# B&C Speakers Group

## Interim Financial Report

as of 30 June 2025

Prepared in compliance with
International Financial Reporting Standards
approved by the European Union

# Contents



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[www.bcspeakers.com](http://www.bcspeakers.com)

**B&C Speakers S.p.A.**
Registered Office in Bagno a Ripoli (FI), Italy at Via Poggiomoro 1
Paid-up share capital of € 1,100,000
Florence Business Register – Tax ID 01398890481

# THE B&C SPEAKERS GROUP – Corporate bodies

## Board of Directors

| | |
|---|---|
| Chairperson: | Roberta Pecci |
| Chief Executive Officer: | Lorenzo Coppini |
| Director: | Alessandro Pancani |
| Director: | Francesco Spapperi |
| Independent Director: | Raffaele Cappiello |
| Independent Director: | Marta Bavasso |
| Independent Director: | Valerie Sun |

## Board of Auditors

| | |
|---|---|
| Chairperson: | Riccardo Foglia Taverna |
| Statutory Auditor: | Giovanni Mongelli |
| Statutory Auditor: | Sara Nuzzaci |
| Alternate Auditor: | Irene Mongelli |
| Alternate Auditor: | Diana Rizzo |

## Financial Reporting Manager

Francesco Spapperi

## Independent auditing firm

Deloitte & Touche S.p.A.

# Introduction to the consolidated interim financial report at 30 June 2025

## INTRODUCTION

The Consolidated Interim Financial Report at 30 June 2025 (hereafter, also “Interim Report”), was prepared in line with Italian Legislative Decree 58/1998, as amended, and with the CONSOB Issuers Regulations.

The Interim Report consists of the report on operations, which contains the Directors’ observations on operating trends and business developments during the first half of 2025, and the condensed consolidated interim financial statements.

The present condensed consolidated interim financial statements for the B&C Speakers Group at 30 June 2025 were prepared pursuant to the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union and were drawn up in conformity with IAS 34 “Interim Financial Reporting”. These condensed consolidated interim financial statements therefore do not include all the information required of the annual financial statements and must be read together with the annual financial statements prepared for the financial year ended 31 December 2024.

The present report has been drawn up also in accordance with Italian Legislative Decree 58/1998, and with the Regulation for Issuers published by CONSOB.

During the first half of 2025, the Parent Company continued its buyback programme, involving treasury shares, in accordance with the resolution passed by the Shareholders’ Meeting held on 29 April 2025, which renewed the mandate to purchase treasury shares for another 12 months. At 30 June 2025, it held 1,716 treasury shares, equal to 0.02% of the share capital. The weighted average purchase price of shares in the portfolio is € 15.80.

At the date of this report (September 2025), the number of Treasury shares owned has changed with respect to 30 June 2025 and amounts to 14,976, equal to 0.14% of the share capital. For your information we can note that the Parent Company B&C Speakers S.p.A. is controlled by R&D International S.r.l. which performs work of direction and coordination.

The equity interest held by the holding Research & Development International S.r.l. represented, at 30 June 2025, 52.73% of the share capital; further information on relations with the holding are contained in the rest of the report.

# Report on operations for the half ending on 30 June 2025

The B&C Group is an international leader in the production and marketing of *top-quality professional speakers*. Due to the nature and type of this activity, this sector is the sole area of business for the Group, which operates both nationally and internationally.

Products are manufactured and assembled at the Italian sites of the Parent Company and of the subsidiary Eighteen Sound S.r.l., and at the production plants of the foreign subsidiaries Eminence Speaker LLC (based in Eminence, Kentucky, USA) and B&C Speakers (Dongguan) Electronic Co. Ltd. (based in Dongguan, China).

Production and distribution of Ciare branded products takes place through Eighteen Sound S.r.l.

Distribution in the North American market is handled through the American subsidiary B&C Speakers NA LLC, which also offers support services for sales to local customers. During the half, the process of transferring the operating and logistics assets of B&C Speakers NA LLC was begun, from the current location in New Jersey to the offices of the subsidiary Eminence Speakers LLC in Kentucky. This will make it possible to better take advantage of the assets of the Kentucky subsidiary, while simultaneously achieving significant logistics and operating synergies.

Distribution on the Brazilian market is done through the subsidiary B&C Speakers Brasil Ltda, while starting in 2024, distribution on the Chinese market is also done through the local subsidiary B&C Speakers (Dongguan) Electronic Co. Ltd.

## Highlights

In the tables below we present the economic and financial highlights of the half-year period:

**Income statement highlights**

| *(€ thousands)* | **1st half 2025** | **1st half 2024** |
|---|---|---|
| Revenues | 50,661 | 51,247 |
| Ebitda | 10,955 | 11,480 |
| Ebit | 9,487 | 10,191 |
| Net profit | 5,151 | 11,833 |

**Balance sheet highlights**

| *(€ thousands)* | **30 June 2025** | **31 December 2024** |
|---|---|---|
| Non current Assets | 15,976 | 16,400 |
| Non current liabilities | 17,048 | 10,281 |
| Current assets | 73,412 | 70,864 |
| Current liabilities | 21,438 | 21,788 |
| Net working Capital | 51,974 | 49,077 |
| Net Equity | 50,903 | 55,195 |

**Cash flow statement highlights**

| *(€ thousands)* | 1st half 2025 | 1st half 2024 |
|---|---|---|
| Operating cash flow | 6,596 | 7,988 |
| Cash flow from investing activities | (1,154) | (1,304) |
| Cash flow from financial activities | (2,836) | (10,720) |
| Cash flow for the period | 2,606 | (4,037) |

**Net financial position**

| *(€ thousands)* | 30 June 2025 | 31 December 2024 |
|---|---|---|
| Current net financial position | 11,148 | 8,453 |
| Total net financial position | (4,972) | (924) |

## Share performance

The B&C Speakers S.p.A. shares are listed on the Mercato Telematico Azionario organised and managed by Borsa Italiana S.p.A.

At 30 June 2025 (the last open market day of the half), the reference price for B&C Speakers S.p.A. (BEC) shares stood at € 16.85 and consequently market capitalisation amounted to about € 185.3 million.

The following shows the share performance of B&C Speakers SpA during the last 12 months.

## Macroeconomic Situation

In the second quarter of 2025, growth in the Eurozone was +0.1% quarter on quarter, with an annual rate of 1.4%, driven by Spain (+0.7%) and France (+0.3%), while Germany and Italy each recorded -0.1%.

OECD estimates global GDP growth of 3.1% in 2025, and around 1.0% for the Eurozone. Average inflation in the Eurozone fell to 1.9%, slightly below the ECB's target rate, with a downward trend expected in coming quarters. The main risks associated with this weak performance are the US tariffs, geopolitical tensions and high fiscal deficits. An ECB survey also indicated growing uncertainty in European companies, with slowdowns in the manufacturing and services sectors, with moderate salary growth forecasts (3.3% in 2025, 2.8% in 2026).

## Industry scenario

Following the COVID-19 crisis, the professional audio sector has experienced an extremely rapid recovery in its reference market, with a surge of live events and concerts. The global audio equipment market (the entire sector, both consumer and professional) is expected to increase from USD 66.6 billion in 2024 to around USD 69.9 billion in 2025.

In 2025, the pro audio speakers and amplifiers segment is worth around USD 2.25 billion, with an annual growth rate of 6.3% from the present through 2034.

A strong push towards sustainability and energy efficiency has also arisen, which is already creating new challenges for those in the sector. In fact, many are focussing on developing and implementing sustainability plans able to link technical and performance requirements with the ESG requests which are increasingly present in our sector, among others.

Given this situation, the first half of 2025 confirmed the positive trends seen in the sector. Additionally, as specified above, prospects in the next three years remain positive, with very interesting growth levels.

## Group economic performance

Overall economic performance in the first half of 2025 was slightly down with respect to the first half of 2024. This was reflected in the Group's performance, which saw a slight decrease during the half in question compared to the first half of 2024. Additionally, note the number of new orders received during the half (€ 58.2 million), which was up 6% with respect to the same period in 2024.

To better present the trend in operations in relation to the first half of financial year 2025 compared with the same period of the previous year, a table showing these results is provided below:

**Economic trends - Group B&C Speakers**

| *(€ thousands)* | 6 months 2025 | *Incidence* | 6 months 2024 | *Incidence* |
|---|---|---|---|---|
| Revenues | 50,661 | *100.0%* | 51,247 | *100.0%* |
| Cost of sales | (31,491) | *-62.2%* | (32,041) | *-62.5%* |
| **Gross margin** | **19,170** | ***37.8%*** | **19,207** | ***37.5%*** |
| Other revenues | 233 | *0.5%* | 159 | *0.3%* |
| Cost of indirect labour | (3,578) | *-7.1%* | (3,428) | *-6.7%* |
| Commercial expenses | (686) | *-1.4%* | (640) | *-1.2%* |
| General and administrative expenses | (4,184) | *-8.3%* | (3,818) | *-7.5%* |
| **Ebitda** | **10,955** | ***21.6%*** | **11,480** | ***22.4%*** |
| Depreciation and Amortization | (1,456) | *-2.9%* | (1,289) | *-2.5%* |
| Writedowns | - 12.72 | *0.0%* | 0 | *0.0%* |
| **Earning before interest and taxes (Ebit)** | **9,487** | ***18.7%*** | **10,191** | ***19.9%*** |
| Writedown of investments in non controlled associates | - | *0.0%* | - | *0.0%* |
| Financial costs | (2,320) | *-4.6%* | (659) | *-1.3%* |
| Financial income | 747 | *1.5%* | 994 | *1.9%* |
| **Earning before taxes (Ebt)** | **7,914** | ***15.6%*** | **10,526** | ***20.5%*** |
| Income taxes | (2,209) | *-4.4%* | 1,202 | *2.3%* |
| **Profit for the year** | **5,704** | ***11.3%*** | **11,728** | ***22.9%*** |
| Minority interest | 0 | *0.0%* | 0 | *0.0%* |
| **Group Net Result** | **5,704** | ***11.3%*** | **11,728** | ***22.9%*** |
| Other comprehensive result | (553) | *-1.1%* | 105 | *0.2%* |
| **Total Comprehensive result** | **5,151** | ***10.2%*** | **11,833** | ***23.1%*** |

**Note:**

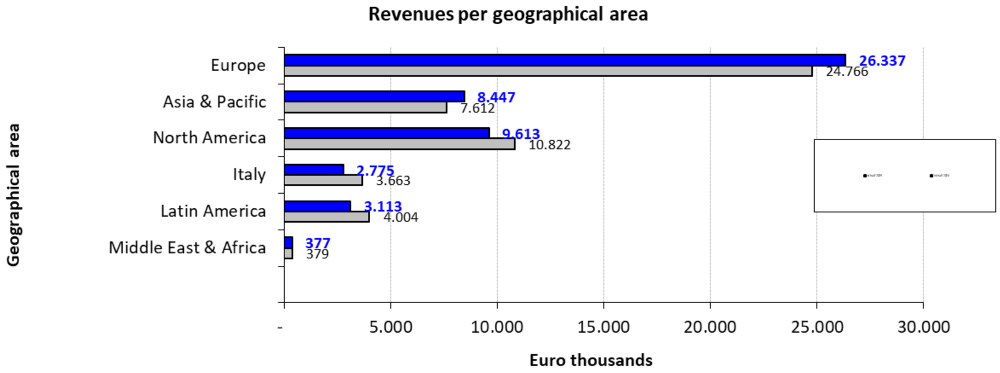
This interim report presents and comments on certain financial figures and certain reclassified schedules not defined within the IFRS.
These amounts are defined below in compliance with the provisions in CONSOB Communication (DEM 6064293) of 28 July 2006, as subsequently amended (CONSOB Communication 0092543 of 3 December 2015, implementing the ESMA/2015/1415 guidelines).
The alternative performance indexes listed below should be used as additional information with respect to that foreseen in the IFRS, to assist the users of the financial report to better comprehend the Group's economic, capital and financial performance. Please note that the adjustment methods used by the Group to calculate these figures have remained constant over the years. We also note that they could differ from methods used by other companies.
EBITDA (earnings before interest taxes depreciation and amortisation) is defined by the Issuer's Directors as the "before-tax and financial income and expenses", as resulting from the consolidated income statement gross of amortisation/depreciation, provisions and writedowns as resulting from the aforesaid consolidated income statement. EBITDA is a measure that the Issuer uses to monitor and assess the Group's operating performance.
EBIT (earnings before interest and taxes) represents the consolidated profit/loss before taxes, financial expenses and income as shown in the income statement tables prepared by the Directors in drawing up the financial statements in accordance with the IASs/IFRSs.
EBT (earnings before taxes) represents the consolidated profit/loss before taxes as shown in the income statement tables prepared by the Directors in drawing up the consolidated financial statements in accordance with the IASs/IFRSs.

