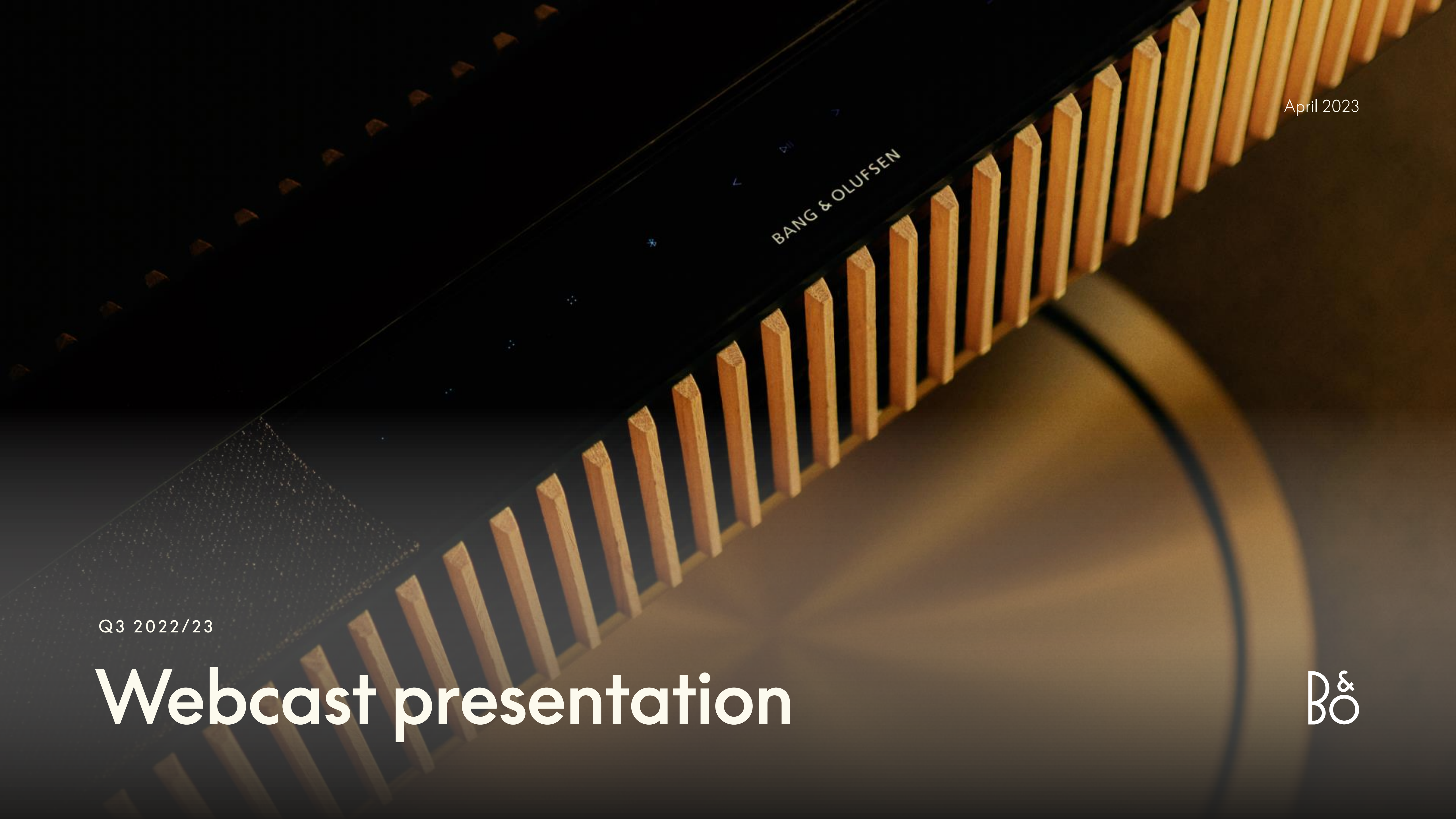

April 2023

Q3 2022/23

Webcast presentation

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Agenda

Key Highlights and Strategy Update

The quarter was impacted by lower than expected sales in China
Despite headwind, we saw growing customer base and strategic progress

- Revenue declined 18% (-20% in local currencies)
  - Product sales declined by 21.5% (-25% in local currencies) mainly impacted by China (decline of 65%)
  - Brand Partnering & Other activities grew 15.3% (11% in local currencies), driven by both license and product partnerships
- Like-for-like sell-out declined by 4%, mainly impacted by Asia, EMEA declined slightly whereas Americas had positive growth
- Gross Margin at 43.6% against 44.0% in Q3 last year, despite change in product mix towards lower margin products. EBIT margin bsi* impacted by lower than expected sales
- Positive free cash flow mainly driven by reduced inventories
- Progress on strategic initiatives, growing customer base and higher average product ownership
- Outlook adjusted on 17 March 2023

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	Q3 2022/23	9M 2022/23	Outlook FY 22/23 unchanged since 17 March
Revenue	-20% in LC** DKK 635m	-9% in LC** DKK 2,106m	-9% to -3% growth in LC** previously lower end of -4% to 5%
EBIT margin bsi*	-6.8% (EBIT bsi* DKK -43m)	-5.4% (EBIT bsi* DKK -114m)	-4% to -1% previously lower end of -2% to 3%
Free cash flow	DKK 33m	DKK -14m	DKK -100m to 0m previously lower end of -50m to 100m

