get back in black”, as stated in the strategy house, as you can see on this page.

The foundation for our strategy house is therefore also to ensure that we establish an effective cost base. We're already in the process of implementing the previously mentioned cost-cutting programme, which will reduce the company's costs by DKK 175 million. We've already cut a number of jobs, for example through outsourcing, and we have streamlined our procurement across the company. We have cut a total of 115 jobs, primarily administrative positions, and we

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have regrettably had to say goodbye to a number of highly skilled and passionate colleagues. It wasn't an easy decision, but it was a necessary to reduce our cost base.

We're also looking at ways of optimising our product-related costs, including our development costs, and we must ensure that we make the most of our new platforms to reduce the time it takes to develop new products.

As mentioned, Bang & Olufsen has previously lacked focus in the execution of our global sales and marketing activities, and we've tried to succeed on too many markets concurrently. This means that we've spread out our resources too thinly, and that we haven't had the power to execute and exploit the sales potential. Going forward, we have therefore chosen to focus on six European markets: Denmark, Germany, France, the UK, Switzerland and Spain, as well as two Asian markets: China and South Korea. These eight markets represent 66% of our total revenue if we exclude revenue from our brand partnering activities, and we are already a strong brand and enjoy high brand recognition levels in these countries.

In Europe, we've reorganised our sales functions and, among other measures, we've appointed a new head of our entire European sales organisation as well as local market managers in the UK, Switzerland and Eastern Europe as well as a manager for Sweden, Norway and Finland. In addition, we've recruited sales representatives on several focus markets to ensure that we have the resources needed to work in a targeted fashion with the individual sales channels, such as e-commerce and multi-brand.

In China and South Korea, our ambition is to strengthen our foundation for further growth. Among other measures, we will seek new partnerships and strengthen our distribution. To support this development, we've established an advisory board for China in order to use the know-how we have about the Chinese market on the Board of Directors.

The next step in our strategy house is the future-proofing of our product portfolio. We will continue to launch innovative products across our product categories, and more than ten product launches are planned for the new year, including new products, upgrades and releases of existing products in new colours and materials. Moreover, we will be offering limited editions, for example in collaboration with other brands. In addition, we're working on a programme of bespoke products in the form of customised versions of our products.

Another important element of the future-proofing of our product portfolio concerns any quality issues in our existing product portfolio. As a luxury brand, it's absolutely essential that we always deliver high quality and a good user experience. Bearing this in mind, we must admit that we can become even better, and we've now launched initiatives aimed at improving our performance. In future, we must also maintain and further develop our brand partnerships and brand collaborations. Today, we have strong partnerships with HARMAN and HP, among others, and, most recently, we've announced a collaboration with Xbox, which will be an important partner in our efforts to enter the gaming market, where we see an untapped potential for Bang & Olufsen.

As also mentioned by the chairman, our products are among the best in the world. However, we've previously believed that the products would sell themselves, and we've not been good enough at marketing and selling them. That's why we will continue to improve our sales and marketing

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activities and further accelerate our digital initiatives. We also have plans to work with partners to boost our sales and marketing activities.

Finally, we must ensure that we have a fully functional organisation with motivated colleagues, as they are the ones who must deliver the results. I'm known for saying that culture eats strategy for breakfast, and if we don't get our employees onboard on this journey, we will not succeed.

These are the primary elements of our strategy house, but we have also identified a number of growth opportunities that we will try to realise.

For example in business-to-business, where we've just dedicated resources to cultivating this area, ensuring that we make the most of the considerable potential we see here. On our non-core markets, we will partner with large distribution partners which can help scale our business. At the end of the financial year, we also announced our collaboration with a global distributor, ASBIS, which will help us strengthen sales and brand recognition in Eastern Europe, where it has a strong presence and extensive knowledge.

The US market remains an important market, but due to its size and complexity we don't have the resources to scale our business effectively. We've just appointed a new country manager who has extensive experience in establishing successful distribution partnerships, and this will also be a key priority for him. I'm pleased that we've already been able to announce that Verizon, the largest mobile operator in the United States, will be a new US distribution partner for us.

Finally, we will also focus on High-Net-Worth Individuals, which is a customer segment that we've not previously addressed systematically. We've now initiated a process to ensure that we meet these customers where they buy products like ours.

Bang & Olufsen has a unique market position in the crossfield between consumer electronics and luxury products that we've established over our nearly 95 years of existence. There are currently no other brands in this position, or brands that could immediately threaten our position here.

This is Bang & Olufsen's strength, and, going forward, our goal will be to further strengthen our position through our products, marketing and customer experiences. It's therefore important that we succeed in the strategic elements that I've just outlined and keep up with technological developments and changed consumer habits.

We have therefore worked purposefully with the development of our products, and, in future, we will build our products based on a good-better-best principle and based on our core competences in sound, design and good craftsmanship, while strengthening our focus on sustainability and the overall customer experience.

However, only if we know our customers can we hope to maintain a strong brand position.

In future, we will focus our product development, marketing and sales on four customer groups which we've identified as the most relevant to us right now.