## *Revenue*

During the half, the Group achieved revenue of € 50.6 million, a 1.1% decrease with respect to the same period in 2024.

Below is a full breakdown by geographic area for the first half of 2025, compared with the same period in 2024 (amounts in €):

| Geographical Area | 1st half 2025 | % | 1st half 2024 | % | Change | Change % |
|---|---|---|---|---|---|---|
| Latin America | 3,112,720 | 6.1% | 4,004,485 | 7.8% | (891,766) | -22% |
| Europe | 26,337,483 | 52.0% | 24,766,440 | 48.3% | 1,571,043 | 6% |
| Italy | 2,774,622 | 5.5% | 3,663,457 | 7.1% | (888,836) | -24% |
| North America | 9,612,815 | 19.0% | 10,822,330 | 21.1% | (1,209,515) | -11% |
| Middle East & Africa | 376,782 | 0.7% | 378,655 | 0.7% | (1,874) | 0% |
| Asia & Pacific | 8,446,836 | 16.7% | 7,611,750 | 14.9% | 835,087 | 11% |
| **Total** | **50,661,257** | **100.0%** | **51,247,118** | **100.0%** | **(585,861)** | **-1%** |




## *Cost of sales*

This category includes raw materials (purchasing, processing by third parties and changes in inventories), the cost of personnel directly involved in the production process, transport costs and the costs for commissions payable, customs duties and other direct costs of lesser importance.

During the first six months of 2025, the cost of sales remained substantially unchanged in terms of its impact on revenues with respect to the same period in 2024, going from 62.5% to 62.2%. This trend is due to: (i) a recovery of margins on the variable part of the cost of sales which allowed an improvement of 2.2 margin points compared to the first half of the previous year, (ii) a drop of 1.2 percentage points as a result of the increased cost of personnel, and (iii) an increase in the impact of customs duties, which led to a loss of margin of about 0.5 percentage points.

## *Indirect Personnel*

This category refers to costs for office staff, executives and workers not associated with the production process.

Indirect personnel costs rose slightly as a percentage of revenues compared to the first six months of 2024, going from 6.7% to 7.1%. In absolute terms, the figure for the first six months of 2025 was up 4.4% with respect to the first half of 2024.

## *Commercial expenses*

This category refers to costs for commercial consultancy, advertising and marketing, travel and subsistence and other minor charges relating to the commercial sector.

Commercial expenses were, in absolute terms, substantially in line with the first half of 2024.

## *Administrative costs and overheads*

Administrative costs and overheads rose by € 366 thousand with respect to the corresponding figure for 2024, also increasing in terms of their impact on revenues, from 7.5% to 8.3%. The increase in the costs in question can be attributed to investments made in It/logistics management systems at Group companies, as well as additional investments associated with ESG aspects.

### *EBITDA and EBITDA Margin*

As a result of these trends, EBITDA for the first six months of 2025 was € 10.9 million, down by € 0.5 million (-4.6%) with respect to the same period in 2024.

The EBITDA margin for the first six months of 2025 was equal to 21.6% of revenues, compared to 22.4% in the same period in 2024.

### *Depreciation and amortisation*

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use increased compared to the first six months of 2024, amounting to € 1.4 million (€ 1.3 million in the first six months of 2024). This increase is mainly due to the effects of investments during the period.

### *EBIT and EBIT margin*

EBIT for the first six months of 2025 amounted to € 9.5 million, down 6.9% with respect to the same period in 2024 (when it amounted to € 10.2 million). The EBIT margin was 18.7% of revenue (19.9% in the same period of 2024).

### *Group Net Profit*

The Group's net profit at the end of the first six months of 2025 amounted to € 5.7 million, representing 11.3% of consolidated revenue, with a decrease of 51.4% overall, compared to the corresponding period of 2024. This trend is due to the effects of the increase in financial expense, mainly linked to the trend in the Euro/USD exchange rate during the half, as well as the fiscal benefit of the Patent Box which in the first half of 2024 had a positive impact of € 3.9 million on the income statement. Removing the positive impact of the Patent Box, the Group's net profit in the first half of 2024 would have been € 7.7 million.

### Equity and financial trend

Below is the reclassified balance sheet according to the allocation of sources and uses:

| **Reclassified Balance sheet** *(€ thousands)* | **30 June 2025** | **31 December 2024** | **Change** |
|---|---|---|---|
| **Property, plant & Equipment** | **11,999** | **12,409** | **(410)** |
| Inventories | 28,726 | 29,953 | (1,227) |
| Trade receivables | 22,226 | 20,128 | 2,098 |
| Other receivables | 4,500 | 5,237 | (737) |
| Trade payables | (9,522) | (9,982) | 460 |
| Other payables | (4,076) | (3,662) | (414) |
| **Working capital** | **41,855** | **41,674** | **180** |
| **Provisions** | **(928)** | **(904)** | **(24)** |
| **Invested net working capital** | **52,926** | **53,179** | **(254)** |
| Cash and cash equivalents | 11,751 | 9,314 | 2,438 |
| Investments in associates | - | - | - |
| Goodwill | 2,318 | 2,318 | - |
| Short term securities | 7,238 | 7,283 | (45) |
| Other financial receivables | 630 | 622 | 8 |
| **Financial assets** | **21,937** | **19,537** | **2,400** |
| **Invested net non operating capital** | **21,937** | **19,537** | **2,400** |
| **NET INVESTED CAPITAL** | **74,863** | **72,716** | **2,147** |
| Equity | 50,903 | 55,195 | (4,293) |
| Short-term financial borrowings | 7,840 | 8,144 | (303) |
| Long-term financial borrowing | 16,120 | 9,377 | 6,743 |
| **RAISED CAPITAL** | **74,863** | **72,716** | **2,147** |

**Note**:

Fixed Assets: these are defined by the Issuer's Directors as the value of multi-year assets (*property, plant and equipment, rights of use and other intangible assets*). Net Operating Working Capital is defined by the Issuer's Directors as the value of inventories, trade receivables and other receivables net of debts for supplies and other payables. Provisionsare the value of bonds linked to employee severance indemnities and director severance pay. Invested net working capital is the value of financial assets and other financial receivables as described above. Raised capital is the value of net equity of the Group and the total indebtedness of the Group.

*Net Operating Invested Capital* shows a decrease of € 0.2 million compared to 31 December 2024. This decrease was mainly due to the combined effect of the following factors:

- a decrease in fixed assets amounting to approximately € 0.4 million due to the combined effects of investments and amortisation/depreciation for the period;
- a decrease in warehouse inventories of around 1.2 million, mainly due to the temporary halt of magnet exports from China, as a response to the tariffs imposed by the USA;
- an increase in trade and other receivables of around € 1.3 million, mainly due to an increase in trade receivables;
- a decrease in trade payables of around € 0.4 million;

*Net Non-Operating Capital Assets* increased by 2.4 million euro compared to 31 December 2024. This increase is almost entirely attributable to the increase in the Group’s cash and cash equivalents, thanks to excellent cash generation from operating activities during the period (equal to € 6.62 million).

The other asset categories showed no change compared to 31 December 2024.

The overall *Net Financial Position* is negative at € 4.9 million, compared with the negative amount of € 0.9 million registered at the end of 2024. The excellent cash flow coming from operations (€ 6.59 million) had a positive impact on the NFP, making it possible to limit the effects associated with repayments of existing loans and the payment of the dividend for € 10.8 million.

## Corporate structure

At 30 June 2025 the Group's workforce was 374 resources, compared with 380 resources at 31 December 2024.

## Investments

Investments during the first half of 2025 were mainly focused on improving production lines and the subsidiary Eminence Speakers's production structures.

## Significant events during the first half of 2025

The Shareholders' Meeting, held on 29 April 2025, approved the financial statements and resolved the issue of an ordinary dividend of € 1.0 per ordinary share outstanding at the ex-dividend date (occurring on 05 May 2025, record date on 06 May 2025 and payment on 07 May 2025).

At present, the flow of orders does not seem to be affected by the dramatic developments in Ukraine and Israel, as the Group has historically had very limited business with the countries involved. It cannot be excluded however that a continuing conflict and possible extension, could result in an indirect contraction in demand. B&C Speakers SpA Management is carefully monitoring developments in this scenario to understand the possible political, economic and other types of implications that this could have on the Company and Group's business.

## Business outlook

The international economic situation, in which the prevailing uncertainty is associated with the tariffs applied by the United States, does not make it easy to predict the evolution of the reference market in the coming months. Supply chain issues caused by the temporary halt in magnet exports from China, in response to the tariffs imposed by the US, were for the most part resolved thanks to the Group's efforts. At present it no longer relies solely on ordinary supply channels and can also count on support from its own manufacturing structure in China.

However, the expected results for 2025 could potentially be directly and indirectly affected by the consequences of the ongoing conflict between Russia and Ukraine, even though historically the Group has not had significant sales to Russian or Ukrainian customers.

In this situation, the Group will continue to work to meet its commitments and goals, adopting all necessary measures to manage the direct and indirect effects of the risk factors cited above.

## Disclosure pursuant to Art. 79 of the Issuers' Regulation no. 11971/99

In relation to the disclosure obligations laid down by Art. 79 of the Issuers' Regulation no. 11971/99, with regard to holdings, in issuers themselves and their subsidiaries, pertaining to members of the administrative and auditing bodies, general managers and key managers, as well as by spouses (where not legally separated) and their under-age children, whether directly or through subsidiaries, trustees or third parties, as resulting from the book of members, communications received and other information acquired by the members of the administrative and auditing bodies, general managers and key managers, the following information is provided:

- as at 30 June 2025, Director Lorenzo Coppini holds 50,000 shares in B&C Speakers S.p.A.;
- as at 30 June 2025, Director Alessandro Pancani holds 3,617 shares in B&C Speakers S.p.A.;
- as at 30 June 2025, Director Roberta Pecci holds 11,542 shares in B&C Speakers S.p.A.

## Main risks and uncertainties to which the group is exposed

For a full breakdown of the main risks and uncertainties to which the Group is exposed, please see the Report on Operations in the consolidated financial statements at 31 December 2024.

With reference to financial risks, please see that indicated in the explanatory notes below.

## Corporate Governance

The Group abides by the Code of Corporate Governance of Italian Listed Companies currently in effect. In accordance with the legislative obligations a *Corporate Governance Report* is prepared annually. In addition to providing a general description of the corporate governance system adopted by the Group, this contains the information on the ownership structures and on acceptance of the single prescriptions of the Code of Corporate Governance and on observance of the consequent commitments. For a more detailed description of the elements that make up Corporate Governance, please see the full document relating to the annual report available on the website www.bcspeakers.com, in the Investors section.

## Art. 36 of the CONSOB Markets Regulation (adopted with CONSOB Resolution No. 16191/2007 and subsequent amendments): conditions for listing of companies that control companies incorporated and governed by the law of States not belonging to the European Union

In relation to the regulatory requirements regarding the conditions for the listing of companies that control companies incorporated and governed by the laws of States not belonging to the European Union and of significant relevance for the purposes of consolidated financial statements, note that:

- as of 30 June 2025 the regulatory requirements of Art. 36 of the Markets Regulation apply to the subsidiaries B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd.
- appropriate procedures were adopted in order to ensure complete compliance with the aforesaid regulations.

## Art. 37 of the CONSOB Markets Regulation: Conditions that inhibit the listing of shares in subsidiaries subject to the direction and coordination of another company

We certify, under the terms of Art. 2.6.2. Section 13 of the Regulation for Markets Organised and Managed by Borsa Italiana S.p.A., the existence of the conditions pursuant to Article 37 of CONSOB Regulation No. 16191/2007.