* Before special items ** local currencies

Relatively robust demand in Q3 except for China, impacted by surge of COVID-19 infections

-4%

Sell-out growth

- **EMEA (-2%):** Company owned stores delivered solid growth of 53% with growth in all markets - remaining channels were below last year.
- **Americas (3%):** Growth in monobrand and etail
- **Asia (-13%):** Sell-out impacted by surge of COVID-19 cases in China

Product categories

- The Staged category was flat in Sell-out whereas Flexible Living had a decline of 18%

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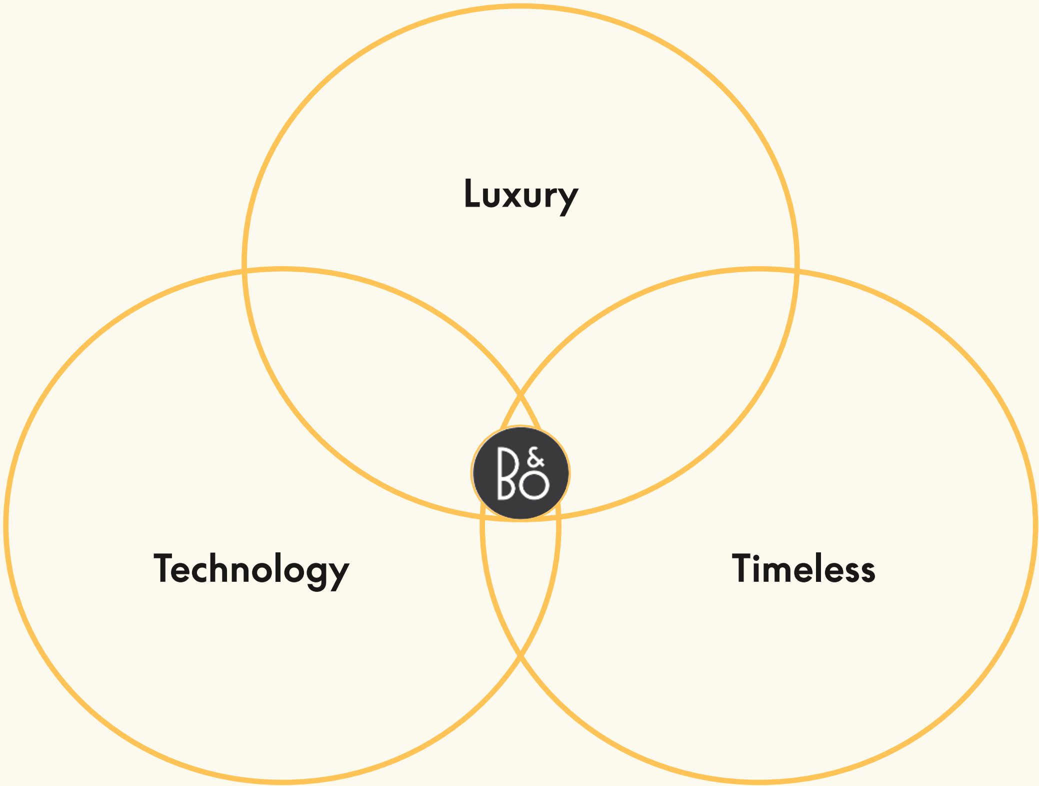
Regions	Product Categories
-2% EMEA	0% Staged
3% Americas	-18% Flexible Living
-13% Asia	-1% On-the-go

B&O

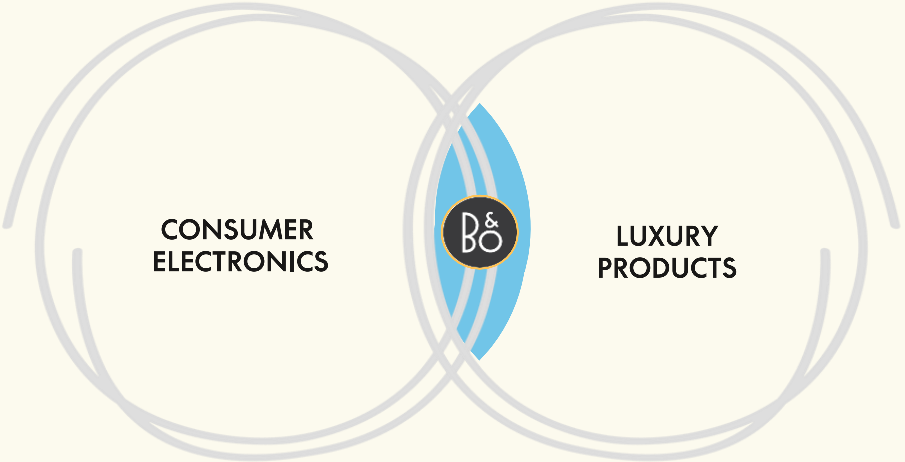
Our sharpened strategic direction

A proposition of Luxury Timeless Technology will enable us to differentiate further, prioritise investments, and drive growth



We are defining our own market

We operate at the intersection between consumer electronics and luxury, where we have created and refined our blue ocean



Global home audio and headphones market 2021; EUR 48.3bn

Global personal luxury goods 2021; EUR 327.5bn

We are making five directional shifts:

1. Reigniting our brand to become a culturally relevant luxury love brand
2. Building a seamlessly connected product portfolio, bridging our past, present and future
3. Creating magical moments in connected touch points
4. Winning in key, global cities
5. Exploring existing and new adjacent opportunities

Note: Home audio market is defined as WIFI speakers, Loudspeakers and Soundbars; Headphones market includes over-ear and in-ear true wireless; These markets are measured in trade value; Luxury industry is defined according to Bain & Company definition for Personal Luxury goods, measured in retail value.
Source: Bain & Company; Futuresource

Q3 strategic highlights

Product portfolio

A limited collection of the award-winning Beoplay EX in Lime Green.

