

A high-angle, over-the-shoulder photograph of a person in a brown suit jacket working at a light-colored desk. The person is focused on a technical drawing of a mechanical part. The desk is cluttered with various items: a stack of papers, a large sheet of graph paper, several color swatches in shades of red and orange, a tray containing drafting tools like a compass, pencil, and pen, and some fabric samples. The overall scene suggests a professional or technical environment.

# Remuneration Report 2024/25

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## **About this report**

This Remuneration Report (the “**Report**”) provides an overview of the total remuneration received by each member of the Board of Directors (“**Board**”) and of the Executive Management Board (“**EMB**”) of Bang & Olufsen A/S, CVR no. 41257911, (“**Company**”) during the 2024/25 financial year with comparative figures for the past five financial years. The EMB members are registered with the Danish Business Authority.

The remuneration of the Board and the EMB during the past financial year was provided in accordance with the Remuneration Policy of Bang & Olufsen adopted by the Annual General Meeting on 15 August 2024 and available on the Company’s website at <https://investor.bang-olufsen.com>, (the “**Remuneration Policy**”). The overall objective of the Remuneration Policy is to attract, motivate and retain qualified members of the Board and the EMB, to align the interests of the Board and the EMB with the interests of the shareholders and other stakeholders, and to support Bang & Olufsen’s strategic goals and promote value creation for the benefit of the shareholders.

The Report has been prepared in accordance with section 139b of the Danish Companies Act (“**the DCA**”).

The 2024/25 report includes reporting of granted pay. We refer to the independent auditors’ report on expressing a conclusion providing reasonable assurance.

The information included in the Report has primarily been derived from the audited Annual Reports of the Company for the financial years 2019/20 - 2024/25 available on the Company’s website, <https://bang-olufsen.com>. All amounts are stated in DKK, gross.



# Introduction

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

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

As the year progressed, geopolitical uncertainties increased. Against this backdrop, and in combination with our own strategic initiatives with a deliberate short-term negative revenue impact, total revenue ended at DKK 2.6 bn, a decline of 1.4% in local currencies. The gross margin continued its upward trend to record-high 55.0%, mainly due to continued focus on pricing strategy. EBIT margin before special items was 1.0% and the free cash flow ended at DKK 16m due to timing on strong collections. Business optimisation and maintaining a robust financial foundation through the strategic acceleration is an unwavering priority.

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

Our strategic direction is anchored in the powerful combination of Luxury, Timelessness and Technology, and the long-term growth plan focus on four pillars. Brand positioning, channel development, partnership and licence expansion and, of course, continue to elevate our world-class product portfolio.

# Overview of Financial Performance

Despite the geopolitical challenges, we continued transforming the business towards Luxury Timeless Technology and we met all our outlook metrics for the year for 1) revenue growth, 2) EBIT margin before special items and 3) free cash flow. Both EBIT margin and free cash flow was at the upper end of our target.

Group revenue was DKK 2,553m, corresponding to a decline of 1.4% compared to last year (-1% in local currencies.). The reported revenue for product sales was flat 0.0% (0% in local currencies) whereas Brand Partnering and other activities declined by 11.0% (-12% in local currencies).

Gross profit amounted to DKK 1,404m, equivalent to a gross margin of 55.0% (2023/24: 53.3%). Our improved margin is driven by price increases, better product mix, improved channel mix towards our branded channels and less discounting.

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

Free cash flow was DKK 16m (2023/24: DKK 11m). This was an improvement of DKK 5m compared to last year. It was primarily a result of increased cash flow from operating activities offset by higher operating investments.

Total remuneration to the Executive Management Board (EMB) amounted to DKK 49m (2023/24: DKK 38m). This represented an increase of DKK 11m compared to 2023/24 driven by bonus as targets were met for four out of five KPI's, except from Revenue, resulting in overall combined achievement of 112% against all KPI's.

# Compliance with the Remuneration Policy

**The remuneration of the Board of Directors and the Executive Management Board for the 2024/25 financial year complied with the framework provided by the Remuneration Policy. There were no deviations or derogations from the framework in the Remuneration Policy.**

**The Remuneration Report for 2023/24 was subject to an advisory vote at the Annual General Meeting in August 2024, where it was approved.**



# Remuneration Board of Directors

## Fixed annual fee

Members of the Board of Directors receive a fixed annual base fee, as approved by the Annual General Meeting. The Chair and Deputy Chair each receive a multiplier of 3 and 1.5, respectively of the annual base fee, for their extended duties. Members of the Board who are also members of a Board Committee receive an additional fixed fee as remuneration for their committee work. No member of the Board is entitled to receive any share-based incentive, other variable remuneration or pension contribution.