# Condensed consolidated interim financial statements at 30 June 2025

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 June 2025 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

| CONSOLIDATED STATEMENT OF FINANCIAL POSITION<br>*(Values in Euro)* | | *Notes* | 30 June 2025 | 31 December 2024 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Fixed assets** | | | | |
| Tangible assets | | *1* | 5,566,751 | 5,095,272 |
| Right of use | | *2* | 5,828,912 | 6,692,427 |
| Goodwill | | *3* | 2,318,181 | 2,318,181 |
| Other intangible assets | | *4* | 603,104 | 621,360 |
| Deferred tax assets | | *5* | 1,028,591 | 1,050,595 |
| Other non current assets | | *6* | 630,419 | 622,199 |
| | *related parties* | *31* | *6,700* | *6,700* |
| **Total non current assets** | | | **15,975,958** | **16,400,034** |
| **Currents assets** | | | | |
| Inventory | | *7* | 28,725,763 | 29,952,836 |
| Trade receivables | | *8* | 22,226,445 | 20,128,062 |
| Tax assets | | *9* | 1,111,682 | 1,531,488 |
| Other current assets | | *10* | 9,597,357 | 9,938,214 |
| Cash and cash equivalents | | *11* | 11,751,221 | 9,313,627 |
| **Total current assets** | | | **73,412,468** | **70,864,227** |
| **Total assets** | | | **89,388,426** | **87,264,261** |
| **LIABILITIES** | | | | |
| **Equity** | | | | |
| Share capital | | *12* | 1,099,503 | 1,090,507 |
| Other reserves | | *12* | 5,525,713 | 4,113,008 |
| Foreign exchange reserve | | *12* | 169,214 | 728,382 |
| Retained earnings | | *12* | 44,108,084 | 49,263,330 |
| **Total equity attributable to shareholders of the parent** | | | **50,902,514** | **55,195,227** |
| Minority interest | | | - | - |
| **Total equity** | | | **50,902,514** | **55,195,227** |
| **Non current liabilities** | | | | |
| Long-term borrowings | | *13* | 11,495,747 | 3,820,239 |
| Long-term lease liabilities | | *14* | 4,624,349 | 5,557,150 |
| | *related parties* | *31* | *1,569,851* | 2,140,714 |
| Severance Indemnities | | *15* | 883,286 | 859,546 |
| Provisions for risk and charges | | *16* | 44,483 | 44,483 |
| **Total non current liabilities** | | | **17,047,865** | **10,281,418** |
| **Current liabilities** | | | | |
| Short-term borrowings | | *17* | 6,357,737 | 6,762,957 |
| Short-term lease liabilities | | *14* | 1,482,499 | 1,380,620 |
| | *related parties* | *31* | *974,488* | 871,159 |
| Trade liabilities | | *18* | 9,521,564 | 9,981,831 |
| | *related parties* | *31* | *88,169* | *100,134* |
| Tax liabilities | | *19* | 501,823 | 103,809 |
| Other current liabilities | | *20* | 3,574,424 | 3,558,399 |
| **Total current liabilities** | | | **21,438,047** | **21,787,616** |
| **Total Liabilities** | | | **89,388,426** | **87,264,262** |

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE FIRST HALF OF 2025 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

| CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Values in Euro) | | Notes | 6 months 2025 | 6 months 2024 |
|---|---|---|---|---|
| Revenues | | 22 | 50,661,257 | 51,247,119 |
| Cost of sales | | 23 | (31,491,486) | (32,040,610) |
| Other revenues | | 24 | 232,855 | 159,171 |
| Cost of indirect labour | | 25 | (3,577,694) | (3,427,927) |
| Commercial expenses | | 26 | (685,639) | (639,502) |
| General and administrative expenses | | 27 | (4,184,195) | (3,818,352) |
| Depreciation and amortization | | | (1,455,500) | (1,289,005) |
| Writedowns | | 28 | (12,723) | 0 |
| **Earning before interest and taxes** | | | **9,486,875** | **10,190,893** |
| Writedown of investments in non controlled associates | | | - | - |
| Financial costs | | 29 | (2,320,279) | (659,181) |
| | *related parties* | *31* | *(30,908)* | *(33,640)* |
| Financial income | | 29 | 747,005 | 994,308 |
| **Earning before taxes** | | | **7,913,600** | **10,526,020** |
| Income taxes | | 30 | (2,209,477) | 1,202,470 |
| **Profit for the year (A)** | | | **5,704,123** | **11,728,491** |
| **Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:** | | | | |
| Actuarial gain/(losses) on DBO (net of tax) | | 12 | 6,069 | 7,006 |
| **Other comprehensive income/(losses) for the year that will be reclassified in icome statement:** | | | | |
| Exchange differences on translating foreign operations | | 12 | (559,168) | 97,645 |
| **Total other comprehensive income/(losses) for the year (B)** | | | **(553,100)** | **104,652** |
| **Total comprehensive income (A) + (B)** | | | **5,151,024** | **11,833,142** |
| **Profit attributable to:** | | | | |
| Owners of the parent | | | 5,704,123 | 11,728,491 |
| Minority interest | | | - | - |
| **Total comprehensive income atributable to:** | | | | |
| Owners of the parent | | | 5,151,024 | 11,833,142 |
| Minority interest | | | - | - |
| **Basic earning per share** | | 12 | 0.52 | 1.07 |
| **Diluted earning per share** | | 12 | 0.52 | 1.07 |

## CONSOLIDATED CASH FLOW STATEMENT AT 30 June 2025 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

**Consolidated statement of cash flows**

| | 1 Half 2025 | 1 Half 2024 | |
|---|---|---|---|
| **A- Net current bank balances at the beginning of the period** | **6,719** | **11,905** | |
| **B- Cash flow from operating activities** | | | |
| Profit/loss for the period (Including third parties Profit/loss) | 5,151 | 11,833 | |
| Income tax expense | 2,209 | (1,202) | |
| Depreciation and amortization | 1,455 | 1,289 | |
| Sale of property, plant and equipment | 0 | 0 | |
| Finance cost | 2,320 | 659 | |
| Interest income | (747) | (994) | |
| Net change in provisions for risk and charges and other provision relating to personell | 18 | 16 | |
| Change in provigion for leaving indemnities | 5 | (1,709) | |
| (increase) decrease in current trade and other current receivables | (1,067) | (5,348) | |
| (increase) decrease in deferred tax assets and liabilities | 22 | (75) | |
| (increase) decrease in inventory | 1,227 | (913) | |
| Increase (decrease) in current trade and other payables | (2,176) | 4,536 | |
| **Net cash from/(used in) operating activities** | **8,418** | **8,093** | |
| Paid interest costs | (1,015) | (516) | |
| Collected interest income | 476 | 464 | |
| Taxes paid | (1,283) | (52) | |
| **Total (B)** | **6,596** | **7,988** | |
| **C- Cash flow from investing activities** | | | |
| (Investments) in non current tangible assets | (1,073) | (1,367) | |
| Proceeds for sale of non current tangible assets | 0 | 0 | |
| Net (investments) in non current intangible assets | (73) | (138) | |
| Net (investments) in non current securities | (8) | 1 | |
| (Investments) in current securities | 0 | 0 | |
| Proceeds from sale of current securities | 0 | 200 | |
| **Total (C)** | **(1,154)** | **(1,304)** | |
| **D- Cash flow from financing activities** | | | |
| (Outflow) from repayment of loans | (2,618) | (4,647) | |
| Inflow from borrowing activities | 10,056 | 2,500 | |
| (Outflow) from repayment of lease liabilities | (831) | (826) | **Note 1** |
| Purchase of treasury shares | 1,422 | (66) | |
| Dividend paid to shareholders | (10,866) | (7,681) | |
| **Total (D)** | **(2,836)** | **(10,720)** | |
| **E- Cash flow for the period (B+C+D)** | **2,606** | **(4,037)** | |
| **F- Cash and cash equivalents at end of the period** | **9,325** | **7,868** | |

**Note 1**: the liquidity absorbed by repayment of rights of use liabilities includes absorption of liquidity attributable to transactions with the parent R&D International S.r.l. for € 501 thousand.

The following table shows the composition of the balance of net cash and cash equivalents at 30 June 2025 and at 30 June 2024:

| Reconciliation between Net Cash and Cash & cash equivalent | 30-Jun-25 | 30-Jun-24 |
|---|---|---|
| Cash | 11,751,221 | 10,368,291 |
| Bank overdrafts | (2,426,466) | (2,500,302) |
| **Total** | **9,324,755** | **7,867,989** |

**hours**

## STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY, PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

We present below the changes in net equity that occurred in the first half of 2025 and in the first half of 2024.

| | Share Capital | Legal Reserve | Share premium reserve | Extraordinary reserve | Exchange rate reserve | Foreign exchange reserve | Retained earnings | Net Group Equity | Minority interest | Total net Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| *Euro thousand* | | | | | | | | | | |
| **Balance at January 1, 2025** | **1,091** | **379** | **3,636** | **44** | **55** | **728** | **49,263** | **55,195** | **-** | **55,195** |
| Result of the period | | | | | | | 5,704 | 5,704 | | 5,704 |
| Other comprehensive income/expenses | | | | | | (559) | 6 | (553) | | (553) |
| **Totale other comprehensive income/expenses** | **-** | **-** | **-** | **-** | **-** | **(559)** | **5,710** | **5,151** | **-** | **5,151** |
| Shareholders | | | | | | | | | | |
| Dividend distribution | | | | | | | (10,866) | (10,866) | - | (10,866) |
| Treasury shares allocation | 9 | | 1,413 | | | | - | 1,422 | | 1,422 |
| Other | | | | | | | - | - | | - |
| **Balance at June 30, 2025** | **1,100** | **379** | **5,049** | **44** | **55** | **169** | **44,108** | **50,903** | **-** | **50,903** |

| | Share Capital | Legal Reserve | Share premium reserve | Extraordinary reserve | Exchange rate reserve | Foreign exchange reserve | Retained earnings | Net Group Equity | Minority interest | Total net Equity |
|---|---|---|---|---|---|---|---|---|---|---|
| *Euro thousand* | | | | | | | | | | |
| **Balance at January 1, 2024** | **1,100** | **379** | **5,112** | **44** | **55** | **365** | **39,156** | **46,210** | **-** | **46,210** |
| Result of the period | | | | | | | 11,728 | 11,728 | | 11,728 |
| Other comprehensive income/expenses | | | | | | 98 | 7 | 105 | | 105 |
| **Totale other comprehensive income/expenses** | **-** | **-** | **-** | **-** | **-** | **98** | **11,735** | **11,833** | **-** | **11,833** |
| Shareholders | | | | | | | | | | |
| Dividend distribution | | | | | | | (7,681) | (7,681) | - | (7,681) |
| Treasury shares allocation | 0 | | (66) | | | | - | (66) | | (66) |
| Other | | | | | | | - | - | | - |
| **Balance at June 30, 2024** | **1,100** | **379** | **5,046** | **44** | **55** | **463** | **43,211** | **50,296** | **-** | **50,296** |

# Notes to the condensed consolidated interim financial report at 30 June 2025 prepared in conformity with the IFRSs adopted by the European Union

## Accounting policies

The present condensed consolidated interim financial statements were prepared in compliance with the International Accounting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union. The term "IFRS" is also used to refer to all revised International Accounting Standards ("IAS") and all interpretations provided by the International Financial Reporting Interpretations Committee ("IFRIC"), previously named the Standing Interpretations Committee ("SIC").

The present condensed consolidated interim financial statements were drawn up in accordance with IAS 34 "Interim Financial Statements". These condensed interim financial statements do not include, therefore, all the information required in the annual financial statements and must be read together with the annual financial statements prepared for the financial year ended 31 December 2024.

The accounting standards adopted in preparing the present condensed consolidated interim financial statements are the same as those adopted in preparing the Group's annual consolidated financial statements for the financial year ended 31 December 2024.

While preparing the condensed consolidated interim financial statements, the Parent Company's Management made assessments, estimates and assumptions which have an effect on the value of revenue, costs and assets and liabilities and the disclosure related to the potential assets and liabilities at the reference date. It should be noted that, as these are estimates, they may differ from the actual results that may be obtained in the future.

Certain valuation processes, in particular the more complex ones such as determining any impairment losses on non-current assets are generally carried out completely only on preparation of the year-end consolidated financial statements, when all the necessary information is available, except in cases when there is evidence of impairment that requires an immediate measurement of losses.