Wining in Key Global cities

Activation in London and Paris yielded good results and our company owned stores outperformed all other channels across regions.

Brand awareness

New partnership with Scuderia Ferrari for the 2023 Formula 1 season.

Continued customer base growth and increasing average ownership

5%
Customer Growth*

3%
Growth in Customers with 2+ Products Owned

Higher average product ownership

More newsletter subscribers

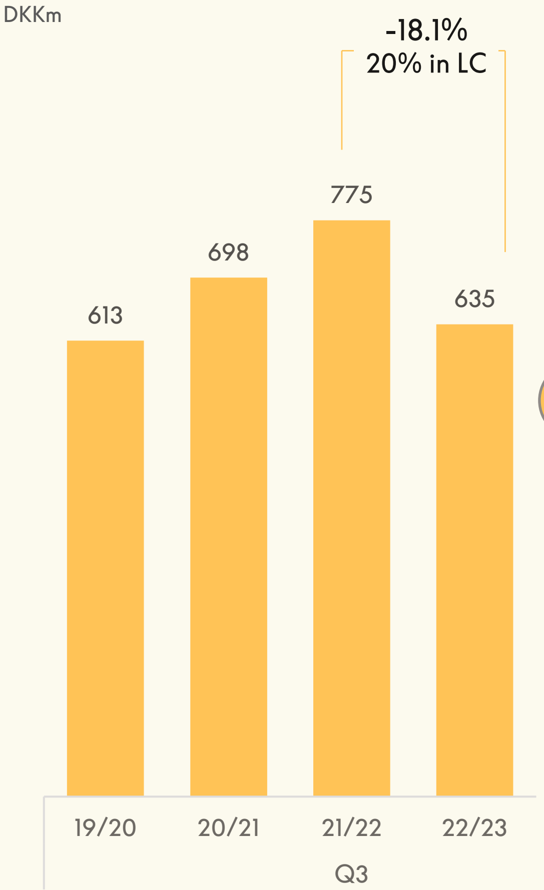
Increased duration of visits at our website

The announcement of Ferrari partnership and launch of EX atelier limited edition drove traffic to our website

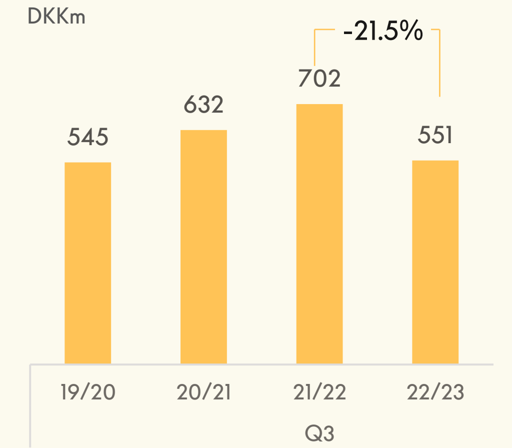
 * Quarterly growth in registered customers in the company's B&O App

Financial Performance in Q3

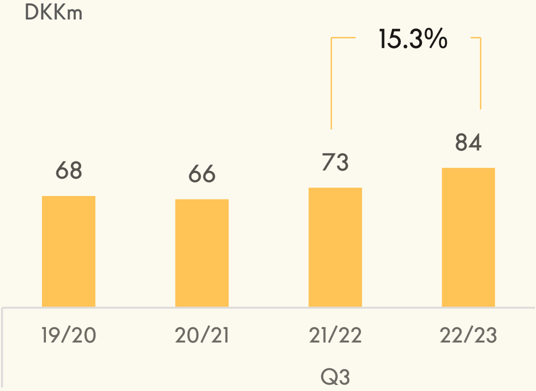
Revenue heavily impacted by decline in China revenue of 65%



