

# Remuneration Report 2023/24

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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 2023/24 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 19 August 2021 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 2023/24 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 2018/19 - 2023/24 available on the Company’s website, <https://bang-olufsen.com>. All amounts are stated in DKK, gross.



# Introduction

In 2023/24, we continued the execution of our Luxury Timeless Technology strategy and laying the foundation for longer term profitable and sustainable growth. An enhanced focus on the customer experience in branded channels, luxury positioning, and product excellence were key elements.

We have worked to size our market, map our competitive environment, and validate the attractiveness and viability of our strategic direction. The result of this work confirmed that we have an attractive market opportunity in a growing luxury audio and TV market, and that we are uniquely positioned to capture it. This provides an attractive growth opportunity for our company. Across regions, we are more selective in terms of how and where consumers can experience our brand and products, aiming to ensure they get full luxury experience.

Throughout 2023/24 we launched a total of 6 new product innovations. In Q1 our Beocom EX became available with the MS Teams certification. In Q2, we launched our first outdoor speaker Beosound Bollard, our new speaker Beolab 8 which is a compact system speaker built on our proprietary software platform and the launch of Cisco Beocom 950. In Q4, we announced Beoconnect Core, a new streaming box that turns legacy Bang & Olufsen speakers into a wireless speaker system and finally Beosystem 9000c music system - another of our product icons. The new system features a fully restored and reimaged Beosound 9000 CD player from the 1990's paired with Bang & Olufsen's modern Beolab 28 speakers for a powerful listening experience. During the year we also launched a new collection with Ferrari. The four Ferrari products launched were the Beosound 2 speaker, Beoplay H95 headphones, Beoplay EX earphones and the portable speaker Beosound Explore. All tied together with a distinctive shade of red, creating an unmistakable connection to the Ferrari brand signature. This also supports our Ferrari partnership within Formula 1, with the aim to increase brand awareness.

We highly prioritize ESG and sustainability and continue to create a long-lasting luxury technology products and experiences that are true to our heritage, while ensuring we live up to our responsibilities as a good corporate citizen. We deliver on our longevity promise across three focus areas: we are designing for the future, we take responsibility for the past, and we work to ensure continued and multiple lives for our products. In Q1, we reached another milestone with the Cradle-to-cradle certification of Beosound Emerge.

During 2023/24, there were no changes in the Executive Management Board.

# Overview of Financial Performance

Group revenue was DKK 2,588m, corresponding to a decline of 6.0% compared to last year (-5% in local currencies.). The decrease in reported revenue was related to both total product sales, which declined by 5.3% (-4% in local currencies) and Brand Partnering and other activities that declined by 10.1% (-9% in local currencies).

At the beginning of the financial year, we had expected macroeconomic improvements in our key markets in Europe and China, which did not materialise. Also, we decided to delay an expected product launch. As a result, in March 2024, we adjusted our full-year revenue outlook from positive growth to negative growth in the range of -9% to -5%. We ended the year, at the upper end of the range at 5% negative growth thanks to 1% growth in local currencies in the fourth quarter.

Despite challenges, we continued transforming the business towards Luxury Timeless Technology. We have improved our gross margin to a record high level, making us more resilient as a business.

Gross profit amounted to DKK 1,379m, equivalent to a gross margin of 53.3% (2022/23: 44.2%). In addition to normalised component and logistics costs, a strong pricing focus and improved product and channel mix improved the gross margin. Extraordinary costs in 2022/23 amounted to around DKK 160m, corresponding to a negative margin impact of approx. 6pp.

Free cash flow was DKK 11m (2022/23: outflow of DKK 20m). This was an improvement of DKK 31m compared to last year. It was primarily a result of the improved EBITDA; however, partially offset by an increase in net working capital.

Total remuneration showed an increase compared to prior year. This was primarily driven by our improved earnings and the resulting achievement of certain KPIs leading to pay-outs under the short-term cash bonus plan for the Executive Management Board. In total, four out of five KPIs were met in the financial year 2023/24.

The initial outlook for 2024/25 is presented in the Annual Report for 2023/24.

# Compliance with the Remuneration Policy

The remuneration of the Board of Directors and the Executive Management Board for the 2023/24 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 2022/23 was subject to an advisory vote at the Annual General Meeting in August 2023, where it was approved.