The following fee structure for the fiscal year 2024/25 was approved at the Annual General Meeting held on 15 August 2024:

## Table 1: Board and Committee fee structure

### Board fee

|              |                                |
|--------------|--------------------------------|
| Member       | DKK 350,000<br>(base fee)      |
| Chair        | DKK 1,050,000<br>(3x base fee) |
| Deputy Chair | DKK 525,000<br>(1.5x base fee) |

### Committee fee

|          | Audit Committee | Nomination Committee | Remuneration Committee | Technology Committee | Strategy Committee |
|----------|-----------------|----------------------|------------------------|----------------------|--------------------|
| Member   | DKK 100,000     | DKK 75,000           | DKK 75,000             | DKK 75,000           | DKK 75,000         |
| Chairman | DKK 300,000     | DKK 100,000          | DKK 100,000            | DKK 100,000          | DKK 300,000        |

Currently, no Chair of the Strategy Committee has been appointed.

Members of the Board may be entitled to additional fees as set out in the Remuneration Policy, including for undertaking specific ad hoc tasks outside the scope of the ordinary tasks of the Board, reasonable travel allowance and participation in relevant training. These costs in aggregate shall not exceed 20% of the Board Member's annual fixed fee.

Members of the Board of Directors are entitled to be covered by the Company's directors' and officers' insurance, as applicable from time to time. In addition, the Company provides a supplementary indemnification scheme under which Board members are indemnified and held harmless against losses, including costs, expenses, and potential tax liabilities arising from their duties, to the extent such indemnification is not already covered by the D&O insurance.

Board fees are evaluated annually against relevant benchmarks from the Danish market and the broader European luxury industry to ensure competitiveness and alignment with market standards.

## Fees to Board Members for 2024/25

For the financial year 2024/25, total fees to Board members amounted to DKK 5,420 thousand, compared to DKK 5,523 thousand in 2023/24. The decrease in total fees is primarily attributable to a reduced number of employee-elected Board members, the departure of one independent Board member during the year and change of membership in the Audit Committee.

## Shareholding requirement

With the purpose of aligning the interests of the Company's shareholders and the Members of the Board in regard to the development of the share price, 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 gross 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.

All Members of the Board met the shareholding threshold within 12 months after election in accordance with section 4.7 of the Remuneration Policy.

Table 2: Remuneration of the Board (DKK thousand) for 2024/25 (2023/24)

| Name and position   |         | Annual fee   | Committee fees | Travel allowance | Benefits | Other fees (China Advisory Board) | Total remuneration |
|---|---------|--------------|----------------|------------------|----------|-----------------------------------|--------------------|
| <b>Juha Christensen, Chair</b>  | 2024/25 | 1,050        | 350            | -                | -        | -                                 | 1,400              |
| Chair of the Remuneration and Nomination Committees, Member of the Strategy and Technology Committees | 2023/24 | 1,050        | 350            | -                | -        | -                                 | 1,400              |
| <b>Albert Bensoussan, Deputy Chair</b>  | 2024/25 | 525          | 175            | -                | -        | -                                 | 700                |
| Member of the Audit and Strategy Committees   | 2023/24 | 525          | 175            | -                | -        | -                                 | 700                |
| <b>Jesper Jarlbæk, Board member</b>   | 2024/25 | 350          | 450            | -                | -        | -                                 | 800                |
| Chair of the Audit Committee, Member of the Strategy and Nomination Committees                        | 2023/24 | 350          | 450            | -                | -        | -                                 | 800                |
| <b>Anders Colding Friis, Board member</b>   | 2024/25 | 350          | 225            | -                | -        | -                                 | 575                |
| Member of the Strategy, Remuneration and Nomination Committees  | 2023/24 | 350          | 225            | -                | -        | -                                 | 575                |
| <b>Tuula Kyllikki Ryttilä-Uotila, Board member</b>  | 2024/25 | 350          | 180            | -                | -        | -                                 | 530                |
| Chair of the Technology Committee, Member of the Audit Committee                                      | 2023/24 | 350          | 100            | -                | -        | -                                 | 450                |
| <b>Mary Claire Chung, Board member</b>  | 2024/25 | 263          | 56             | -                | -        | 38                                | 356                |
| Member of the Remuneration Committee and the China Advisory Board until 28-02-25                      | 2023/24 | 350          | 75             | -                | -        | 50                                | 475                |
| <b>Søren Balling, Board member</b>  | 2024/25 | 350          | -              | -                | -        | -                                 | 350                |
| Employee representative   | 2023/24 | 350          | -              | -                | -        | -                                 | 350                |
| <b>Dorte Vegeberg, Board member</b>   | 2024/25 | 350          | -              | -                | -        | -                                 | 350                |
| Employee representative   | 2023/24 | 350          | -              | -                | -        | -                                 | 350                |
| <b>Andra Gavrilescu*</b>  | 2024/25 | 360          | -              | -                | -        | -                                 | 360                |
| Employee representative from 22-05-24   | 2023/24 | -            | -              | -                | -        | -                                 | -                  |
| <b>Brian Bjørn Hansen, Board member</b>   | 2024/25 | -            | -              | -                | -        | -                                 | -                  |
| Employee representative until 21-05-24  | 2023/24 | 350          | -              | -                | -        | -                                 | 350                |
| <b>Britt Lorentzen Jepsen, Board member</b>   | 2024/25 | -            | -              | -                | -        | -                                 | -                  |
| Employee representative until 16-08-23  | 2023/24 | 73           | -              | -                | -        | -                                 | 73                 |
| <b>Total 2024/25</b>  |         | <b>3,947</b> | <b>1,436</b>   | <b>-</b>         | <b>-</b> | <b>38</b>                         | <b>5,420</b>       |
| <b>Total 2023/24</b>  |         | <b>4,098</b> | <b>1,375</b>   | <b>-</b>         | <b>-</b> | <b>50</b>                         | <b>5,523</b>       |