Regional product revenue



Brand partnering & other activities

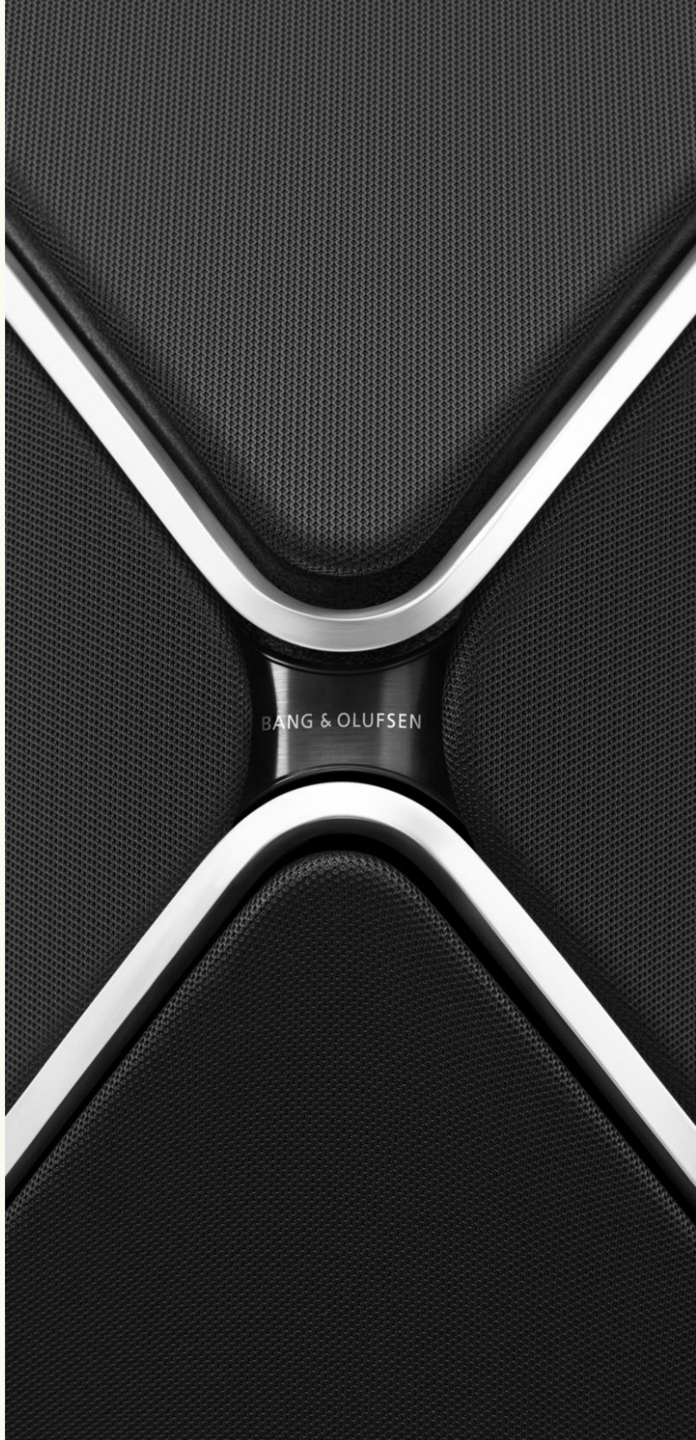


Regional product sales declined 21.5%, heavily impacted by COVID-19 in China

- In local currencies, revenue declined 25%
- The surge of COVID-19 cases in China impacted sales negatively
- Leaving Russia and Belarus had a 2pp negative impact on growth
- Positive impact from launch of Beosound Theatre
- Retail partners in EMEA remained cautious about inventory replenishment

Brand Partnering & other activities grew 15.3%

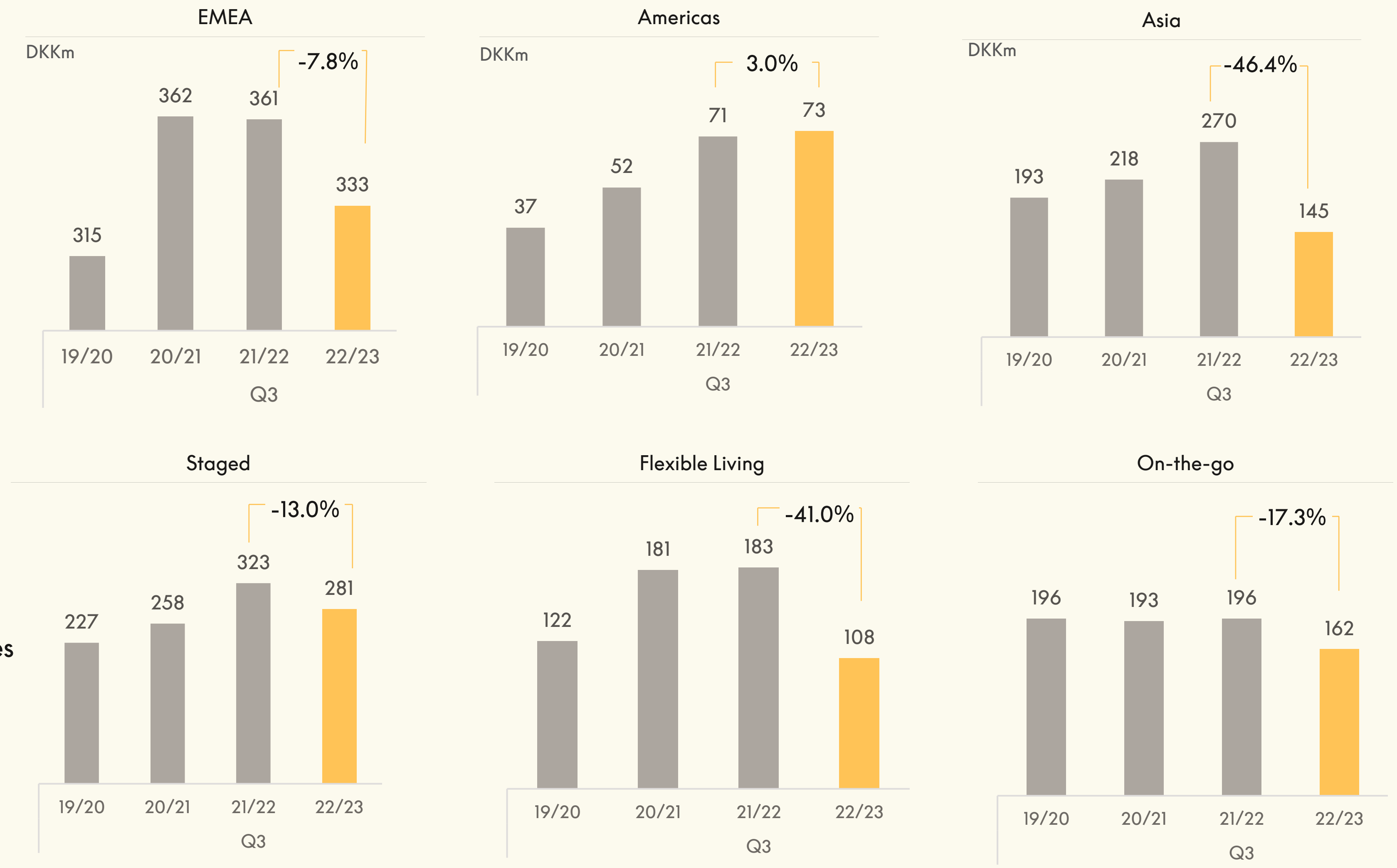
- In local currencies, revenue grew 11%
- Growth driven by license and product partnerships, with the Cisco partnership delivering the biggest increase
- License income grew by 9%, mainly driven by the automotive industry