Income taxes are recognised on the basis of the best estimate of the average rate expected for the entire financial year.

The Group's activities are not subject to significant seasonal factors.

Limited auditing of the condensed consolidated interim financial report for the B&C Speakers Group at 30 June 2025 was entrusted to Deloitte & Touche S.p.A..

### Update on the macroeconomic situation

With reference to armed conflicts in course, note that the results of the first half of 2025 did not see any direct impacts from the conflicts in Ukraine and the Middle East. In fact, the Group has no history of significant turnover from Russian, Ukrainian or Middle Eastern customers.

The Group has only seen marginal indirect effects from the Russia/Ukraine conflict in terms of higher costs. In particular, as the Group's activities are not particularly energy intensive, the increase in energy costs was modest. Therefore, the overall effect on margins is in any case quite limited.

The international economic situation, in which the prevailing uncertainty is associated with the tariffs applied by the United States, does not make it easy to predict the evolution of the reference market. B&C Speakers S.p.A. Management is carefully monitoring developments in this scenario to understand the possible political, economic and other types of implications that this could have on the Company.

Taking the above into account, as well as the financial structure, existing liquidity, banking facilities available and the order portfolio at June 2025, Management does not see any significant uncertainties regarding the existence of the prerequisites for business continuity, as the Parent Company and the Group have the ability to meet their obligations and continue operating as a functioning entity for the foreseeable future.

## Accounting standards, amendments and interpretations applied from 1 January 2025

The following IFRS accounting standards, amendments and interpretations were applied by the Group from the first time as from 1 January 2025:

On 15 August 2023, the IASB published *"Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability"*. The document requires an entity to identify a methodology, to be applied in a consistent manner when verifying whether a currency can be converted to another and, when this is not possible, how to determine the exchange rate to use and the disclosure to provide in the Notes. The adoption of this amendment did not affect the Group's consolidated financial statements. The Group did not see any significant impacts on its equity, economic or financial situation associated with application of the aforementioned standards.

## New IFRS accounting standards, amendments and interpretations approved by the European Union but not yet mandatory and not adopted in advance by the Group at 30 June 2025

As of the reporting date of this document, the competent bodies of the European Union had completed the endorsement process needed to adopt the amendments and standards described below, but these standards were not yet obligatorily applicable and have not been adopted in advance by the Group:

- On 30 May 2024 the IASB published "*Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7*". The document clarifies certain problematic aspects which were identified in the post-implementation review of IFRS 9, including the accounting treatment of financial assets for which returns vary based on the achievement of ESG goals (i.e. green bonds). In particular, the amendments are intended to:
    - Clarify the classification of financial assets with variable returns linked to environmental, social and corporate governance objectives (ESG) and the criteria to utilise for the SPPI test;
    - Establish that the settlement date for liabilities utilising electronic payment systems is that on which the liability is extinguished. Nonetheless, entities are allowed to adopt an accounting policy that eliminates a financial liability for accounting purposes prior to receiving the liquid assets on the settlement date in the presence of certain specific conditions.

Through these amendments, the IASB has also introduced additional disclosure requirements, in particular with reference to investments in equity instruments classified as FVOCI.
The amendments apply to financial statements for financial years starting from 1 January 2026.
The directors do not expect significant impacts on the Group's consolidated financial statements from the adoption of this amendment

- On 18 December 2024, the IASB published the amendment "*Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7*". The purpose of the document is to support entities in reporting the financial effects of purchase agreements for electricity produced by renewable sources (frequently structured in the form of *Power Purchase Agreements*). In these contracts, the amount of electricity generated and purchased may vary on the basis of uncontrollable factors, such as weather conditions. The IASB has made targeted amendments to standards IFRS 9 and IFRS 7. The amendments include:

    - a clarification regarding the application of "own use" requirements for these types of contracts;
    - criteria to allow recognition of these contracts as hedging instruments; and,
    - new disclosure requirements to allow readers of financial statements to understand the effect of these contracts on the financial performance and cash flow of an entity.

  The amendment applies as from 1 January 2026, with early application permitted.

  The directors do not expect significant impacts on the Group's consolidated financial statements from the adoption of this amendment.

## Consolidation scope

The interim report at 30 June 2025 prepared according to the IFRSs includes line by line the financial statements of the Parent Company and of the companies of the B&C Speakers Group.

The companies within the scope of consolidation at 30 June 2025 are the following:

| Companies | Country | Group structure at 30 June 2025 | | | Group structure at 31 December 2024 | | |
|---|---|---|---|---|---|---|---|
| | | Direct | Indirect | Total | Direct | Indirect | Total |
| B&C Speaker S.p.A. | Italy | Parent Company | | | Parent Company | | |
| Eighteen Sound S.r.l. | Italy | 100% | - | 100% | 100% | - | 100% |
| B&C Speaker NA LLC | USA | 100% | - | 100% | 100% | - | 100% |
| B&C Speaker Brasil LTDA | Brasil | 100% | - | 100% | 100% | - | 100% |
| Eminence Speakers LLC | Stati Uniti | 100% | - | 100% | 100% | - | 100% |
| B&C Speakers (Dongguan) Electronics Ltd | Cina | 100% | - | 100% | 100% | - | 100% |

With reference to subsidiaries, there were no changes in the scope of consolidation compared to 31 December 2024.

The exchange rates applied in the conversion of financial statements in currencies other than the euro in the first half of 2024, at 31 December 2024 and in the first half of 2025 are shown in the table below:

| Currency | 30-Jun-25 | | 31-Dec-24 | | 30-Jun-24 | |
|---|---|---|---|---|---|---|
| | Avg exch. | Final exch. | Avg exch. | Final exch. | Avg exch. | Final exch. |
| EURO/USD | 1.093 | 1.172 | 1.082 | 1.039 | 1.081 | 1.070 |
| EURO/REAL | 6.291 | 6.438 | 5.828 | 6.425 | 5.492 | 5.891 |
| EURO/RMB | 7.924 | 8.397 | 7.788 | 7.583 | 7.801 | 7.750 |

## Operating segments

IFRS 8 requires precise identification of the areas of business in the internal reports used by the management in order to allocate resources to the various segments and monitor their performance. Based on the definition of the operating segments given by IFRS 8, the Group operates in a single sector ("acoustic transducers") and consequently executive reporting pertains to this area of business alone.

## Analysis of the breakdown of the main items of the consolidated balance sheet at 30 June 2025

### 1. Property, plant and equipment

A breakdown of property, plant and equipment and the related changes during the period are highlighted in the following tables:

(In euros)

| Historic cost | 31-Dec-24 | Additions | Reclassification | Foreign exch. | (Decreases) | 30-Jun-25 |
|---|---|---|---|---|---|---|
| Land and buildings | 2,673,605 | 199,098 | - | (317,103) | - | 2,555,600 |
| Photovoltaic System and other minor | 1,679,618 | 46,462 | - | - | - | 1,726,080 |
| Lightweight construction | 202,839 | - | - | - | - | 202,839 |
| Plants and machinery | 13,387,391 | 442,021 | 12,265 | (391,477) | - | 13,450,199 |
| Industrial equipment | 9,312,439 | 241,074 | 13,308 | (19,440) | (745) | 9,546,636 |
| Various equipment | 1,723,290 | 31,294 | - | (14,047) | (10,795) | 1,729,742 |
| Fixed assets in progress | 157,291 | 6,518 | (25,573) | 281,374 | - | 419,610 |
| **Total** | **29,136,473** | **966,466** | **-** | **(460,693)** | **(11,539)** | **29,630,706** |

| Accumulated depreciation | 31-Dec-24 | Depreciation | Reclassification | Foreign exch. | (Decreases) | 30-Jun-25 |
|---|---|---|---|---|---|---|
| Land and buildings | 1,803,855 | 63,805 | - | (209,036) | - | 1,658,624 |
| Photovoltaic System and other minor | 1,046,375 | 47,854 | - | - | - | 1,094,228 |
| Lightweight construction | 106,731 | 7,134 | - | - | - | 113,865 |
| Plants and machinery | 11,296,665 | 239,306 | - | (366,076) | - | 11,169,895 |
| Industrial equipment | 8,322,181 | 209,324 | - | (2,492) | (269) | 8,528,744 |
| Various equipment | 1,465,168 | 55,144 | - | (11,143) | (10,795) | 1,498,374 |
| Fixed assets in progress | - | - | - | - | - | - |
| | | | - | - | - | |
| **Total** | **24,040,976** | **622,566** | **-** | **(588,747)** | **(11,064)** | **24,063,731** |

| Net value | 31-Dec-24 | Increases | Reclassification | Foreign exch. | Depreciation | (Decreases) | 30-Jun-25 |
|---|---|---|---|---|---|---|---|
| Land and buildings | 870,716 | 199,098 | - - | 108,068 | (63,805) | - | 897,941 |
| Photovoltaic System and other minor | 633,242 | 46,462 | - | - | (47,854) | - | 631,850 |
| Lightweight construction | 95,365 | - | - | - | (7,134) | - | 88,231 |
| Plants and machinery | 2,090,281 | 442,021 | 12,265 | (25,400) | (239,306) | - | 2,279,859 |
| Industrial equipment | 990,257 | 240,330 | 13,308 | (16,948) | (209,324) | 269 | 1,017,891 |
| Various equipment | 258,119 | 20,499 | - | (2,903) | (55,144) | 10,795 | 231,367 |
| Fixed assets in progress | 157,293 | 6,518 | (25,573) | 281,374 | - | - | 419,612 |
| | - | - | - | - | - | - | - |
| **Total** | **5,095,272** | **954,926** | **-** | **128,054** | **(622,566)** | **11,064** | **5,566,751** |

The most significant acquisitions during the period refer to the addition of production machinery and equipment at the Vallina plant in Reggio Emilia and modernisation of manufacturing structures at the subsidiary Eminence Speakers.

## 2. Rights of use

The Group recognised rights of use assets and liabilities for leases, discounting the value of lease fees falling due. At 30 June 2025, the Group had rights of use for € 5,828 thousand (€ 6,692 thousand at 31 December 2024), broken down as follows:

- Rights of use for properties of € 5,828 thousand, relative to medium/long-term property lease contracts;
- Rights of use for vehicles of € 1 thousand, relative to medium/long-term lease contracts for company cars.

The change during the half is mainly due to the effects of amortisation during the period.

## 3. Goodwill

A breakdown of this item is highlighted in the following table:

(In euros)

| Goodwill | 30-Jun-25 | 31-Dec-24 |
|---|---|---|
| | | |
| Goodwill on Eighteen Sound S.r.l. | 924,392 | 924,392 |
| Goodwill on B&C Speakers Usa NA LLC | 1,393,789 | 1,393,789 |
| **Total goodwill** | **2,318,181** | **2,318,181** |

The item Goodwill saw no changes with respect to 31 December 2024 and refers to:

(i) the consolidation of the equity investment in B&C Speakers NA LLC, for € 1,394 thousand;

(ii) the consolidation of the equity investment in Eighteen Sound S.r.l. for € 924 thousand.

The value of the goodwill is the positive difference between the purchase cost and the Group's share in the current values of the identifiable assets, liabilities and contingent liabilities of entities acquired, as of the date of acquisition.

Goodwill is subjected once a year, or more frequently should specific events or changed circumstances indicate possible impairment, to tests to identify any impairments, in accordance with the provisions of IAS 36 - Impairment of assets. The recoverability of the carrying amount is tested by comparing the net carrying amount of individual cash generating units (CGU) with the recoverable amount (value in use). This recoverable amount is represented by the present value of future cash flows that are expected from continuous use of the assets belonging to the cash generating units and from the terminal value attributable to them.

**CGU Eighteen Sound**

The assumptions made while preparing the Eighteen Sound's business plan used for the impairment test conducted on during preparation of the annual financial statements, approved by the Board of Directors on 7 February 2025, did not change significantly during the period in question, also taking into account the results seen by the aforementioned CGU during the first half of 2025. The measurements performed by the group did not identify, as of the reporting date, indicators that would lead management to deem it necessary to update the impairment test conducted at 31 December 2024 on the CGU Eighteen Sound and approved by the Parent Company's Board of Directors on 4 March 2025 in support of the recognition of goodwill.