\*Pro-rated fee adjustment for 10 days of Board service rendered during the fiscal year 2023/24.

Professional fees in connection with assistance on tax-related matters incurred by the Board of Directors are reimbursed when they are incurred. These amounts are not considered remuneration and are therefore excluded from the table above.

**Table 3: Shares held by the Board of Directors**

|   | 31-05-24       | Purchased    | Sold | Transferred | 31-05-25       |
|---|----------------|--------------|------|-------------|----------------|
| <b>Board - Shares held by the Board of Directors</b>        |                |              |      |             |                |
| Juha Christensen, Chairman                                  | 200,864        | -            | -    | -           | 200,864        |
| Albert Bensoussan, Board member                             | 18,000         | 7,000        | -    | -           | 25,000         |
| Jesper Jarlbæk, Board member                                | 26,372         | -            | -    | -           | 26,372         |
| Anders Colding Friis, Board member                          | 23,400         | -            | -    | -           | 23,400         |
| Mary Claire Chung, Board member (from 21-08-19)             | 26,000         | -            | -    | -           | 26,000         |
| Tuula Kyllikki Ryttilä-Uotila, Board member (from 21-08-19) | 24,300         | -            | -    | -           | 24,300         |
| Søren Balling, Board member (employee representative)       | 8,622          | -            | -    | -           | 8,622          |
| Dorte Vegeberg, Board member (employee representative)      | -              | 1,000        | -    | -           | 1,000          |
| Andra Gavrilescu (employee representative from 22-05-24)    | -              | -            | -    | -           | -              |
| <b>Total</b>  | <b>327,558</b> | <b>8,000</b> | -    | -           | <b>335,558</b> |

\* Status as of 31 May 2025

# Remuneration 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 remuneration components:

- (a) a fixed base salary including pension contributions (“annual base salary”),
- (b) variable remuneration consisting of (i) non-share based cash bonus, and/or (ii) share-based remuneration,
- (c) termination and severance payment,
- (d) customary non-monetary employment benefits, and
- (e) potential extraordinary incentive grants subject to the terms of the Remuneration Policy

These remuneration components shall create a well-balanced remuneration package reflecting (i) individual performance and responsibility of the members of the EMB in relation to established financial and non-financial targets, both in short and longer term, and (ii) the Company’s overall performance.

The composition of the remuneration is determined with a view to contribute to the Company’s ability to attract and retain competent key employees, while at the same time ensuring that the EMB member has an incentive to create added value for the benefit of the Company’s shareholders through variable remuneration.

While Bang & Olufsen is headquartered in Denmark and listed on Nasdaq Copenhagen, it operates as a global enterprise, sourcing executive leadership from across Europe and the broader luxury sector. EMB members are responsible for managing complex regulatory and geopolitical challenges spanning multiple jurisdictions and legal frameworks.

Given this global complexity, the Company does not benchmark compensation against the median of any single peer group. Instead, it adopts a comprehensive benchmarking framework that incorporates remuneration practices across relevant Danish and European luxury markets, calibrated to reflect B&O’s scale, operational complexity, and strategic priorities.

The terms of employment and individual remuneration packages for EMB members are subject to agreement between each member and the Board of Directors.

For the financial year 2024/25, total remuneration for the Executive Management Board increased compared to the prior year. This increase was driven by the Company’s improved financial performance relative to 2023/24 and the achievement of key performance indicators (KPIs), resulting in higher payouts under the short-term cash bonus plan. In addition, standard

annual adjustments to base salaries contributed to the overall increase. These adjustments affected both pension contributions and the value of long-term incentive (LTI) grants, which are calculated as a percentage of annual base salaries.