Regional product sales impacted by China and cautiousness among partners

Regions

Product categories



EMEA: Down 7% in local currencies

- Excluding sales to Russia and and Belarus, revenue declined 4%
- Monobrand declined driven by caution with inventory replenishment, partly offset by growth in multibrand and company owned stores
- Flexible Living mostly impacted whereas the decline in Staged and On-the-go were partly offset by growth in Beosound Theatre and Beoplay EX, respectively

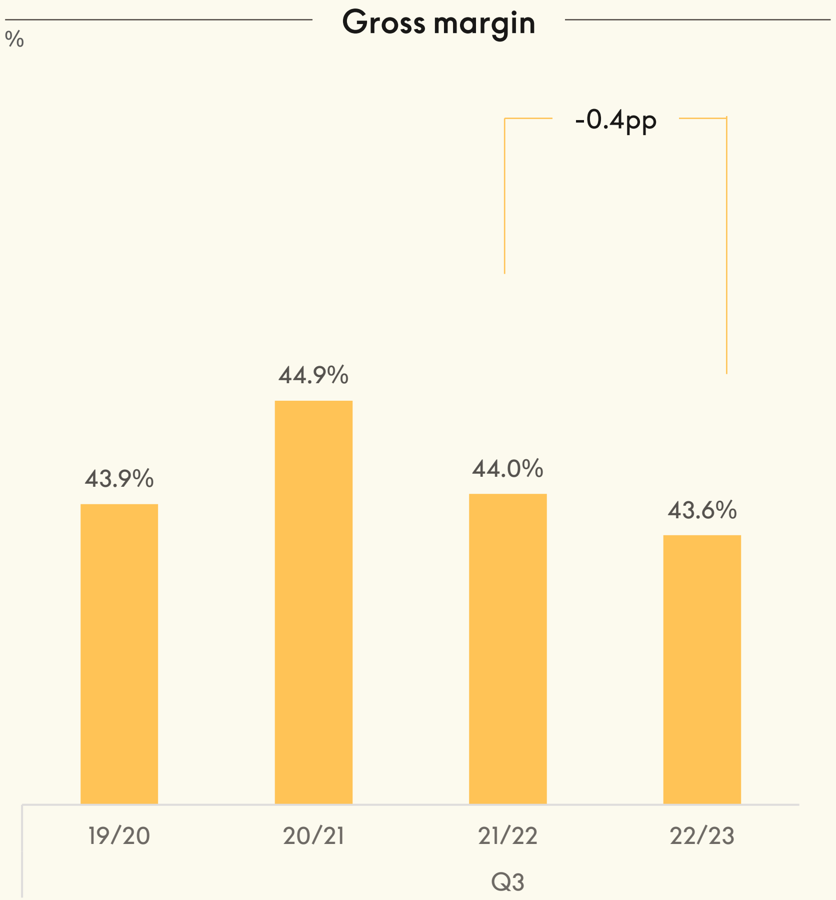
Americas: Down 8% in local currencies

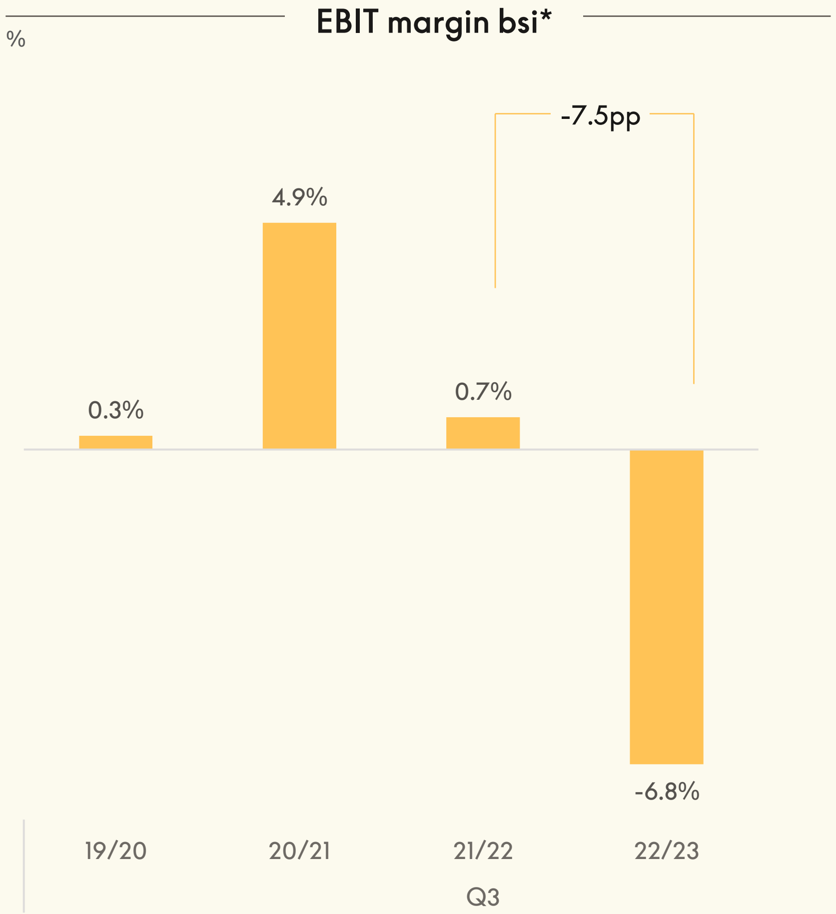
- Positive impact from ramp-up of the expanded partnership with custom installers
- Solid performance from etail
- Staged and Flexible Living were the main growth drivers while On-the-go declined slightly.