# Remuneration Board of Directors

## Fixed annual fee

Members of the Board receive a fixed annual base fee approved by the Annual General Meeting. The Chair and the 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 fees for 2023/24 were approved at the Annual General Meeting on 17 August 2023:

## Table 1: Board and Committee fee structure

### Board fee

Member	DKK 350,000 (base fee)
Chair	DKK 1,050,000 (3x base fee)
Deputy Chair	DKK 525,000 (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.

Board fees are evaluated annually against relevant benchmarks for Danish and international companies.

## Fees to Board Members for 2023/24

In 2023/24, total fees to Board members amounted to DKK 5,523 thousand. (DKK 5,800 thousand in 2022/23). Decrease in overall fees is linked to lower number of employee elected Board Members.

## 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 4.8 of the Remuneration Policy.

Table 2: Remuneration of the Board (DKK thousand) for 2023/24 (2022/23)

Name and position		Annual fee	Committee fees	Travel allowance	Benefits	Other fees (China Advisory Board)	Total remuneration
<b>Juha Christensen, Chair</b>	2023/24	1,050	350	-	-	-	1,400
Chair of the Remuneration and Nomination Committees, Member of the Strategy Committee. Member of the Technology Committee	2022/23	1,050	355	-	-	-	1,405
<b>Albert Bensoussan, Deputy Chair</b>	2023/24	525	175	-	-	-	700
Member of the Audit and Strategy Committees	2022/23	525	175	-	-	-	700
<b>Jesper Jarlbæk, Board member</b>	2023/24	350	450	-	-	-	800
Chair of the Audit Committee, Member of the Strategy and Nomination Committees	2022/23	350	450	-	-	-	800
<b>Anders Colding Friis, Board member</b>	2023/24	350	225	-	-	-	575
Member of the Strategy, Remuneration and Nomination Committees	2022/23	350	225	-	-	-	575
<b>Mary Claire Chung, Board member</b>	2023/24	350	75	-	-	50	475
Member of the Remuneration Committee and the China Advisory Board	2022/23	350	75	-	-	50	475
<b>Tuula Kyllikki Ryttilä-Uotila, Board member</b>	2023/24	350	100	-	-	-	450
Chair of the Technology Committee	2022/23	350	95	-	-	-	445
<b>Søren Balling, Board member</b>	2023/24	350	-	-	-	-	350
Employee representative	2022/23	350	-	-	-	-	350
<b>Dorte Vegeberg, Board member</b>	2023/24	350	-	-	-	-	350
Employee representative	2022/23	350	-	-	-	-	350
<b>Andra Gavrilescu</b>	2023/24	-	-	-	-	-	-
Employee representative from 22-05-24	2022/23	-	-	-	-	-	-
<b>Brian Bjørn Hansen, Board member</b>	2023/24	350	-	-	-	-	350
Employee representative until 21-05-24	2022/23	350	-	-	-	-	350
<b>Britt Lorentzen Jepsen, Board member</b>	2023/24	73	-	-	-	-	73
Employee representative until 16-08-23	2022/23	350	-	-	-	-	350
<b>Total 2023/24</b>		<b>4,098</b>	<b>1,375</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>5,523</b>
<b>Total 2022/23</b>		<b>4,375</b>	<b>1,375</b>	<b>-</b>	<b>-</b>	<b>50</b>	<b>5,800</b>

Table 3: Shares held by the Board of Directors

	31-05-23	Purchased	Sold	Transferred	31-05-24
<b>Board - Shares held by the Board of Directors</b>					
Juha Christensen, Chairman	200,864	-	-	-	200,864
Albert Bensoussan, Board member	18,000	-	-	-	18,000
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)	-	-	-	-	-
Andra Gavrilescu (employee representative from 22-05-24)	-	-	-	-	-
Shares owned by former members of the Board	5,751	-	-	-5,751	-
<b>Total</b>	<b>333,309</b>	<b>-</b>	<b>-</b>	<b>-5,751</b>	<b>327,558</b>

\* Status as of 31 May 2024

# 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.

The EMB’s terms of employment and remuneration are agreed between the individual EMB member and the Board.

Total remuneration showed an increase compared to prior year. This was primarily driven by our improved earnings and positive achievement of certain KPIs, leading to pay-outs under short-term cash bonus plan for the Executive Management Board. In total, four out of five KPIs were met in the financial year 2023/24.

## 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 2023-2026 LTIP, the EMB was offered 836,184 shares at a fair market value of a total of DKK 8,663 thousand based on a share price of 10.36 at the time of grant.