## Annual Base Salary

The annual base salary is determined with a view to provide a competitive remuneration to attract and retain members of the EMB with the required professional and personal competencies. The annual base salary for the members of the EMB shall be in line with market practice and linked to the individual member’s responsibilities and performance.

In addition to the fixed base salary, members of the EMB (excluding the CEO) are entitled to receive a pension contribution of up to 12% of the fixed base salary.

## Variable Remuneration

The members of the EMB may receive variable remuneration which shall be based on the individual performance and responsibility of the members of the EMB in relation to established financial and non-financial targets, both in the short and the longer term, as well as the Company’s overall performance.

The EMB may, at the discretion of the Board, be entitled to participate in the following revolving incentive schemes:

- (a) Short-term cash bonus plan
- (b) Long-term combined performance and restricted share plan

## Short-term Cash Bonus Plan

Individual members of the EMB may receive an annual cash bonus determined at the discretion of the Board. The annual cash bonus is intended to align individual members’ interests with the Company’s short-term targets. Payment of the cash bonus thus depends on the achievement of objectives related to the achievement of the Company’s budgeted results, financial ratios and other measurable personal results of a financial or non-financial nature, all of which reflect and support the Company’s short-term objectives as further described in table 5 below.

The size of the bonus may not exceed 100% of the CEO’s and 45.5% of additional members’ annual gross salary.

### Long-Term Incentive Programme (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, key employees and certain other employees.

Two-thirds of the restricted shares are performance shares that are eligible for vesting in equal tranches over three financial years, depending on the level of achievement of certain KPIs defined by the Board of Directors for each performance year. The remaining shares are retention shares, which are subject to the participants' continued employment and satisfactory performance review ratings. The retention shares also vest in three equal tranches over the period. Each financial year has a maximum payout of index 200 depending on the level of achievement of the KPIs.

The maximum value of individual grants may not exceed 150% of the CEO's and 125% of EMB members' annual base salary for the relevant financial year.

Any vested restricted shares will be released after the Annual General Meeting's adoption of the Annual Report at the end of the third financial year for each programme, with the provision that vesting and release may be accelerated in case of certain extraordinary events.

As part of the 2024-2027 LTIP, the EMB was granted a total of 967,662 shares at a fair market value of a total of DKK 9,144 thousand, based on a grant-date share price of 9.45.

### Award of Extraordinary Incentive-Based remuneration

For the financial year 2024/25, the Board of Directors resolved to extend a special short-term, cash-based retention programme for members of the Executive Management Board (EMB). The programme is contingent upon two key conditions: (i) continued service throughout the performance period, and (ii) achievement of a satisfactory individual performance review rating.

Performance assessments are conducted by the Chairman of the Board in the case of the CEO, and by the CEO for the CFO and CCCO. Evaluations are based on predefined business KPIs established at the start of the financial year, as well as behavioural objectives that reflect alignment with Bang & Olufsen's values and leadership principles.

The programme was implemented to ensure stability within the Executive Management Board during a critical phase of the Company's turnaround, and to serve as a transitional measure until the long-term incentive programme (LTIP) reaches an effective and sustainable retention level.

### Termination and Severance Payments

Employment agreements with members of the EMB may be ongoing (i.e. without a fixed term) and are subject to a maximum notice of termination of 24 months for the CEO; for other members of EMB a maximum notice of termination is 12 months. No employment of any member of the EMB was terminated during fiscal year 2024/25.

### Non-Monetary Benefits

Members of the EMB are entitled to customary non-monetary benefits, including company car arrangements, car allowances, mobile phones, and related amenities. Executives who are based in, or relocate to, different jurisdictions may be granted additional allowances and benefits to reflect local market conditions or international mobility requirements.

Members of the Executive Management Board are entitled to be covered by the Company's directors' and officers' insurance, as applicable from time to time. In addition, the Company provides a supplementary indemnification scheme under which Executive Management members are indemnified and held harmless against losses, including costs, expenses, and potential tax liabilities arising from their duties, to the extent such indemnification is not already covered by the D&O insurance.

### Claw-back

The Company may decide to reclaim incentive remuneration in full or in part, in cases where a cash bonus, Long Term Incentive plans or other incentive remuneration have been provided to a member of the EMB based on data or accounts which subsequently prove to have been misstated. The claw-back has not been applied in 2024/25.

### Cash Bonus Paid

Refers to actual short-term cash bonuses paid to EMB members during the year.

### Shares Delivered

Reflects the actual number of restricted and performance shares delivered to EMB member during the year under the applicable long-term incentive arrangements.