Asia: Down 50% in local currencies

- Heavily impacted by change in COVID-19 policy in China (decline of 65%)
- Positive growth in Japan
- All product categories impacted

Gross Margin stable despite change in product mix towards lower-margin products – EBIT bsi impacted by revenue decline



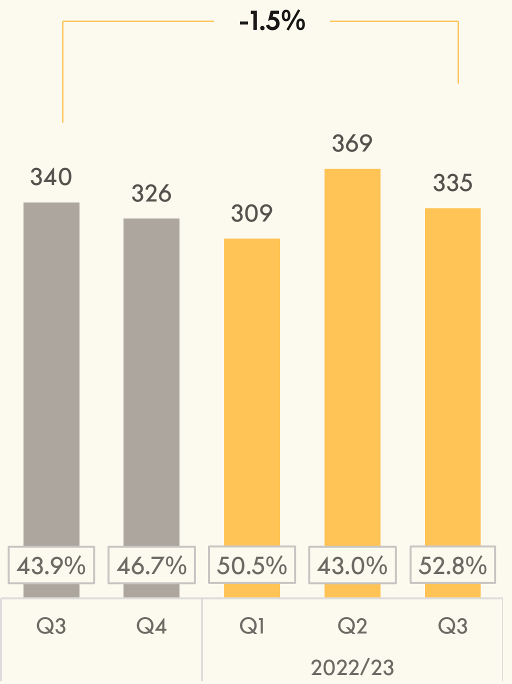


*Before special items

Capacity costs decreased in the quarter

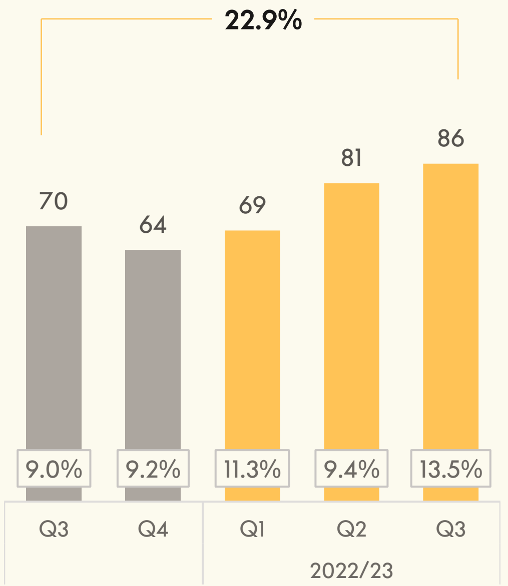
Capacity costs

DKKm



Development costs

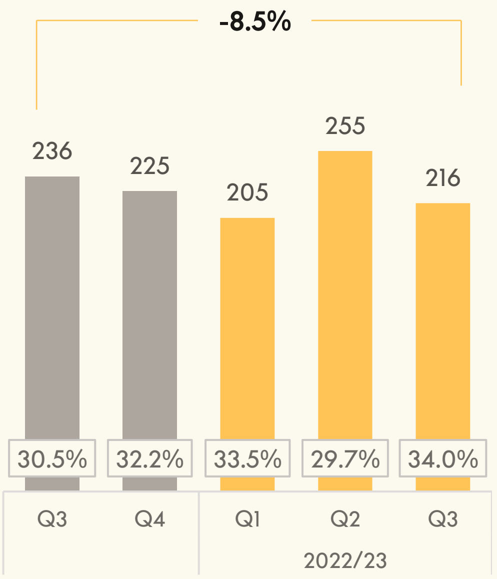
DKKm



- Increase driven by higher incurred costs in combination with a lower capitalisation ratio compared to Q3 of last year
- Incurred cost was partly driven by addition of competencies in Sofia, Bulgaria