### **Award of extraordinary incentive-based remuneration**

The Board of Directors decided to extend the special short-term cash-based retention programme for the members of the Executive Management Board (EMB) covering the financial year 2023/24. The programme is subject to fulfilment of two requirements (i) continued service, and (ii) satisfactory individual performance review rating. Assessment of individual performance is done by the Chairman of the Board (for CEO) and CEO (for CFO and CCCO) against business KPI's established at the beginning of the financial year and behavioural goals, which rate the ability to act according to Bang & Olufsen's values and leadership principles. The programme was established with the aim of stabilising the EMB during the turnaround of the Company and until the long-term incentive programmes (LTIP) reach a desired and necessary retention level.

### **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 2023/24.

### **Non-monetary benefits**

Members of the EMB receive non-monetary benefits such as company car, car allowance, phones, etc. Executives domiciled and working in different countries or relocating internationally may receive special allowances and benefits.

### **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 2023/24.

### **Cash bonus paid**

Actual bonus paid during the year.

### **Shares delivered**

Actual shares delivered to an employee during the year.

Table 4: Remuneration of EMB (DKK thousand) for 2023/24 (2022/23)

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>												
	2023/24	6,711	906	-	4,012	5,033	6,711	23,373	3,072	21,412	6,711	306,004
	2022/23	6,711	906	-	-	5,033	6,711	19,361	2,411	16,739	10,256	139,131
<b>Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer</b>												
	2023/24	3,460	164	415	965	2,163	3,460	10,628	1,258	9,722	3,146	119,531
	2022/23	3,355	198	403	-	1,966	3,146	9,068	942	8,044	3,855	36,850
<b>Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer</b>												
	2023/24	2,347	164	282	655	1,467	2,347	7,263	895	6,690	2,347	76,897
	2022/23	2,347	134	282	-	1,467	2,347	6,577	686	5,796	2,507	9,584
<b>Christian Birk, Executive Vice President Marketing, Digital &amp; Customer Experience (until 31 January 2022. Garden leave from 1 February 2022 – 31 January 2023)</b>												
	2023/24	-	-	-	-	-	-	-	-	-	-	100,929
	2022/23	2,046	95	246	-	-	-	2,386	-	2,386	526	17,812
<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>41,264</b>	<b>5,225</b>	<b>37,824</b>	<b>12,204</b>	<b>603,361</b>
<b>Total 2022/23</b>		<b>14,460</b>	<b>1,333</b>	<b>930</b>	<b>-</b>	<b>8,466</b>	<b>12,204</b>	<b>37,392</b>	<b>4,039</b>	<b>32,965</b>	<b>17,144</b>	<b>203,377</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 2023/24

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) 2023/24	Actual award (DKK thousand) 2023/24	Actual bonus awarded (% of base salary) 2022/23	Actual award (DKK thousand) 2022/23
<b>Kristian Teär, Chief Executive Officer</b>							
Revenue	20%	Quantitative intervals					
EBIT	20%	Quantitative intervals					
Free Cash Flow	10%	Quantitative intervals	0% - 100%	59.8%	4,012	0.0%	-
Brand Net Promoter Score	20%	Quantitative intervals					
Win Key Cities Sell-Out	30%	Qualitative Intervals					
<b>Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer</b>							
Revenue	20%	Quantitative intervals					
EBIT	20%	Quantitative intervals					
Free Cash Flow	10%	Quantitative intervals	0% - 45.5%	27.9%	965	0.0%	-
Brand Net Promoter Score	20%	Quantitative intervals					
Win Key Cities Sell-Out	30%	Qualitative Intervals					
<b>Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer</b>							
Revenue	20%	Quantitative intervals					
EBIT	20%	Quantitative intervals					
Free Cash Flow	10%	Quantitative intervals	0% - 45.5%	27.9%	655	0.0%	-
Brand Net Promoter Score	20%	Quantitative intervals					
Win Key Cities Sell-Out	30%	Qualitative Intervals					

Four out of five KPI's were met, except from Revenue, resulting in overall combined achievement of 79.9% 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
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
2021/22 (LTIP)	Retention FY 2021/22, 2022/23, 2023/24	33.3%	Employment	Vests annually	31-05-24
	Revenue FY 2021/22, 2022/23, 2023/24	33.3%	Quantitative intervals	Vests annually	31-05-24
	EBIT before special items FY 2021/22, 2022/23, 2023/24	33.3%	Quantitative intervals	Vests annually	31-05-24