Table 4: Remuneration of EMB (DKK thousand) for 2024/25 (2023/24)

| Name and position  | Fixed remuneration |                        |                      | Variable remuneration        |                |                            | Total remuneration granted | LTIP share programmes (expensed) | Total remuneration (expensed) | Bonus paid    | Number of shares delivered |                |
|--|--------------------|------------------------|----------------------|------------------------------|----------------|----------------------------|----------------------------|----------------------------------|-------------------------------|---------------|----------------------------|----------------|
|  | Annual Base salary | Benefits & Other fees* | Pension contribution | Annual Cash bonus (expensed) | Granted LTIP** | Retention bonus (expensed) |                            |                                  |                               |               |                            |                |
| <b>Kristian Teär, Chief Executive Officer</b>  |                    |                        |                      |                              |                |                            |                            |                                  |                               |               |                            |                |
|  | 2024/25            | 6,973                  | 907                  | -                            | 5,871          | 5,229                      | 6,973                      | 25,954                           | 7,079                         | 27,804        | 10,723                     | 85,680         |
|  | 2023/24            | 6,711                  | 906                  | -                            | 4,012          | 5,033                      | 6,711                      | 23,373                           | 3,072                         | 21,412        | 6,711                      | 306,004        |
| <b>Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer</b>                |                    |                        |                      |                              |                |                            |                            |                                  |                               |               |                            |                |
|  | 2024/25            | 3,595                  | 165                  | 431                          | 1,413          | 2,247                      | 3,595                      | 11,446                           | 2,966                         | 12,164        | 4,426                      | 33,466         |
|  | 2023/24            | 3,460                  | 164                  | 415                          | 965            | 2,163                      | 3,460                      | 10,627                           | 1,258                         | 9,722         | 3,146                      | 119,531        |
| <b>Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer</b> |                    |                        |                      |                              |                |                            |                            |                                  |                               |               |                            |                |
|  | 2024/25            | 2,674                  | 165                  | 321                          | 1,051          | 1,671                      | 2,674                      | 8,556                            | 2,145                         | 9,030         | 3,002                      | 24,975         |
|  | 2023/24            | 2,347                  | 164                  | 282                          | 655            | 1,467                      | 2,347                      | 7,262                            | 895                           | 6,690         | 2,347                      | 76,897         |
| <b>Total 2024/25</b>   |                    | <b>13,242</b>          | <b>1,237</b>         | <b>752</b>                   | <b>8,335</b>   | <b>9,147</b>               | <b>13,242</b>              | <b>45,954</b>                    | <b>12,190</b>                 | <b>48,998</b> | <b>18,151</b>              | <b>144,121</b> |
| <b>Total 2023/24</b>   |                    | <b>12,518</b>          | <b>1,234</b>         | <b>697</b>                   | <b>5,632</b>   | <b>8,663</b>               | <b>12,518</b>              | <b>41,262</b>                    | <b>5,225</b>                  | <b>37,824</b> | <b>12,204</b>              | <b>502,432</b> |

\* Benefits & Other fees include: housing allowance, insurance, phone, car allowance and product allowance. Professional fees in connection with assistance on tax-related matters incurred by the Executive Management Board are reimbursed when they are incurred. These amounts are not considered remuneration and are therefore excluded in the table above.

\*\* Granted LTIP value\* is defined as the target value of PSUs and RSUs and is calculated as granted shares times the share price at time of grant and equals 50% of the maximum value (see details in tables 6 and 7). Please note that the remuneration for the above participants only reflects the actual months they received remuneration from the Company.

Table 5: KPI for Cash Bonus to EMB for 2024/25

| Description of KPI   | Relative weighting of KPIs | KPI performance threshold | Minimum and maximum bonus award of salary min - max % | Actual bonus awarded (% of base salary) 2024/25 | Actual award (DKK thousand) 2024/25 | Actual bonus awarded (% of base salary) 2023/24 | Actual award (DKK thousand) 2023/24 |
|--|----------------------------|---------------------------|---|---|-------------------------------------|---|-------------------------------------|
| <b>Kristian Teär, Chief Executive Officer</b>  |                            |                           |   |   |                                     |   |                                     |
| Revenue  | 20%                        | Quantitative intervals    |   |   |                                     |   |                                     |
| EBIT   | 20%                        | Quantitative intervals    |   |   |                                     |   |                                     |
| Free Cash Flow   | 20%                        | Quantitative intervals    | 0% - 100%   | 84.21%  | 5,871                               | 59.8%   | 4,012                               |
| Retail Execution   | 20%                        | Qualitative Intervals     |   |   |                                     |   |                                     |
| Branded Channels Sell-Out  | 20%                        | Qualitative Intervals     |   |   |                                     |   |                                     |
| <b>Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer</b>                |                            |                           |   |   |                                     |   |                                     |
| Revenue  | 20%                        | Quantitative intervals    |   |   |                                     |   |                                     |
| EBIT   | 20%                        | Quantitative intervals    |   |   |                                     |   |                                     |
| Free Cash Flow   | 20%                        | Quantitative intervals    | 0% - 45.5%  | 39.30%  | 1,413                               | 27.9%   | 965                                 |
| Retail Execution   | 20%                        | Qualitative Intervals     |   |   |                                     |   |                                     |
| Branded Channels Sell-Out  | 20%                        | Qualitative Intervals     |   |   |                                     |   |                                     |
| <b>Line Kähler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer</b> |                            |                           |   |   |                                     |   |                                     |
| Revenue  | 20%                        | Quantitative intervals    |   |   |                                     |   |                                     |
| EBIT   | 20%                        | Quantitative intervals    |   |   |                                     |   |                                     |
| Free Cash Flow   | 20%                        | Quantitative intervals    | 0% - 45.5%  | 39.30%  | 1,051                               | 27.9%   | 655                                 |
| Retail Execution   | 20%                        | Qualitative Intervals     |   |   |                                     |   |                                     |
| Branded Channels Sell-Out  | 20%                        | Qualitative Intervals     |   |   |                                     |   |                                     |