Distribution & marketing costs

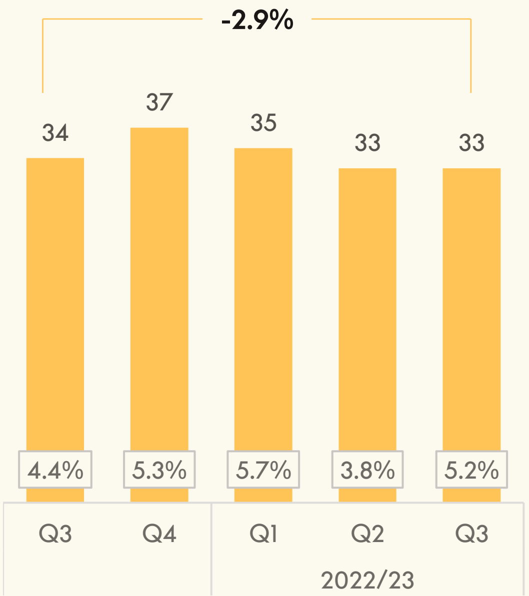
DKKm



- The decrease was mainly related to a one-off service cost relating to warranty obligations last year
- Marketing cost to revenue ratio was 10.8%, up 2.6pp from Q3 of last year
- Increase was driven by higher marketing costs in the three regions as well as lower revenue

Administrative expenses

DKKm



- Stable administrative expenses

Costs relative to revenue

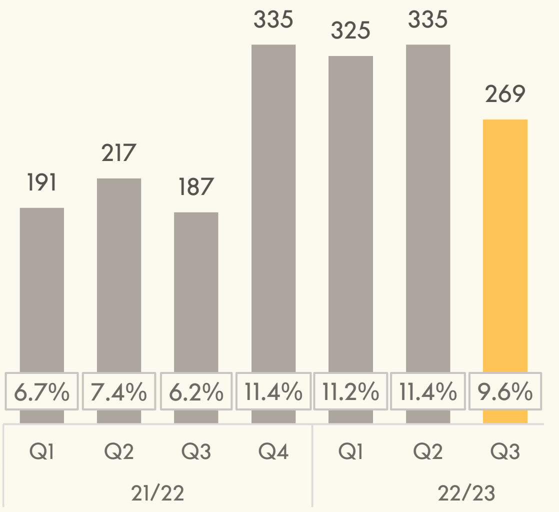
Ongoing cost initiatives to secure lean cost base while balancing strategic investments

- Hiring Freeze initiated last year – number of employees reduced by 36 since end of May 2022
- Reorganisation end of February 2023 with reduction of 35 employees – DKK 15m provision for redundancies in Q3
- Focus on inventory depletion
- Prioritising investments

Focus on working capital - Inventory reduced and composition has improved

Net working capital

DKKm

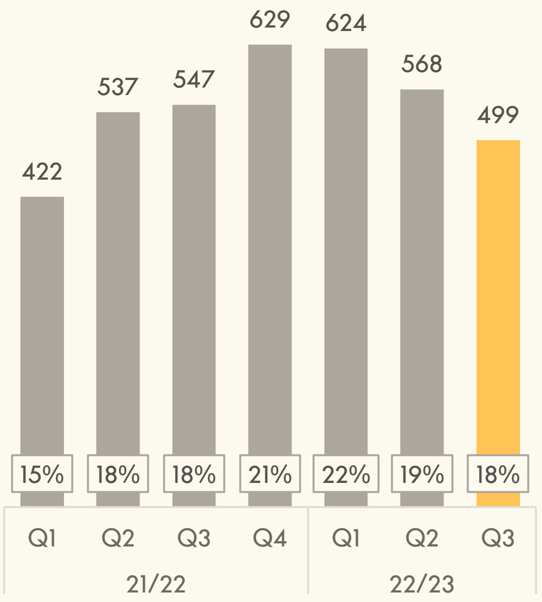


Net working capital decreased DKK 66m to DKK 269m (NWC ratio of 9.6%)

- Inventory down by DKK 69m
- Trade receivables decreased DKK 118m
- Trade payables decreased DKK 142m
- Other liabilities down by DKK 12m, primarily due to reversal of bonus accruals

Inventory

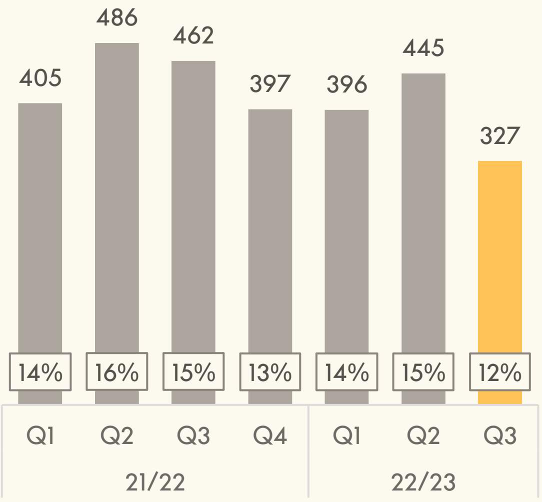
DKKm



- Reduced by DKK 69m and below last years level by 48m
- Reduction mainly related to On-the-go
- No spot buy components left at end of Q3 and healthier composition of inventory going into Q4