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 31-05-24	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>													
	2021/22	01-06-21 to 31-05-24	12-07-21	31-05-24	148,293	-62,613	85,680	891,072	4,909,981	-	-	33.11	Annually
	2022/23	01-06-22 to 31-05-25	11-07-22	31-05-25	352,462	-105,739	129,235	1,344,044	5,033,157	234,976	39,163	14.28	Annually
	2023/24	01-06-23 to 31-05-26	13-07-23	31-05-26	485,826	-63,157	98,783	1,027,343	5,033,157	647,772	107,962	10.36	Annually
<b>Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer</b>													
	2021/22	01-06-21 to 31-05-24	12-07-21	31-05-24	57,924	-24,458	33,466	348,046	1,917,864	-	-	33.11	Annually
	2022/23	01-06-22 to 31-05-25	11-07-22	31-05-25	137,681	-41,304	50,483	525,023	1,966,085	91,788	15,298	14.28	Annually
	2023/24	01-06-23 to 31-05-26	13-07-23	31-05-26	208,753	-27,138	42,445	441,428	2,162,681	278,340	46,390	10.36	Annually
<b>Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer</b>													
	2021/22	01-06-21 to 31-05-24	12-07-21	31-05-24	43,227	-18,252	24,975	259,740	1,431,246	-	-	33.11	Annually
	2022/23	01-06-22 to 31-05-25	11-07-22	31-05-25	102,733	-30,820	37,668	391,747	1,467,027	68,490	11,415	14.28	Annually
	2023/24	01-06-23 to 31-05-26	13-07-23	31-05-26	141,605	-18,409	28,792	299,437	1,467,028	188,808	31,468	10.36	Annually

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

	31-05-23	Purchased	Sold	31-05-24
<b>EMB - Shares held by Executive Management</b>				
Kristian Teär, Chief Executive Officer	343,931	306,004	-	649,935
Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer	127,975	119,531	-	247,506
Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer	35,669	76,897	-	112,566
<b>Total</b>	<b>507,575</b>	<b>502,432</b>	-	<b>1,010,007</b>

\* Shares Purchased represents shares finally exercised from the 2020/21 LTI Programme

# Remuneration Comparative Overview

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

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19
(DKK million)						
<b>Financial Performance</b>						
Revenue	2,588	2,752	2,948	2,629	2,036	2,838
EBIT before special items	61	-105	54	38	-390	59
Free Cash Flow	11	-20	-172	119	-234	-272
<b>EMB - remuneration (DKK thousand)</b>						
Kristian Teär, Chief Executive Officer	23,373	19,361	22,618	24,635	6,899	-
Nikolaj Wendelboe, Executive Vice President, Chief Financial Officer	10,628	9,068	9,446	9,478	3,312	276
Line Køhler Ljungdahl, Executive Vice President, Chief Corporate Commercial Officer	7,263	6,577	6,637	5,707	-	-
Former EMB members	-	2,386	7,171	10,769	25,418	20,634

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**

	2023/24	2022/23	2021/22	2020/21	2019/20	2018/19
<b>Board - remuneration (DKK thousand)</b>						
Juha Christensen , Chair	1,400	1,405	1,393	1,069	600	600
Albert Bensoussan , Board member	700	700	684	406	84	375
Jesper Jarlbæk , Board member	800	800	784	499	550	600
Anders Colding Friis , Board member	575	575	559	414	375	290
Mary Claire Chung , Board member	475	475	475	404	296	-
Tuula Kyllikki Ryttilä-Uotila , Board member	450	445	425	356	283	-
Søren Balling , Board member (employee representative)	350	350	350	285	300	300
Dorte Vegeberg , Board member (employee representative)	350	350	350	285	233	-
Andra Gavrilescu (employee representative from 22 May 2024)	-	-	-	-	-	-
Brian Bjørn Hansen , Board member (employee representative until 21 May 2024)	350	350	350	285	300	300
Britt Lorentzen Jepsen , Board member (employee representative until 16 August 2023)	73	350	350	285	233	-
Former Board members	-	-	-	141	1,956	2,475
<b>Average remuneration of B&amp;O Employees (DKK thousand)</b>	<b>721</b>	<b>649</b>	<b>671</b>	<b>704</b>	<b>593</b>	<b>569</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 2023/24.

The Remuneration Report will be presented for an advisory vote at the Annual General Meeting 15 August 2024.

Struer, 4 July 2024

## Board of Directors:

Juha Christensen  
Chair

Jesper Jarlbæk

M. Claire Chung

Søren Balling

Andra Gavrilescu

Albert Bensoussan  
Vice Chair

Anders Colding Friis

Tuula Ryttilä

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 2023 – 31 May 2024 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, 4 July 2024

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