Targets were met for four out of five KPI's, except from Revenue, resulting in overall combined achievement of 112.27% against all KPI's. The actual bonus award percentages have been calculated as a percentage of the base salary.

**Table 6: KPI 's for Share Programmes**

| Share Programmes | Description of KPI                                       | Relative weighting of KPIs | KPI performance thresholds | Time of vesting | Vesting date |
|------------------|--|----------------------------|----------------------------|-----------------|--------------|
| 2024/25 (LTIP)   | Retention FY 2024/25 , 2025/26 , 2026/27                 | 33.3%                      | Employment                 | Vests annually  | 31-05-27     |
|                  | Revenue FY 2024/25 , 2025/26 , 2026/27                   | 33.3%                      | Quantitative intervals     | Vests annually  | 31-05-27     |
|                  | EBIT before special items FY 2024/25 , 2025/26 , 2026/27 | 33.3%                      | Quantitative intervals     | Vests annually  | 31-05-27     |
| 2023/24 (LTIP)   | Retention FY 2023/24 , 2024/25 , 2025/26                 | 33.3%                      | Employment                 | Vests annually  | 31-05-26     |
|                  | Revenue FY 2023/24 , 2024/25 , 2025/26                   | 33.3%                      | Quantitative intervals     | Vests annually  | 31-05-26     |
|                  | EBIT before special items FY 2023/24 , 2024/25 , 2025/26 | 33.3%                      | Quantitative intervals     | Vests annually  | 31-05-26     |
| 2022/23 (LTIP)   | Retention FY 2022/23 , 2023/24 , 2024/25                 | 33.3%                      | Employment                 | Vests annually  | 31-05-25     |
|                  | Revenue FY 2022/23 , 2023/24 , 2024/25                   | 33.3%                      | Quantitative intervals     | Vests annually  | 31-05-25     |
|                  | EBIT before special items FY 2022/23 , 2023/24 , 2024/25 | 33.3%                      | Quantitative intervals     | Vests annually  | 31-05-25     |

For 2024/25 performance year targets were met for EBIT before special items but not for Revenue, resulting in overall combined achievement of 139%.