Trade receivables

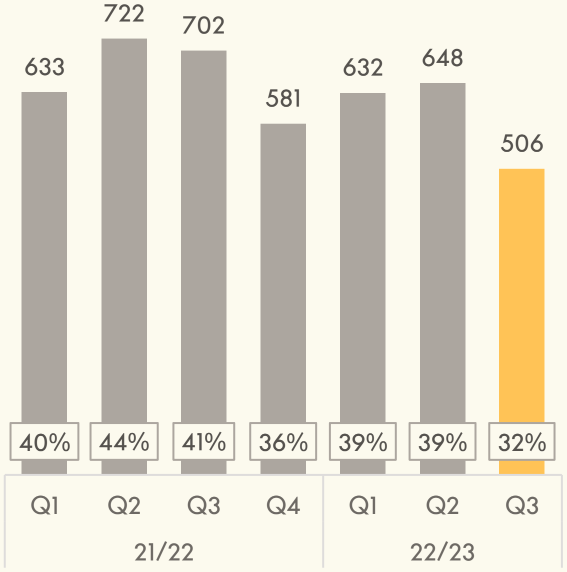
DKKm



- Receivables decreased by DKK 118m
- Driven by lower revenue in Q3 compared to Q2 and focus on cash collection
- Sales with extended credit was 5% compared to 12% in Q2 and on level with last year (4%)

Trade payables

DKKm



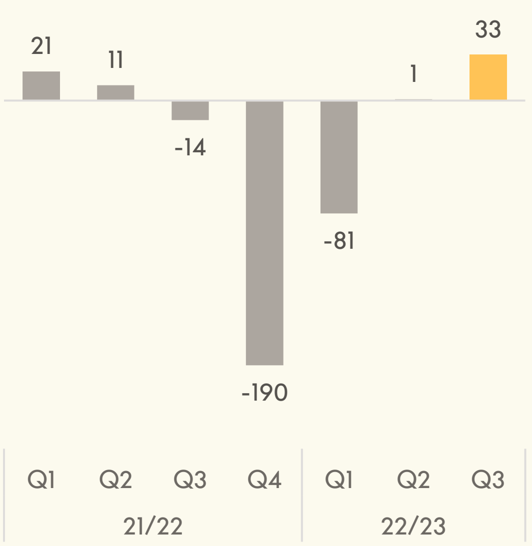
- Payables decreased by DKK 142m, mainly driven by lower activities in the quarter and timing of payments
- Ratio to LTM revenue was 32% compared to 39% in Q2

% of LTM revenue

Positive free cash flow

Free cash Flow

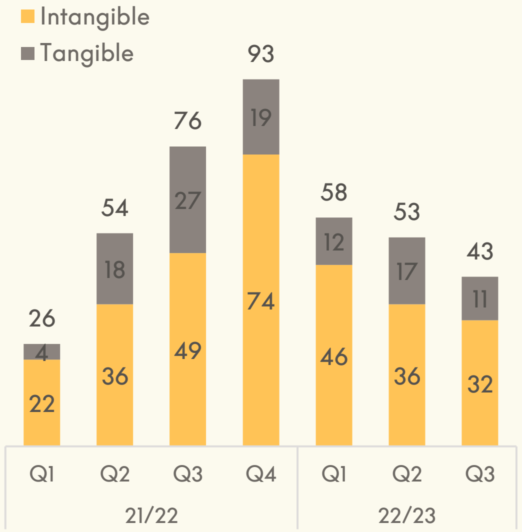
DKKm



- Free cash flow positive 33m
- Positively impacted by reduced working capital

CAPEX

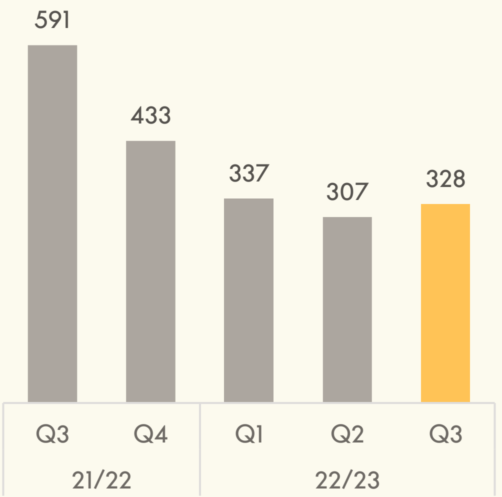
DKKm



- Reduced 10m from Q2
- Investments primarily within intangible assets and related to new products and platforms.

Capital resources

DKKm



- Capital resources of DKK 328m
- Improvement since Q2 of 21m, mainly due to improved cash position
- Available liquidity was DKK 208m

Outlook

Outlook 2022/23 adjusted 17 March due to lower than expected sales in China

Outlook

Revenue growth in local currencies	-9% to -3%
EBIT margin BSI*	-4% to -1%
Free cash flow	DKK -100m to DKK 0m

Main assumptions

- Improved market conditions in China during Q4, yet a slower pace than initially expected
- Launch of three or more product innovations in Q4
- No impact on product availability due to geopolitical changes or COVID-19 related lockdowns
- No major COVID-19 related lockdowns in the remainder of the year
- Exchange rates against DKK, including in particular USD, CNY and EUR, in line with current exchange rate levels, overall
- Pressure on sourcing components through spot buys is expected to decline
- Improved inventories

* BSI: Before special items

Summary, the quarter heavily impacted by lower than expected sales in China Company owned stores outperformed all other channels

- 18% decline in revenue, impacted by a 65% revenue decline in China
- Strong growth in Brand Partnering
- Gross margin level kept despite change in product mix
- Positive free cash flow
- Company owned stores outperformed all other channels underlining the strategic strength of Win City Concept
- Positive sell-out growth in Americas. EMEA was adversely impacted by macroeconomic headwind and China by surge of infections
- We continue to see growth in our customer base and in customers owning two products or more
- Outlook adjusted 17 March 2023, due to lower than expected sales in China

Q&A