Given that the recoverable amount was determined on the basis of estimates, the Group cannot guarantee that there will be no impairment of goodwill in future periods.

**B&C USA CGU**

With reference to the CGU B&C USA, the Directors, while still considering the plan approved on 7 February 2025 to be valid, as well as the conclusions for the purposes of preparing the 2024 financial statements, in consideration of the trends seen at the end of the first half of 2025 with a decline in turnover compared to plan forecasts, carried out a stress test on the recoverability of goodwill, developing an alternative scenario relative to expected cash flow. The actual performance seen in the first half of 2025 was taken as a reference point, as well as expected performance in the second half of the current year and additional assumptions found in the multi-year plan of the CGU B&C USA as approved by the parent company's Board of Directors on 7 February 2025 for the years following 2025.

Considering the final trend seen in the first half of 2025, the Group prepared an alternative scenario for the CGU B&C USA. The basic assumptions used by the Group for the determination of future cash flows, and the resulting recoverable amount (value in use) for the B&C USA CGU refer to:

a) a hypothesis for the end of 2025 based in part on revenue performance seen in July and August;
b) a hypothesis of cash flow forecasts for the years after 2025, based on the five-year plan of B&C USA for the period 2025–2029, approved by the Parent Company's Board of Directors on 7 February 2025;
c) a discount rate (WACC), determined with the same construction logic utilised in the previous year, with its components updated to reflect current market valuations, the cost of money, and the specific risks of the business and geographic area in which the CGU works;
d) in addition to the explicit period a growth rate (g rate) was also estimated, specific to the CGU reflecting the growth potential of the reference area.

In particular, for the discounting of cash flows, the Company has adopted a discount rate (WACC) differentiated by CGU, which reflects the current market valuations of the cost of money and which takes into account the specific risks of the activity and the geographical area in which the CGU operates. The model for discounting future cash flows requires that, at the end of the projected cash flow period for the plan, the closing value is entered to reflect the residual value that the CGU is expected to generate. The closing value represents the current value, at the final year of the projection, of all subsequent cash flows calculated as perpetual return, using a perpetual growth rate (g rate).

| Main financial parameters on impairment tests | | CAGR revenues | WACC | g |
|---|---|---|---|---|
| B&C USA | 2025 | 5.4% | 10.72% | 1.9% |
| | 2024 | 5.4% | 10.49% | 2.1% |

The scenario developed could, in any case, lead to a recoverable value for the cash generating unit that exceeds its carrying amount, hence not indicating impairment.

In addition, based on the information contained in joint document no. 2 of 6 February 2009 issued by the Bank of Italy, CONSOB and ISVAP, the Group conducted a sensitivity analysis on the test results compared to the change in the basic assumptions (use of the growth rate in processing the terminal value and discount rate) that affect the value in use of the CGU. Even in the event of a positive or negative variation of 1% of the WACC and g-rate used, the tests would not succeed in highlighting any impairment losses

Also on the basis of what was requested in the recommendations provided by ESMA in its Public Statement, "*European common enforcement priorities for 2024 annual financial reports,*" as well as in CONSOB calls for attention, and the basic scenario commented on above, a scenario was prepared with a 2.1% CAGR from 2026 until the last year of the plan (that is, not exceeding the IMF's predicted inflation rate for the United States), in this way sterilising the effects of the growth estimates utilised in the original plan. Despite these penalising factors, the value in use of the CGU in question is higher than the carrying amount due to the considerations set out above.

Finally, an additional scenario was prepared with a decrease in margins due to the imposition of tariffs by the United States government, taking into account the Parent Company's ability to absorb a portion of the increase in purchasing costs by adjusting the prices utilised in its subsidiary. Despite these significant penalising factors, the value in use of the CGU in question is in any case higher than the carrying amount due to the considerations set out above.

Given that the recoverable amount is in any case determined on the basis of estimates and assumptions, the Group cannot guarantee that there will be no impairment of goodwill in future periods. Additionally, given the current uncertain environment, the Group will constantly monitor the various factors and any signs of impairment.

## 4. Other Intangible assets

A breakdown of intangible assets and the related changes during the period are highlighted in the following table:

(In euros)

| Other intangible fixed assets | 31-Dec-24 | Additions | Reclassifications | Depreciation | 30-Jun-25 |
|---|---|---|---|---|---|
| Patent rights | 337,037 | 53,661 | 10,000.00 | 77,103 | 323,594 |
| | 10,426 | | | 10,383 | 43 |
| Intangible assets in progress | 273,898 | 15,570 | (10,000) | - | 279,468 |
| **Total** | **621,360** | **69,231** | **-** | **87,486** | **603,104** |

"Patent rights" comprise software purchased from external suppliers, B&C Speakers trademark registration costs and costs for patent registration. The increase mainly refers to capitalisation of costs incurred to adapt the information system.

Development costs refer to those incurred by the Group to develop a new type of speaker.

## 5. Deferred tax assets

At 30 June 2025, this item reflects deferred tax assets, net of deferred tax liabilities, totalling € 1,029 thousand (€ 1,051 thousand at 31 December 2024).

These amounts mainly consist of prepaid taxes arising following the taxation of not-entirely-deductible costs during the period and prepaid tax arising following derecognition of intra-Group margins.

Deferred tax assets have been recognised because the management expects the Company to generate future taxable income against which it can use this positive balance.

## 6. Other non-current assets

The item is made up of:

(In euros)

| Other non current assets | 30-Jun-25 | 31-Dec-24 | Change | % Change |
|---|---|---|---|---|
| Insurance poilcies | 552,231 | 552,231 | - | 0% |
| Guarantee deposits | 63,072 | 59,678 | - | 0% |
| Ires refund receivables | 6,700 | 6,700 | - | 0% |
| Others | 8,416 | 3,590 | 4,826 | 134% |
| **Total non current assets** | **630,419** | **622,199** | **4,826** | **1%** |

Insurance policies refer to receivables accrued in respect of the insurance companies Fondiaria Assicurazioni and Allianz in relation to the capitalisation policies signed in order to guarantee adequate financial cover of the Directors' severance pay.

The value of the assets relating to insurance policies recognised in the financial statements has been measured according to the value of the premiums paid.

Guarantee deposits reflect the amount receivable for guarantee deposits issued based on contracts for the leasing of the Group's manufacturing and administrative offices.

## 7. Inventories

Warehouse inventories are calculated according to the F.I.F.O. method and can be broken down as follows:

(In euros)

| Inventories | 30-Jun-25 | 31-Dec-24 | Change | % Change |
|---|---|---|---|---|
| Row materials and consumables | 9,741,538 | 9,600,299 | 141,239 | 1% |
| Work in progress and semi-finished | 16,961,382 | 16,948,332 | 13,050 | 0% |
| Finished goods | 4,667,036 | 6,154,940 | (1,487,905) | -24% |
| **Gross Total** | **31,369,955** | **32,703,571** | **(1,333,616)** | **-4%** |
| | | | | |
| Provision for inventory writedowns | (2,644,193) | (2,750,736) | 106,543 | -4% |
| **Net Total** | **28,725,763** | **29,952,836** | **(1,227,073)** | **-4%** |

The value of inventories is shown net of provisions for inventory writedowns of € 2,644 thousand, with the following changes during the half:

| Change in provision for inventory writedowns | 31-Dec-24 | Increase | Use | Foreign Exchange | 30-Jun-25 |
|---|---|---|---|---|---|
| Provision for inventory writedowns | 2.750.736 | 214.838 | (158.808) | (162.573) | 2.644.192 |
| **Total** | **2.750.736** | **214.838** | **(158.808)** | **(162.573)** | **2.644.192** |

The provision for obsolescence (with 28% attributable to the category of internally produced and purchased semi-finished products, 19% to finished products and 53% to raw and ancillary materials and consumables) was estimated following analysis carried out with respect to the recoverability of inventory values.

Gross inventory value at 30 June 2025 was down with respect to 31 December 2024 as a consequence of the decrease in its stock of magnets, following the temporary halt in magnet exports from China as a response to the tariffs imposed by the United States.

## 8. Trade receivables

Trade receivables relate to normal sales made to domestic and foreign customers and can be broken down as follows:

(In euros)

| Trade receivables | 30-Jun-25 | 31-Dec-24 | Change | Change % |
|---|---|---|---|---|
| Trade receivables | 22,697,392 | 20,587,272 | 2,110,120 | 10% |
| (Provision for doubtful accounts) | (470,947) | (459,210) | (11,737) | 3% |
| **Total** | **22,226,445** | **20,128,062** | **2,098,383** | **10%** |

The gross value of trade receivables increase compared to 31 December 2024 by € 2,110 thousand, as sales were concentrated in the second quarter of the year. There are no significant exposures with Russian or Ukrainian customers.

## 9. Current tax assets

The assets in question amount to € 1,111 thousand at 30 June 2025 (€ 1,531 thousand at 31 December 2024). This balance indicates the net credit position for current taxes, which includes the tax benefit achieved by the Parent Company following the renewal of its request for a Patent Box ruling from the Revenue Agency.

## 10. Other current assets

Other current assets can be broken down as follows:

(In euros)

| Other current assets | 30-Jun-25 | 31-Dec-24 | Change | % Change |
|---|---|---|---|---|
| Receivables towards supplier | 131,489 | 125,539 | 5,949 | 5% |
| Securities | 7,237,513 | 7,283,091 | (45,578) | -1% |
| Other tax receivables | 878,682 | 1,513,245 | (634,563) | -42% |
| Other minor receivables | 404,693 | 379,939 | 24,754 | 7% |
| **Total other receivables** | **8,652,376** | **9,301,814** | **(649,438)** | **-7%** |
| | | | | |
| **Total prepaid expenses and accrued income** | **944,981** | **636,400** | **308,581** | **48%** |
| | | | | |
| **Total current assets** | **9,597,357** | **9,938,214** | **(340,857)** | **-3%** |

Securities held in the portfolio refer to asset management items denominated in € and held for short-term liquidity. These securities were measured at fair value and the estimated gain (€ 154 thousand) is recognised as financial income in the income statement. A portion of the securities portfolio has been used in a pledge guaranteeing existing bank overdrafts.

The item other tax assets refer to VAT credits and the credit for withholdings carried out during the period.

The item prepayments and accrued income include the fair value of IRS hedging contracts in place at 30 June 2025, for € 8 thousand, and other accrued income for assistance and insurance fees.

## 11. Cash and cash equivalents

In line with the requirements established in CONSOB communication DEM/6064293 dated 28 July 2006 and in compliance with the Guidelines on disclosure requirements pursuant to Regulation EU 2017/1129 (the "Prospectus Regulation") issued by ESMA and explicitly referenced by CONSOB in its Call to Attention no. 5/21 dated 29 April 2021, the Group's net financial position at 30 June 2025 is as follows:

(In € thousands)

| *(values in Euro thousands)* | 30 june 2025 (a) | 31 december 2024 (a) | Change |
|---|---|---|---|
| A. Cash | 11,751 | 9,314 | 26% |
| C. Other current financial assets | 7,238 | 7,284 | -1% |
| **D. Cash and cash equivalent (A+C)** | **18,989** | **16,598** | **14%** |
| E. Current financial indebtness | (2,426) | (2,595) | |
| F. Current portion of non current borrowings | (5,414) | (5,549) | -2% |
| **G. Current borrowingse (E+F)** | **(7,840)** | **(8,144)** | **-4%** |
| **H. Current net financial indebtness (G+D)** | **11,148** | **8,453** | **32%** |
| I. Non current financial indebtness | (16,120) | (9,377) | 72% |
| **L. Non current financial indebtness** | **(16,120)** | **(9,377)** | **72%** |
| **M. Total financial indebteness (H+L)** | **(4,972)** | **(924)** | **438%** |

(a) Informations extracted and / or calculated from the financial statements prepared in accordance with IFRS as adopted by the European Union.

The items “Current portion of non-current financial debt” and “Non-current financial debt” include financial liabilities for rights of use due to the recognition of leasing contracts in line with IFRS 16. The amounts of these at 30 June 2025 and 31 December 2024 are detailed in the table below.