Table 7: Long Term Incentive Programmes (LTIP) of EMB

| Name and position  | Program me | Performance period   | Grant date | Vesting date | Granted Shares | Adjusted | Shares vested | Shares vested at fair value 31-05-25 | Value at grant date in DKK | Maximum number of granted shares not yet vested | Minimum number of granted shares not yet vested | Share price at grant date (DKK) | Shares vesting (Programme Vest) |
|--|------------|----------------------|------------|--------------|----------------|----------|---------------|--------------------------------------|----------------------------|---|---|---------------------------------|---------------------------------|
| <b>Kristian Teär, Chief Executive Officer</b>  |            |                      |            |              |                |          |               |                                      |                            |   |   |                                 |                                 |
|  | 2022/23    | 01-06-22 to 31-05-25 | 11-07-22   | 31-05-25     | 352,462        | -60,506  | 291,956       | 3,824,630                            | 5,033,157                  | -   | -   | 14.28                           | Annually                        |
|  | 2023/24    | 01-06-23 to 31-05-26 | 13-07-23   | 31-05-26     | 485,826        | -809     | 323,074       | 4,232,270                            | 5,033,157                  | 323,886   | 53,981  | 10.36                           | Annually                        |
|  | 2024/25    | 01-06-24 to 31-05-27 | 11-07-24   | 31-05-27     | 553,203        | 70,994   | 255,395       | 3,345,680                            | 5,227,768                  | 737,604   | 122,934   | 9.45                            | Annually                        |
| <b>Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer</b>                |            |                      |            |              |                |          |               |                                      |                            |   |   |                                 |                                 |
|  | 2022/23    | 01-06-22 to 31-05-25 | 11-07-22   | 31-05-25     | 137,681        | -23,635  | 114,046       | 1,494,005                            | 1,966,085                  | -   | -   | 14.28                           | Annually                        |
|  | 2023/24    | 01-06-23 to 31-05-26 | 13-07-23   | 31-05-26     | 208,753        | -348     | 138,820       | 1,818,545                            | 2,162,681                  | 139,170   | 23,195  | 10.36                           | Annually                        |
|  | 2024/25    | 01-06-24 to 31-05-27 | 11-07-24   | 31-05-27     | 237,699        | 30,505   | 109,738       | 1,437,564                            | 2,246,256                  | 316,932   | 52,822  | 9.45                            | Annually                        |
| <b>Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer</b> |            |                      |            |              |                |          |               |                                      |                            |   |   |                                 |                                 |
|  | 2022/23    | 01-06-22 to 31-05-25 | 11-07-22   | 31-05-25     | 102,733        | -17,636  | 85,097        | 1,114,775                            | 1,467,027                  | -   | -   | 14.28                           | Annually                        |
|  | 2023/24    | 01-06-23 to 31-05-26 | 13-07-23   | 31-05-26     | 141,605        | -236     | 94,167        | 1,233,585                            | 1,467,028                  | 94,404  | 15,734  | 10.36                           | Annually                        |
|  | 2024/25    | 01-06-24 to 31-05-27 | 11-07-24   | 31-05-27     | 176,760        | 22,684   | 81,604        | 1,069,015                            | 1,670,382                  | 235,680   | 39,280  | 9.45                            | Annually                        |

**Table 8: Shares held by Executive Management Board**

|   | 31-05-24         | Purchased      | Sold | 31-05-25         |
|---|------------------|----------------|------|------------------|
| <b>EMB - Shares held by Executive Management</b>                                    |                  |                |      |                  |
| Kristian Teär, Chief Executive Officer  | 649,935          | 125,922        | -    | 775,857          |
| Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer                | 247,506          | 33,466         | -    | 280,972          |
| Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer | 112,566          | 24,975         | -    | 137,541          |
| <b>Total</b>  | <b>1,010,007</b> | <b>184,363</b> | -    | <b>1,194,370</b> |

Shares Purchased refers to shares vested under the 2021/22 Long-Term Incentive Programme and shares purchased by EMB members during the year on the open market.

# Remuneration Comparative Overview

**Table 9: Comparison of remuneration and Company performance against the past five financial years**

|   | 2024/25 | 2023/24 | 2022/23 | 2021/22 | 2020/21 | 2019/20 |
|---|---------|---------|---------|---------|---------|---------|
| (DKK million)   |         |         |         |         |         |         |
| <b>Financial Performance</b>  |         |         |         |         |         |         |
| Revenue   | 2,553   | 2,588   | 2,752   | 2,948   | 2,629   | 2,036   |
| EBIT before special items   | 25      | 61      | -105    | 54      | 38      | -390    |
| Free Cash Flow  | 16      | 11      | -20     | -172    | 119     | -234    |
| <b>EMB - remuneration (DKK thousand)</b>  |         |         |         |         |         |         |
| Kristian Teär, Chief Executive Officer  | 25,939  | 23,373  | 19,361  | 22,618  | 24,635  | 6,899   |
| Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer                | 11,442  | 10,627  | 9,068   | 9,446   | 9,478   | 3,312   |
| Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer | 8,554   | 7,262   | 6,577   | 6,637   | 5,707   | -       |
| Former EMB members  | -       | -       | 2,386   | 7,171   | 10,769  | 25,418  |

From 2021/2022 remuneration is changed from expensed to granted remuneration

**Table 9: Comparison of remuneration and Company performance against the past five financial years - continued**

|   | 2024/25    | 2023/24    | 2022/23    | 2021/22    | 2020/21    | 2019/20    |
|---|------------|------------|------------|------------|------------|------------|
| <b>Board - remuneration (DKK thousand)</b>                      |            |            |            |            |            |            |
| Juha Christensen, Chair   | 1,400      | 1,400      | 1,405      | 1,393      | 1,069      | 600        |
| Albert Bensoussan, Board member                                 | 700        | 700        | 700        | 684        | 406        | 84         |
| Jesper Jarlbæk, Board member                                    | 800        | 800        | 800        | 784        | 499        | 550        |
| Anders Colding Friis, Board member                              | 575        | 575        | 575        | 559        | 414        | 375        |
| Tuula Kyllikki Ryttilä-Uotila, Board member                     | 530        | 450        | 445        | 425        | 356        | 283        |
| Mary Claire Chung, Board member                                 | 356        | 475        | 475        | 475        | 404        | 296        |
| Søren Balling, Board member (employee representative)           | 350        | 350        | 350        | 350        | 285        | 300        |
| Dorte Vegeberg, Board member (employee representative)          | 350        | 350        | 350        | 350        | 285        | 233        |
| Andra Gavrilesco (employee representative from 22 May 2024)     | 360        | -          | -          | -          | -          | -          |
| Former Board members  | -          | 423        | 700        | 700        | 141        | 1,956      |
| <b>Average remuneration of B&amp;O Employees (DKK thousand)</b> | <b>774</b> | <b>721</b> | <b>649</b> | <b>671</b> | <b>704</b> | <b>593</b> |