We have Generation Z, we have the career-oriented customers and what we call well-established customers, and, finally, we have High-Net-Worth Individuals. Looking across these customer

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groups, we've identified which product categories are most relevant to each group and identified the channels in which we meet them.

Only if we know our customers can we hope to create relevant products and effective sales and market activities. Therefore, we will continue our efforts to further strengthen our insights into these customer segments, so as to be able to continuously improve our activities and product development – and thus become even more relevant.

Moreover, in future, we will be working with three product categories: On-the-go, Flexible living and Staged. The categories cater for different situations of use and customer segments, and serve different purposes.

We will be supplementing the three categories with three different product programmes. As we do today, we will continue to launch products in limited editions and in collaboration with other brands. Most recently, we've done this with the Swiss running label On Running.

Finally, we're introducing a so-called bespoke programme that will allow our customers to order customised products in colours and materials according to their wishes. We know that there is growing demand for this, especially among wealthy customers.

Looking at how we're going to reach our customers in the future, we will continue to work with the channels we have today. But we're going to change our focus and how we operate these channels.

We will have mono-brand stores which we will work with our partners to further develop and optimise, both in terms of improving the in-store customer experience and the location of the individual stores, thereby ensuring that we are located in areas with the right footfall of customers.

At the same time, we want to strengthen our multi-brand presence. It's very much about our presence in the various stores. It's absolutely essential that we also deliver the right brand experience at unbranded sales outlets. As previously mentioned, we've now recruited dedicated resources to operate the multi-brand channel as a way of helping our partners boost their sales.

Finally, we will continue to develop our digital platform and establish agreements with so-called e-tailers, making sure that we're present in the right channels and deliver a good digital customer experience.

Most of our resources will be targeted at our eight focus markets to ensure that we have the right distribution setup on those markets. However, as mentioned, we will also work to establish collaborations with distribution partners in non-core markets, like we've done in, for example, the United States and Eastern Europe.

I hope that my presentation has shown that the execution of our strategy is already well under way, and we're already seeing a positive development based on the targeted initiatives we've launched.

We've partnered with Xbox and are now entering a whole new segment, the gaming segment. This has generated global awareness of our brand, and we see considerable commercial potential in this. We've launched our first product in this financial year – E8 sport – and we've established

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exclusive collaboration with On Running for a special edition of E8 Sport. This helps expose our brand to even more consumers.

We've entered into a distribution agreement with American Verizon to help strengthen our presence and sales in the United States. We've also entered into new distribution agreements with ASBIS in Eastern Europe. All measures that will contribute to strengthening our brand and help us scale our business.

We've accelerated our digital presence and activation. This will be absolutely essential to remaining relevant to our customer segments. We've just entered into collaboration with one of the world's best racing drivers, Fernando Alonso, and, together, we will be making an exclusive series of limited-edition products and gaining exposure on his racing cars.

Finally, we've strengthened our sales and marketing organisation – and we've come far in implementing our cost-cutting programme, which will contribute to reducing our costs significantly.

The new strategy is three-phased.

The first phase is about making sure that we become profitable again. The implementation of the strategy is already well under way, and we're already seeing a satisfactory effect of the initiatives we've launched.

Phase no. 2 is about adding some robustness to the business, providing a solid foundation to build on. It's absolutely essential that we don't start scaling our business until we're sure that we have a good starting point for doing so.

Finally, we have phase no. 3, which is about taking our experience, activities and initiatives from our focus markets and rolling them out to other markets. This is to contribute to the establishment of a strong Bang & Olufsen that delivers profitable and sustainable growth.

Our outlook for 2020/21 reflects the extraordinary market conditions resulting from COVID-19, which are causing greater uncertainty than usual.

The outlook thus depends on a number of factors, including the duration of the COVID-19 pandemic, the speed at which the markets will be re-opening, the impact COVID-19 may have on the economies of various countries worldwide and the effect it may have on our business partners.

Based on a balanced assessment and weighing of our different scenarios, our outlook for the 20/21 financial year is that:

- Revenue of approximately DKK 2.2 billion.
- EBIT before special items of approximately minus DKK 100 million and
- Negative free cash flows of approximately DKK 200 million.

The revenue is expected to be supported by more than ten new product launches, upgrades and versions of existing products in other colours and materials.

EBIT before special items and free cash flows will be positively affected by our cost-cutting programme, which we launched in March.

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Our working capital management and use of relief packages in 2019/20 will impact our cash flows negatively.

And with that I will give the floor back to the chairman.

Thanks, Kristian.

I will conclude the Board of Directors' report by mentioning some of the other areas with which the Board of Directors and the company have also worked during the year.

In 2019/20, we made significant progress in CSR and sustainability.

We know that especially climate action is becoming increasingly important to our customers, employees and partners, and I'm pleased that we've succeeded in reducing the company's CO2 emissions in several areas through a number of initiatives.

Based on structured initiatives, we've reduced our climate impact from the transportation of products, and we've optimised energy consumption in our buildings significantly. Last spring, we also began implementing our new sustainability strategy for packaging, which is already contributing to significantly reducing our climate footprint and resource consumption.