Below is a statement of reconciliation between the final net cash and cash equivalents as seen in the Consolidated Cash Flow Statement and net financial debt shown above.

| | 30-Jun-25 | 31-Dec-24 |
|---|---|---|
| **Cash and cash equivalents at end of the period** | **9,325** | **6,719** |
| Current portion of non current borrowings | (3,931) | (4,168) |
| Non current borrowings | (11,496) | (3,820) |
| Securities held for trading | (1,482) | (1,381) |
| Other financial current borrowings | (4,624) | (5,557) |
| Other financial non current borrowings | 7,238 | 7,283 |
| **Total net financial position** | **(4,972)** | **(924)** |

For further details concerning the change in cash and cash equivalents, please refer to the enclosed consolidated cash flow statement.

## 12. NET EQUITY

### Share capital

Share capital came to € 1,099 thousand at 30 June 2025. Following the continuation of the share buy-back plan, at 30 June 2025, the Parent Company held 1,716 treasury shares, equal to 0.02% of the share capital. At the time this report was prepared (September 2025), the number of treasury shares owned has changed with respect to 30 June 2025 and amounts to 14,976, equal to 0.14% of the share capital. The following table shows the changes, in the first half of 2025, to the number of shares outstanding of the Parent Company:

| Reconciliation of the number of outstanding shares | Outstanding shares (n.) |
|---|---|
| **December 31, 2024** | **10,906,960** |
| Treasury shares purchased | (42,676) |
| Treasury Shares sold | 134,000 |
| **June 30, 2025** | **10,998,284** |

### Other reserves

This item, equalling € 5,526 thousand at 30 June 2025, comprises the legal reserve for € 379 thousand, the extraordinary reserve for € 44 thousand, the reserve for unrealised capital gains on currency exchange for € 52 thousand and the share premium reserve for € 5,052 thousand.

In particular, the share premium reserve, initially established when the Parent Company's ordinary shares were placed, rose by € 1,413 thousand during the half in question, following the recognition of operations carried out on treasury shares.

### Foreign Exchange reserve

This item equalling € 169 thousand at 30 June 2025 includes the exchange differences arising from the conversion of the financial statements in foreign currencies. This reserve fell by € 559 thousand due to the recognition of other statement of comprehensive income items relating to the conversion of financial statements into foreign currency.

### Retained earnings reserves

This item includes the following reserves:

***Retained earnings***

This includes the results of previous years, net of distribution of dividends.

***Actuarial measurement reserve for employee benefit funds***

This item includes the effects on net equity of the discounting component of severance indemnity.

***Result of the period***

This item comprises the net result for the period of € 5,704 thousand and other profit/(loss) for the period, for a positive value of € 6 thousand relative to the component deriving from the actuarial measurement of severance indemnity. This financial component is shown, net of the relevant tax effect, in the other components of the statement of comprehensive income.

The following tables show the effects recognised in the other components of the Statement of Comprehensive Income:

| | Foreign exchange reserve | Retained earnings | Total Group | Minority interests | Total other comprehensive income/(losses) |
|---|---|---|---|---|---|
| *Euro Thousand* | | | | | |
| **June 30, 2025** | | | | | |
| **Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:** | | | | | |
| Actuarial gain/(losses) on DBO (net of tax) | | 6 | 6 | | 6 |
| **Total** | **-** | **6** | **6** | **-** | **6** |
| **Other comprehensive income/(losses) for the year that will be reclassified in icome statement:** | | | | | |
| Exchange differences on translating foreign operatic | (559) | | (559) | - | (559) |
| **Total** | (559) | - | (559) | - | (559) |
| **Other comprehensive income/(losses) for the year:** | **(559)** | **6** | **(553)** | **-** | **(553)** |
| **June 30, 2004** | | | | | |
| **Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:** | | | | | |
| Actuarial gain/(losses) on DBO (net of tax) | | 7 | 7 | | 7 |
| **Total** | - | 7 | 7 | - | 7 |
| **Other comprehensive income/(losses) for the year that will be reclassified in icome statement:** | | | | | |
| Exchange differences on translating foreign operatic | 98 | | 98 | - | 98 |
| **Total** | 98 | - | 98 | - | 98 |
| **Other comprehensive income/(losses) for the year:** | **98** | **7** | **105** | **-** | **105** |

| | June 30, 2025 | | | June 30, 2024 | | |
|---|---|---|---|---|---|---|
| | Gross value | Fiscal effect | Net value | Gross value | Fiscal effect | Net value |
| Euro thousand | | | | | | |
| Actuarial gain/(losses) on DBO | 8 | (2) | 6 | 10 | (3) | 7 |
| Exchange differences on translating foreign operatic | (559) | | (559) | 98 | | 98 |
| **Other comprehensive income/(losses)** | **(551)** | **(2)** | **(553)** | **107** | **(3)** | **105** |

## Earnings per share

Earnings per share have been calculated as per IAS 33. The value of this indicator is € 0.52 per share (€ 1.07 in the first half of 2024). This indicator has been calculated by dividing the profit or loss attributable to the shareholders of the Parent company by the weighted average of the ordinary shares in issue during the period. There were no significant dilutive factors.

## 13. Long-term borrowings

The item is made up of:

(In euros)

| Long term borrowings | 30-Jun-25 | 31-Dec-24 | Variazione | Variazione % |
|---|---|---|---|---|
| Loan BNL 6169054 | - | 208,333 | (208,333) | -100% |
| Loan BNL 6177935 | 1,428,571 | 1,785,714 | (357,143) | |
| Loan Intesa 0IC1076967680 | - | 287,348 | (287,348) | -100% |
| Loan BNL 6182481 | 4,285,714 | - | 4,285,714 | |
| Loan Intesa 0IC1023362662 | 4,631,990 | - | 4,631,990 | |
| Loan Intesa 0IC1021541583 | 877,707 | 1,239,908 | (362,201) | -29% |
| Loan Simest 18 sound | 35,854 | 35,853 | | |
| Loan Simest - PP33867 | 180,000 | 240,000 | (60,000) | -25% |
| Loan Simest 901490/DE | 55,911 | - | 55,911 | |
| Loan BNL 6173021 | 0 | 23,083 | | |
| **Total long term borrowings** | **11,495,747** | **3,820,239** | **7,642,679** | **200%** |

The table below outlines the changes in financial debt for both the current and non-current portions:

| Change in borrowings | 31-Dec-24 | Refunds | New borrowings | Reclassification current portion | 30-giu-25 |
|---|---|---|---|---|---|
| **Non current portion** | | | | | |
| Bank borrowings | 3,820,239 | - | 10,056,250 | (2,380,743) | 11,495,746 |
| **Total non current borrowings** | **3,820,239** | **-** | **10,056,250** | **(2,380,743)** | **11,495,746** |
| **Curent portion** | | | | | |
| Bank borrowings | 4,168,224 | (2,617,696) | - | 2,380,743 | 3,931,271 |
| **Total current borrowings** | **4,168,224** | **(2,617,696)** | **-** | **2,380,743** | **3,931,271** |
| **Totale current and non current** | **7,988,464** | **(2,617,696)** | **10,056,250** | **-** | **15,427,018** |

In the tables below we present the main characteristics and conditions of the above loans.

(In euros)

| Loan details | Loan BNL 6173021 | Loan 0IC1021541583 | Loan Intesa 0IC 1023362662 | Loan BNL 6177935 |
|---|---|---|---|---|
| Lender | Banca Nazionale del Lavoro S.p.A. | Intesa S. Paolo S.p.A. | Intesa S. Paolo S.p.A. | Banca Nazionale del Lavoro S.p.A. |
| Original amount | 277,000 | 2,500,000 | 5,000,000 | 2,500,000 |
| Contract date | 17-Feb-23 | 30-Aug-23 | 23-Apr-25 | 10-Apr-24 |
| Due date | 17-Feb-26 | 30-Aug-27 | 23-Apr-29 | 10-Apr-28 |
| N. installments | 12 | 42 | 14 | 14 |
| N. advanced installments | - | 6 | 2 | 2 |
| Periodicity | quarterly | monthly | quarterly | quarterly |
| Interest rate | Euribor 3M (base 360) floor zero + spread 1% | Euribor 1M (base 360) floor zero + spread 0,95% | Euribor 3M + 0,60 % | Euribor 3M + spread 0,85% |
| Current Portion | 69,250 | 716,297 | 368,011 | 714,286 |
| Non current portion | - | 877,707 | 4,631,990 | 1,428,571 |

| Loan details | Loan BNL | Loan Intesa 0IC1011858979 | Loan BNL 6169054 | Loan Unicredit 0IC1076967680 |
|---|---|---|---|---|
| Lender | Banca Nazionale del Lavoro S.p.A. | Intesa S. Paolo S.p.A. | Banca Nazionale del Lavoro S.p.A. | Intesa S. Paolo S.p.A. |
| Original amount | 5,000,000 | 2,500,000 | 2,500,000 | 2,000,000 |
| Contract date | 23-Apr-25 | 19-May-21 | 22-Mar-22 | 25-Feb-22 |
| Due date | 23-Apr-29 | 19-May-25 | 22-Mar-26 | 25-Feb-26 |
| N. installments | 14 | 7 | 12 | 8 |
| N. advanced installme | 2 | 1 | 4 | - |
| Periodicity | quarterly | half yearly | quarterly | half yearly |
| Interest rate | Euribor 3M + 0,60 % | Euribor 6M + spread 0,65% | Euribor 3M + spread 0,85% | Euribor 6M + spread 0,90% |
| Current Portion | 714,286 | - | 625,000 | 574,150 |
| Non current portion | 4,285,714 | - | - | - |

| Loan details | Loan Simest - 18 sound | Loan Simest - PP33867 | Loan Simest - FM46888 |
|---|---|---|---|
| Lender | Sace Simest | Sace Simest | Sace Simest |
| Original amount | 36,021 | 480,000 | 93,418 |
| Contract date | 3-Dec-24 | 31-Mar-21 | 30-Sep-21 |
| Due date | 3-Jun-30 | 31-Dec-27 | 15-Oct-25 |
| N. installments | 12 | 8 | 6 |
| N. advanced installments | 1 | 5 | 2 |
| Periodicity | half yearly | half yearly | half yearly |
| Interest rate | 0.40% | 0.55% | 0.55% |
| Current Portion | 167 | 120,000 | 9,821 |
| Non current portion | 35,854 | 180,000 | - |

| Loan details | Loan Simest - FM47037 | Loan Simest - EC50949 | Loan Simest 901490/DE |
|---|---|---|---|
| Lender | Sace Simest | Sace Simest | Sace Simest |
| Original amount | 25,300 | 101,587 | 56,250 |
| Contract date | 30-Sep-21 | 12-May-22 | 18-Feb-25 |
| Due date | 15-Oct-25 | 12-Nov-25 | 10-Dec-30 |
| N. installments | 6 | 6 | 8 |
| N. advanced installments | 2 | 2 | 4 |
| Periodicity | half yearly | half yearly | half yearly |
| Interest rate | 0.55% | 0.55% | 0.55% |
| Current Portion | 3,163 | 16,842 | - |
| Non current portion | - | - | 55,911 |

Non-current financial debt includes financial liabilities with maturity dates exceeding five years for € 7 thousand.

The Group's financing activities are aimed at supporting investments as well as providing the needed cash flow flexibility for working capital.

These loans are not subject to covenants nor do they involve any negative pledges at the expense of the Group.

Note that, in relation to loans 0IC1021541583 and 0IC1023362662 from Intesa SanPaolo S.p.A., the Parent Company can obtain a reduction in the interest rate applied, if a specific portion of turnover is destined for welfare programmes.

Finally, note that the Simest loans, while not envisaging any early repayment, do make provision for the increase only of the interest rate if certain conditions occur, compared to what had been agreed on in terms of the contract.

The following tables show the main features and conditions of existing interest rate swap hedging contracts.

| Derivative instruments details | BNL 6169054 | Banca Intesa |
|---|---|---|
| Counterpart | BNL Group | Intesa S.Paolo S.p.A. |
| Type of contract | Interest Rate Swap (IRS) | Interest Rate Swap (IRS) |
| Purpose | Hedging of interest variability risk associated with the BNl Group loan | Hedging of interest variability risk associated with the Banca Intesa loan |
| Original amount | 2,500,000 | 2,000,000 |
| Periodicity | Quarterly | Half-yearly |
| Bank Interest Rate | Euribor 6 months | Euribor 6 months |
| Company Interest Rate | 1.05% | 1.00% |
| Contract date | 12 April 2022 | 12 April 2022 |
| Due date | 22 March 2026 | 25 February 2026 |
| Mark to market amount at June 30, 2023 | 2,814 | 5,569 |

## 14. Financial liabilities for rights of use (current and non-current portions)

At 30 June 2025, financial liabilities for rights of use, calculated by discounting the value of lease fees due, amounted to € 6,107 million, of which € 4,624 million classified under non-current liabilities and € 1,483 million classified under current liabilities.