In 2023/2024 report calculation method for Average remuneration of B&O Employees was changed and adjusted for all prior years. It is based on the sum of Wages and other remuneration and Share-based payments, divided by the Average number of employees (ref. Annual Report, 3.1 Staff cost).



# Statement by the Board of Directors

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

The Board of Directors has today considered and adopted the Remuneration Report of Bang & Olufsen A/S for the financial year 2024/25.

The Remuneration Report will be presented for an advisory vote at the Annual General Meeting 14 August 2025.

Struer, 3 July 2025

## Board of Directors:

Juha Christensen  
Chair

Jesper Jarlbæk

Tuula Ryttilä

Andra Gavrilescu

Albert Bensoussan  
Vice Chair

Anders Colding Friis

Søren Balling

Dorte Vegeberg

# Independent Auditor's Report

## To the shareholders of Bang & Olufsen A/S

We have examined whether the remuneration report of Bang & Olufsen A/S for the financial year 1 June 2024 – 31 May 2025 contains the information required by section 139b(3) of the Danish Companies Act and whether the information provided on remuneration, shares granted, shares vested, shareholdings and company performance in the remuneration report is accurate and complete.

We express a conclusion providing reasonable assurance.

### The Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139b(3) of the Danish Companies Act and the remuneration policy adopted at the Annual General Meeting.

Further, the Board of Directors is responsible for the internal control that the Board of Directors considers necessary to prepare the remuneration report without material misstatement and omissions, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express a conclusion on the remuneration report based on our examinations.

We performed our work in accordance with ISAE 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, and additional requirements under Danish audit regulation to obtain reasonable assurance about our conclusion.

Deloitte Statsautoriseret Revisionspartnerselskab applies International Standard on Quality Management 1, ISQM 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.

We have complied with the requirements for independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, and ethical requirements applicable in Denmark.

As part of our examinations, we performed the procedures below:

- We checked whether, to the extent relevant, the remuneration report contains the information required by section 139b(3), items 1-6, of the Danish Companies Act regarding the remuneration of each member of the Executive Management Board and the Board of Directors.
- We verified that the remuneration information in the remuneration report's tables, is in accordance with the Remuneration Policy, reporting practice for the remuneration report, agreements entered into, actual grants awarded, pay-outs, and other underlying documentation, including determination of the fair value of granted share-based remuneration for the Executive Management Board, which we have reconciled to the Company's calculations and registrations hereof.
- We reconciled the key figures and ratios on financial performance disclosed in the remuneration report to financial highlights disclosed in the annual report for the financial year and other relevant financial information provided in the annual report for the financial year, and we recalculated, on a sample basis, the average remuneration based on full-time equivalents of employees other than members of the Executive Management Board.
- We examined Management's process for collecting, summarising and presenting information on remuneration for the Executive Management Board and the Board of Directors, and reconciled, on a sample basis, the information provided to agreements signed and actual payments made.
- We examined Management's process for collecting, summarising and presenting information on shares granted, shares vested and shareholdings of the Executive Management Board and shareholdings of the Board of Directors and checked, on a sample basis, the information provided to the Company's registrations hereof.
- We examined the completeness of information provided about remuneration in the remuneration report of each member of the Executive Management Board and the Board of Directors by comparing information on salary and employment conditions in the employment contracts signed with the remuneration policy and the information provided in the remuneration report.

We believe that the procedures performed provide a sufficient basis for our conclusion.

**Conclusion**

In our opinion the remuneration report contains, in all material respects, the information required by section 139b(3) of the Danish Companies Act and the information provided on remuneration, shares granted, shares vested, shareholdings, and company performance in the remuneration report's tables is accurate and complete.

Copenhagen, 3 July 2025

Deloitte  
Statsautoriseret Revisionspartnerselskab  
CVR No. 33963556

Nikolaj Thomsen  
State Authorised Public Accountant  
Identification No (MNE) mne33276

Jakob Olesen  
State Authorised Public Accountant  
Identification No (MNE) mne34492