This year, we have been strongly focused on employee well-being, and we're satisfied that we saw an increase in employee commitment. Since the employee satisfaction survey, however, we've been through the first phase of our cost-cutting programme, which unfortunately also meant that we had to lay off dedicated employees, just as the COVID-19 crisis has had an impact on our employees' working lives. Employee well-being will therefore be a focus area in 2020/21 too. Unfortunately, we didn't achieve our ambition that 25% of senior executives in the company should be women. We will now strengthen our efforts to meet this target next year.

In Bang & Olufsen, we want to use our core competences in sound, design and craftsmanship for the benefit of society. Last year, we therefore entered into close collaboration with Sound Hub Denmark here in Struer to help Danish and international sound and technology start-ups by making our expertise and knowledge about sound available. Together we helped 12 new start-ups – and we will continue to do so in the current year.

In addition, we contributed to a number of educational initiatives aimed at encouraging young people to become interested in technology, research and mathematics, among other disciplines. For example, we participated in the national 'Girls' Day in Science' campaign in Denmark, which is about getting young girls to take an interest in the natural sciences. Forty young girls were invited to spend a day here in Struer, where our employees showed them around and told them about the company.

We also contributed to two new research projects aimed at finding out how sound can have a positive effect on our physical and mental health. Among other things, we received DKK 30 million in funding from Innovation Fund Denmark for a project where, together with a number of partners, we will develop an advanced sound system that can measure and remove harmful background noise from homes and hospitals.

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During 2020/21, we will review the company's CSR and sustainability strategy, which expires in 2020/21, and we will be setting new long-term targets and objectives for Bang & Olufsen's work in this field.

You can read more about the strategy and our work in the CSR & Sustainability report, which can be found on our website.

Bang & Olufsen has adopted a policy that establishes a framework for ensuring diversity on the company's Board of Directors. At Bang & Olufsen, we regard diversity on the Board of Directors as being crucial to the Board's activities.

Among the board members elected by the general meeting, Bang & Olufsen currently has three members with an international background and three women. If the changes proposed to the Board of Directors are adopted here today, we will, in future, have two women on the Board of Directors and three members with an international background.

In its endeavours to promote diversity, the company also focuses on promoting women at management levels in Bang & Olufsen. Our target is for at least 25% of the management team to be women in 2021. At the end of the 2019/20 financial year, the share was 22%.

To ensure that the Board of Directors possesses the necessary competences and engages in efficient cooperation internally and with the Executive Management Board, a comprehensive evaluation is carried out each year of the Board of Directors, the Chairman of the Board of Directors and the individual board members. The evaluation takes the form of an electronic questionnaire which is filled in by the members of the Board of Directors and the Executive Management Board anonymously. The results of the evaluation are summarised by an external consultant and then presented to the Board of Directors.

The results for last year showed that we generally have a well-functioning and well-organised Board of Directors possessing experience from and insight into the industry.

The evaluation identified two areas in which special attention was needed:

- Continued focus on identifying successors to key positions and talent development, which was also an item in last year's evaluation. It hasn't been possible to improve this significantly during the past year, but steps have been taken to ensure future improvements.
- Secondly, to ensure more time for more in-depth discussions at each board meeting.

In addition, the Chairman of the Board of Directors holds meetings with each board member individually to review their performance.

At our general meeting, we must also touch on what is known as corporate governance. Bang & Olufsen considers its corporate governance work to be an important and ongoing process, and we maintain a continuous focus on the principles of good corporate governance.

As a company listed on NASDAQ Copenhagen A/S and under the Danish Financial Statements Act, Bang & Olufsen is subject to the Recommendations on Corporate Governance and complies with these recommendations.

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Again this year, the company's Board of Directors has prepared a corporate governance report for 2019/20. The report is available on the company website. From the same site, it is also possible to download the annual report and additional information about products, company announcements, corporate social responsibility etc.

The remuneration of the Executive Management Board has been approved by the Board of Directors and is aligned with the remuneration policy adopted by the general meeting.

As can be seen, the financial year saw an increase in remuneration to the Executive Management Board. The increase is due to severance pay to former executives. Adjusted for this amount, the executive payroll costs are DKK 2 million lower.

The decrease is due to lower bonuses, while the base salary is higher than last year. The reason for the higher base salary is that, in 2019/20, there were no vacancies on the Executive Management Board, which was not the case last year.

The remuneration level for the Executive Management Board reflects our wish to be competitive and to be able to attract and retain talented employees – also on our Executive Management Board. You can read more about the remuneration of the Executive Management Board in our remuneration report, which is available on the company's website.

Finally, I would like to thank our employees for all their efforts in what has been a year of extraordinary circumstances. The 2019/20 financial year was a challenging year for our employees with many organisational changes, having had to say goodbye to good employees, a new strategy and COVID-19, which has affected both our working lives and our private lives.

As part of our COVID-19 initiatives, we asked our employees to support the company by accepting a voluntary salary reduction for three months. An overwhelming number of employees supported this measure, which underlines the passion our employees have for Bang & Olufsen.

On behalf of the Board of Directors, I would like to express our gratitude for our employees' huge efforts and commitment.

And with that, I give the floor back to the chairman of the meeting.