The change with respect to 31 December 2024 is linked to the net effects of the payment of instalments coming due during the half.

Non-current liabilities for rights of use include financial liabilities with maturity dates exceeding five years for € 1,239 thousand.

The marginal interest rates defined by the Group are revised on a recurrent basis, and applied to all contracts with similar characteristics, which are considered as a single portfolio of contracts. The rates are determined starting with the Parent Company's average effective debt rate, duly adjusted on the basis of new accounting standard requirements, to simulate a theoretical marginal interest rate that is consistent with the contracts being valued. The most significant aspects considered in adjusting the rate were the credit risk spread for each observable country on the market and the different terms of the lease contracts. Lease contracts do not envisage covenants.

## 15. Provisions for personnel and similar

The item includes liability accrued in relation to employee severance indemnity and liability accrued against the severance indemnity envisaged for Directors at end of their mandate.

In order to recognise the severance indemnity appropriately, the financial-actuarial value of the liabilities was recalculated, for each employee, to determine a liability similar to that which arises in defined benefit pension plans, in accordance with the guidelines of IAS 19. These provisions are stated net of any advances paid and cash disbursed following resignations which occurred during the period in question.

The present value of liabilities for severance indemnity, in accordance with IAS 19, is € 310 thousand (€ 305 thousand at 31 December 2024).

The following are the technical and economic bases used for the assessment of Severance Indemnity:

**Technical parameters**

| | 30-Jun-25 |
|---|---|
| Technical annual discounting rate | 3.70% |
| Annual inflation rate | 2.00% |
| Tasso annuo incremento TFR | 3.00% |

With regard to the evaluation of the discount rate, the reference used was the IBoxx Corporate AA index of June 2025 with a duration from 7 to 10 years (in line with the average duration of the evaluated group).

In compliance with the provisions of IAS 19, the following tables provide:

- sensitivity analyses for each relevant actuarial hypothesis at the end of the period, showing the effects that would have been seen following the changes made to the actuarial hypotheses reasonably possible at that date, in absolute terms;
- indication of the contribution for the following financial year;
- indication of the average financial term of the obligation for defined benefit plans.

**Sensitivity analysis**

| | DBO 30-june-2025 |
|---|---|
| Turnover rate +1% | 311,214 |
| Turnover rate -1% | 308,759 |
| Inflation rate + 0,25% | 313,444 |
| Inflation rate - 0,25% | 306,629 |
| Discount rate + 25% | 305,196 |
| Discount rate - 25% | 315,026 |

**Estimated future payments**

| Year | Amount |
|---|---|
| 1 | 38,496 |
| 2 | 34,726 |
| 3 | 34,632 |
| 4 | 34,332 |
| 5 | 33,869 |

**Service Cost and Duration**

| | |
|---|---|
| Service Cost | 0.00 |
| Duration | 6.71 |

Provisions for Directors' Severance Pay at 30 June 2025 amounted to € 573 thousand (€ 555 thousand at 31 December 2024) and, in order to recognise them, for each Director, provisions were set aside for the portion matured during the period on the basis of the existing agreement. The change since 31 December 2024 is the consequence of provisioning during the period.

## 16. Provisions for risks and charges

At 30 June 2025 the item, of € 44 thousand (unchanged from 31 December 2024), contains provisions to cope with the risk of warranty support for the Group's products.

## 17. Short-term borrowings

The item is made up of:

(In euros)

| Short term borrowings | 30-Jun-25 | 31-Dec-24 | Change | Change % |
|---|---|---|---|---|
| Loan 0IC1021541583 | 716,297 | 700,268 | 16,029 | 2% |
| Loan BNL 6177935 | 714,286 | 714,286 | - | 0% |
| Loan Banca Intesa garantito | - | 360,135 | (360,135) | -100% |
| Loan BNL garantito | - | 357,143 | (357,143) | -100% |
| Loan Intesa 0IC1011858979 | - | 357,850 | (357,850) | -100% |
| Loan BNL 6182481 | 714,286 | - | 714,286 | |
| Loan Intesa 0IC1023362662 | 368,011 | - | 368,011 | |
| Loan Intesa 0IC1076967680 | 574,150 | 573,060 | 1,090 | 0% |
| Loan BNL 6169054 | 625,000 | 833,333 | (208,333) | -25% |
| Loan BNL 6173021 | 69,250 | 92,332 | (23,082) | -25% |
| Loan Simest 18 sound | 167 | 167 | | 0% |
| Loan Simest - PP33867 | 120,000 | 120,000 | | 0% |
| Loan Simest - FM46888 | 9,821 | 19,642 | (9,821) | -50% |
| Loan Simest - FM47037 | 3,163 | 6,325 | (3,163) | -50% |
| Loan Simest - EC50949 | 16,842 | 33,683 | (16,842) | -50% |
| **Short-term borrowings** | **3,931,271** | **4,168,224** | **(236,953)** | **-6%** |
| | | | | |
| **Bank overdrafts** | 2,426,466 | 2,594,732 | **(168,266)** | **-6%** |
| | | | | |
| **Total** | **6,357,737** | **6,762,957** | **(405,220)** | **-6%** |

For details on the conditions of outstanding loans, one should refer to Note 13.

For more details on the cash flows that have determined the change in short-term financial borrowings, please refer to the attached consolidated statement of cash flows.

## 18. Trade payables

This item includes amounts due to suppliers and provisions for invoices to be received.

(In euros)

| Trade payables | 30-Jun-25 | 31-Dec-24 | Change | % Change |
|---|---|---|---|---|
| Trade payables | 9,521,564 | 9,981,831 | (460,267) | -5% |
| **Total trade payables** | **9,521,564** | **9,981,831** | **(460,267)** | **-5%** |

The increase in trade payables is due to higher production volumes during the period.

## 19. Current tax liabilities

At 30 June 2025, this item came to € 502 thousand (€ 104 thousand at 31 December 2024) and reflects the net debt position of some of the Group's companies.

## 20. Other current liabilities

The item is made up of:

(In euros)

| Other current liabilities | 30-Jun-25 | 31-Dec-24 | Change | % Change |
|---|---|---|---|---|
| Due to social security funds | 535,464 | 688,904 | (153,440) | -22% |
| Unused vacation time and holidays | 893,450 | 966,812 | (73,362) | -8% |
| Due to personnel | 843,789 | 642,219 | 201,570 | 31% |
| Other tax liabilities | 64,194 | 361,528 | (297,333) | -82% |
| Other liabilities | 1,237,527 | 898,936 | 338,591 | 38% |
| **Total current liabilities** | **3,574,424** | **3,558,399** | **16,025** | 0% |

The item “Unused vacation time and holidays” includes accruals for the thirteenth month bonus as well as the payable for remaining holidays at 30 June 2025.

The category of “due to personnel” includes payables for salary and retribution not yet paid at 30 June 2025 and settled within the third working day of the next month.

The item “Other payables” includes the payable for directors’ fees (€ 295 thousand) as well as advances received from customers.

## 21. Commitments, guarantees and pending disputes

At 30 June 2025, as at 31 December 2024, no guarantees had been given to third parties by companies within the Group, with the exception of a portion of the securities portfolio which has been pledged as a guarantee for existing bank overdrafts.

With regard to disputes, there are proceedings pending with a former director of one of the Group’s subsidiaries. As of the reporting date, the risk of a loss has been estimated as possible, determined with the assistance of external lawyers appointed by the Group.

# Analysis of the breakdown of the main items of the consolidated income statement closed at 30 June 2025

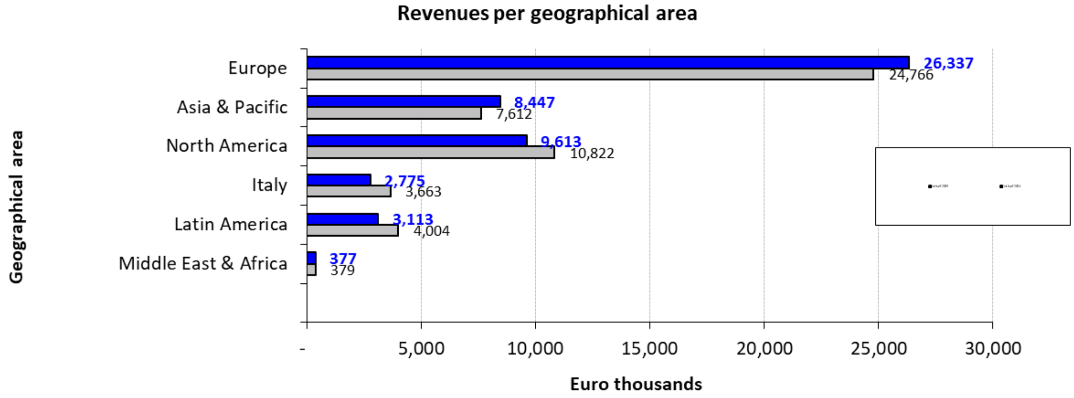
## 22. Revenue

The table below shows the change in revenue by geographic area:

(In euros)

| Geographical Area | I half 2025 | % | I half 2024 | % | Change | Change % |
|---|---|---|---|---|---|---|
| Latin America | 3,112,720 | 6.1% | 4,004,485 | 7.8% | (891,766) | -22% |
| Europe | 26,337,483 | 52.0% | 24,766,440 | 48.3% | 1,571,043 | 6% |
| Italy | 2,774,622 | 5.5% | 3,663,457 | 7.1% | (888,836) | -24% |
| North America | 9,612,815 | 19.0% | 10,822,330 | 21.1% | (1,209,515) | -11% |
| Middle East & Africa | 376,782 | 0.7% | 378,655 | 0.7% | (1,874) | 0% |
| Asia & Pacific | 8,446,836 | 16.7% | 7,611,750 | 14.9% | 835,087 | 11% |
| **Total** | **50,661,257** | **100.0%** | **51,247,118** | **100.0%** | **(585,861)** | **-1%** |

The item can only be broken down in relation to the geographical area for the sales, as the Group's business segment is identifiable exclusively as the manufacture and sale of “top-quality professional loudspeakers”.




New orders received in the half in question reached Euro 58.2 million (up 5.9% on the first half of the previous year).

## 23. Cost of sales

The item is as follows (amounts in €):

| Cost of sales | I half 2025 | I half 2024 | Change | Change % |
|---|---|---|---|---|
| Consumption of production materials | 22,389,634 | 23,752,903 | (1,363,269) | -6% |
| Direct labour | 6,963,199 | 6,411,070 | 552,128 | 9% |
| Freight | 1,676,949 | 1,380,169 | 296,780 | 22% |
| Duties, commissions and other minor costs | 461,705 | 496,469 | (34,764) | -7% |
| **Totale Cost of Sales** | **31,491,486** | **32,040,611** | **(549,124)** | **-2%** |

The decrease in the cost of sales is essentially due to the decrease in purchase volumes needed to support production volumes during the half.

The impact of the cost of sales on revenue was substantially stable compared to the same period in 2024, going from 62.5% to 62.2%. This trend is due to: (i) a recovery of margins on the variable part of the cost of sales which allowed an improvement of 2.2 margin points compared to the first half of the previous year, (ii) a drop of 1.2 percentage points as a result of the increased cost of personnel, and (iii) an increase in the impact of customs duties, which led to a loss of margin of about 0.5 percentage points.

## 24. Other revenue

This category, which amounts to € 234 thousand for the first half of 2025 (€ 159 thousand in the first half of 2024), mainly refers to recovery of expenses.

## 25. Indirect Personnel

This category refers to costs of R&D staff, office personnel, top executives and workers not directly involved in the production process. The item is as follows (amounts in €):

| Cost of indirect labour | I half 2025 | I half 2024 | Variazione | Variazione % |
|---|---|---|---|---|
| Retribution | 3,035,319 | 2,835,203 | 200,116 | 7% |
| Social charges | 452,719 | 493,899 | (41,180) | -8% |
| Severance indemnity | 89,656 | 98,825 | (9,169) | -9% |
| **Total cost of indirect labour** | **3,577,694** | **3,427,927** | **149,767** | **4%** |

## 26. Commercial expenses

Commercial expenses came to € 686 thousand (€ 639 thousand in the first half of 2024) and mainly refer to commercial consulting and the cost of commercial activities at trade fairs.

## 27. Administrative and General expenses

Administrative and general expenses came to € 4,184 thousand (€ 3,818 thousand in the first half of 2024) and increased with respect to the corresponding figure from the first half of 2024, mainly due to the increase in certain structural costs mainly linked to development of production software.

## 28. Amortisation, depreciation and writebacks (net writedowns) for trade and other receivables

The item is as follows (amounts in €):

| Amortization, depreciation and writedowns | I half 2025 | I half 2024 | Change | Change % |
|---|---|---|---|---|
| Amortization of intangible assets | 91,031 | 83,359 | 7,672 | 9% |
| Depreciation of tangible assets | 601,224 | 450,079 | 151,145 | 34% |
| Depreciation of right of use | 763,245 | 755,566 | 7,679 | 1% |
| **Total amortizations and depreciations** | **1,455,500** | **1,289,005** | **158,817** | **12%** |
| | | | | |
| **Total value write-backs (write-downs) of trade and other receivables** | **12,723** | **-** | **12,723** | |

Depreciation of property, plant and equipment increased due to investments made during the period.

## 29. Financial income and expenses

Financial income totals € 747 thousand (€ 994 thousand in the first half of 2024) and mainly includes financial income deriving from the fair value measurement of securities held for liquidity purposes for € 154 thousand, realised exchange gains for € 422 thousand, unrealised exchange gains for € 102 thousand and interest income from current accounts for € 65 thousand.

Financial expenses totalled € 2,320 thousand (€ 664 thousand in the first half of 2024) and mainly include the presumed loss deriving from fair value measurement of derivative contracts for € 27 thousand, realised exchange losses for € 803 thousand, unrealised exchange losses for € 1,165 thousand and interest payable on loans, bank overdrafts and rights of use for € 321 thousand (with € 111 thousand relating to financial expenses associated with measurement of leasing contracts in accordance with IFRS 16).

## 30. Taxes for the period

This item, including current and deferred taxes, came to € 2,209 thousand, compared to the positive amount of € 1,202 thousand in the first half of 2024. The trend was due to the effects of the tax benefit coming from the Patent Box, which had a positive effect of € 3,957 thousand on the income statement in the first half of 2024.

The tax burden for the period, calculated utilising the best estimate of the expected annual tax rate for the full year, represents 27.9% of profit before taxes (26.2% in the first half of 2024, net of the Patent Box effect indicated above).

## 31. Transactions with related parties and subsidiaries under their management

The transactions that occurred during the first half of 2025 with related parties are summarised below together with information on transactions with related parties on the basis of the requirements of CONSOB Communication DEM/6664293 of 28 July 2006.

The related parties were identified by the Directors as the holding company Research & Development International S.r.l., a company which provides management and coordination over the issuer and has its with registered office in Florence, Italy at Viale dei Mille no. 60, Tax ID 02342270481, share capital € 90 thousand and, at 30 June 2025, holds 52.73% of the shares of B&C Speakers S.p.A.

### Economic transactions

(In euros)

| Financial costs | Total | Research & Development Intl. Srl | Total related parties | Incidence % |
|---|---|---|---|---|
| I half 2025 | (2,320,279) | (30,908) | (30,908) | 1% |
| I half 2024 | (659,181) | (33,640) | (33,640) | 5% |

These financial expenses (recognised following application of IFRS 16) refer to the implicit interest associated with the existing financial liability relative to "*Research & Development International S.r.l.*" for the leasing contracts for the properties cited above.

### Financial Relationships

(In euros)

| Other non current assets | Total | Research & Development Intl. Srl | Total related parties | Incidence % |
|---|---|---|---|---|
| 30 june 2025 | 630,419 | 6,700 | 6,700 | 1% |
| 31 december 2024 | 622,199 | 6,700 | 6,700 | 1% |

| Long-term lease liabilities | Total | Research & Development Intl. Srl | Total related parties | Incidence % |
|---|---|---|---|---|
| 30 june 2025 | (4,624,349) | (1,569,851) | (1,569,851) | 34% |
| 31 december 2024 | (5,557,150) | (2,140,714) | (2,140,714) | 39% |

| Short-term lease liabilities | Total | Research & Development Intl. Srl | Total related parties | Incidence % |
|---|---|---|---|---|
| 30 june 2025 | (1,482,499) | (974,488) | (974,488) | 66% |
| 31 december 2024 | (1,380,620) | (871,159) | (871,159) | 63% |

| Trade liabilities | Total | Research & Development Intl. Srl | Total related parties | Incidence % |
|---|---|---|---|---|
| 30 june 2025 | (9,521,564) | (88,169) | (88,169) | 1% |
| 31 december 2024 | (9,981,831) | (100,134) | (100,134) | 1% |

The creditor position of Research & Development International S.r.l. existing at 30 June 2025, is related to the credit for an IRES rebate which arose in 2012 following the rebate application made by the Holding for the financial years in which the Group companies availed themselves of tax consolidation.

Existing financial liabilities relative to Research & Development International S.r.l. refer to the implicit financial payable in the above noted leasing contracts, recognised following application of IFRS 16.

We certify, under the terms of Art. 2.6.2. Section 13 of the Regulation for Markets Organised and Managed by Borsa Italiana S.p.A., the existence of the conditions pursuant to Article 37 of CONSOB Regulation No. 16191/2007.

Transactions with related parties were made on terms equivalent to those prevailing in free transactions between unrelated parties.

## 32. Transactions deriving from non-recurring operations

Pursuant to the CONSOB Communication dated 28 July 2006, it is noted that during the first half of 2025 no non-recurring operations occurred.

## 33. Transactions deriving from atypical and/or unusual operations

Under the terms of CONSOB Communication dated 28 July 2006, we can specify that during the first half of 2025 the Group did not engage in any atypical and/or unusual operations, as defined in the said Communication.

## 34. Information on financial risks

The Group's activities are exposed to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk, interest rate risk and liquidity risk. The strategy adopted by the Group with regard to the management of financial risks is based on the impossibility of being able to influence the external markets and consequently the strategy focuses on an attempt to reduce the adverse effects on the financial performance of the Group itself.

### Currency exchange risks

The Group operates internationally and is exposed to exchange risk arising from changes in exchange rates for foreign currencies, primarily the US dollar, Canadian dollar and the Brazilian real. The exchange risk will manifest in future transactions. The Group does not make provision for coverage of this risk, except to seek a long term balance between its sales and purchases, especially in the U.S. dollar zone.

### Credit risk

The Group does not have significant concentrations of credit risk, since the strategy adopted has aimed at working with customers who have good credit standing. When transactions entailed a higher risk margin or information on the customer was insufficient, the Company demanded to receive advance payment before supplying the products.

Despite the continuing difficult macroeconomic situation, there were no significant credit defaults at the reporting date of these interim financial statements. This cannot be excluded however in the future.

Lastly, there are no significant exposures with Russian or Ukrainian customers.

### Interest rate risk

The Group has no outstanding financial assets or liabilities capable of significantly affecting its profitability. Therefore, despite the Group not being significantly affected by changes in interest rates the management has adopted adequate hedging instruments for interest rate fluctuation risk in particular with regard to certain medium/long term loans, through the signing of IRS (Interest Rate Swaps) derivative agreements. For additional information, reference is made to Note 14.

### Liquidity risk

At 30 June 2025, the Group had a negative Net Financial Position of € 4.9 million (negative at € 0.9 million at 31 December 2024). This is the result of a current NFP which is positive at around € 11.1 million (positive at € 8.4 million at 31 December 2024), and non-current financial debt of € 16.1 million (€ 9.4 million at 31 December 2024). For the characteristics of the loans in question, reference should be made to Note 13.

The Group believes that its short and medium-term credit lines and provisions, as well as that which will be generated by operations, will allow it to meet its needs and fulfil its obligations arising from investment activities, manage its working capital and repay its debts in line with their natural due dates.

### 35. Hierarchical levels of the fair value measurement

For financial instruments recorded on the statement of financial position at fair value, IFRS 7 requires these values to be classified according to a hierarchy of levels that reflects the significance of the inputs used in determining their fair value. The following levels are established:

level 1: listings taken from an active market for the assets or liabilities being measured;
level 2: inputs other than listed prices as per the point above, which can be observed directly (prices) or indirectly (price derivatives) on the market;
level 3: inputs not based on observable market data.

The table below shows the assets and liabilities measured at fair value as at 30 June 2025, according to the hierarchical level of fair value measurement:

| Hierarchical level of Fair Value measurement | Level 1 | Level 2 | Level 3 |
|---|---|---|---|
| **Financial assets** | | | |
| Other current assets | 7,237,513 | - | - |
| **Total** | **7,237,513** | - | - |
| **Financial liabilities** | | | |
| Interest Rate Swap | - | 8,383 | - |
| **Total** | - | **8,383** | - |

We note that, with respect to 31 December 2024, there were no movements between the various fair value levels.

The Group assesses its financial assets and financial liabilities at amortised cost except for asset management shown among other current assets and IRS hedging agreements that are measured at fair value through profit and loss.

## 36. Subsequent events

At the time this interim report was prepared, no other events had occurred after 30 June 2025 which required full reporting in this report.

## 37. Publication authorisation

This document was published on 12 September 2025, authorised by the Chief Executive Officer.

# Certification of the Condensed Consolidated Interim Financial Statements under the terms of Art. 154-bis of Italian Legislative Decree 58/98

1. The undersigned Lorenzo Coppini, as Chief Executive Officer and Francesco Spapperi, as Financial Reporting Manager of B&C Speakers S.p.A., hereby certify, also in view of the provisions of Art. 154-bis, paragraphs 3 and 4, of Italian Legislative Decree No. 58 of 24 February 1998:

- the adequacy with regard to the characteristics of the company, and

- the effective application of the administrative and accounting procedures for formation of the condensed interim financial statements during the first half of 2025.

2. We can also confirm that:

2.1 the condensed consolidated interim financial statements:

- are drawn up in accordance with the applicable international accounting standards endorsed by the European Union pursuant to Regulation (EC) No. 1606/2002 of the European Parliament and the Council, of 19 July 2002, as well as the measures enacted to implement Art. 9 of Italian Legislative Decree No. 38/2005;

- correspond to the information in the accounting ledgers;

- are capable of providing a fair and correct representation of the situation of the assets and liabilities, and the economic and financial situation, of the issuer and of all the companies included in the consolidation scope.

2.2 The interim report on operations includes a reliable analysis of references to significant events that occurred in the first six months of the year and their impact on the condensed interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations also includes a reliable analysis of information on significant transactions with related parties.

Florence, 12 September 2025

Lorenzo Coppini                    Francesco Spapperi

Deloitte.

Deloitte & Touche S.p.A.
Via Pier Capponi, 24
50132 Firenze
Italia

Tel: +39 055 2671011
Fax: +39 055 282147
www.deloitte.it

**REPORT ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**To the Shareholders of
B&C Speakers S.p.A.**

**Introduction**

We have reviewed the accompanying condensed consolidated interim financial statements of B&C Speakers S.p.A. and subsidiaries (the "B&C Speakers Group"), which comprise the consolidated statement of financial position as of June 30, 2025, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated cash flow statement for the six month period then ended, and the related explanatory notes. The Directors are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union. Our responsibility is to express a conclusion on the condensed consolidated interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of condensed consolidated interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements of the B&C Speakers Group as at June 30, 2025 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as issued by the International Accounting Standards Board and adopted by the European Union.

**Other Matter**

The consolidated financial statements of the B&C Speakers Group for the period ended as of December 31, 2024, and the condensed consolidated interim financial statements as at June 30, 2024 have been respectively audited and reviewed by other auditors that on March 28, 2025 expressed an unmodified opinion on the consolidated financial statements and on September 10, 2024 expressed an unmodified conclusion on the condensed consolidated interim financial statements.

DELOITTE & TOUCHE S.p.A.

Signed by
**Gianni Massini**
Partner

Florence, Italy
September 12, 2025

*This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.*