B&C Speakers Group

Annual Financial Report

at 31 December 2024

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

B&C Speakers S.p.A.

Via Poggiomoro, 1
Località Vallina
50012 Bagno a Ripoli (Florence)
Italy
mail@bcspeakers.com

Contents

NOTICE CONVENING THE ORDINARY SHAREHOLDERS' MEETING

Shareholders are called to the Ordinary Shareholders' Meeting on 29 April 2025 at the company's registered office in Bagno a Ripoli (FI), Italy, at Via Poggiomoro 1, Località Vallina at 11:00, in a single call, to discuss and decide on the following

agenda:

1) Approval of the annual financial statements and presentation of the consolidated financial statements. Related and consequent resolutions.

2) Group remuneration and incentive policies for 2025: resolutions on Section I (Remuneration Policy) of the Report on Remuneration and Fees pursuant to article 123-ter of the TUF and resolutions on Section II (Fees paid to members of the administrative and control bodies, general managers and key personnel) of the Report on Remuneration and Fees pursuant to article 123-ter of the TUF.

3) Integration of remuneration assigned to the Board of Statutory Auditors by the Shareholders' Meeting of 29 April 2024. Related and consequent resolutions.

4) Authorization for the purchase and disposal of treasury shares. Related and consequent resolutions.

Comments and Voting by proxy through the Designated Representative of B&C Speakers S.p.A.

B&C Speakers S.p.A. – in compliance with the provisions of article 106 of Decree Law 18/2020, converted by Law no. 27/2020, as amended (hereafter, the "Decree") - has decided to make use of the right to establish that Shareholders may speak in the Shareholders' Meeting solely through the Designated Representative, pursuant to article 135-undecies of Legislative Decree 58 of 24 February 1998 ("TUF"), without the physical participation of the same.

The methods for holding the Shareholders' Meeting may be supplemented, amended and communicated with suitable advance notice, with the same methods established for publication of the notice.

The Designated Representative may also be granted proxies and/or sub-proxies pursuant to article 135-novies of the TUF, in derogation of article 135-undecies, paragraph 4 of the same decree, to allow for the widest use of this remote voting instrument for all shareholders.

Right to intervene and vote in the Shareholders' Meeting

The right to intervene and vote in the Shareholders' Meeting, solely via the Designated Representative, vests with the parties with voting rights, identified as such on the basis of the notification made to the Company by a party qualifying as an "intermediary" in terms of applicable regulations, and issued by the latter in accordance with the evidence available at the end of the business day of 16 April 2025 (the record date), i.e. the seventh business day prior to the date set for the shareholders' meeting in a single call, pursuant to the provisions under Art. 83-sexies of the TUF.

Credits and debits recognised in the accounts after the record date do not entitle the party to voting rights in the Shareholders' Meeting; consequently, parties only registered as shareholder after that date shall not be entitled to attend and vote at the meeting, and may not therefore issue a proxy to the Designated Representative.

The intermediary's notifications must reach the Company by 24 April 2025, i.e. by the end of the third business day prior to the date set for the Shareholders' Meeting in a single call.

Participation and voting rights in the Shareholders' Meeting, still solely via the Designated Representative, are valid if the notifications reach the Company after the aforementioned deadline, provided that this is prior to the Shareholders' Meeting itself.

Voting by post or electronic means

Voting by post or electronic means is not accepted.

Issuer's Designated Representative

Pursuant to Art. 106,.4 of Italian Decree Law no. 18 of 17 March 2020, participation in the Shareholders' Meeting is only permitted by conferring a proxy to the Designated Representative identified by the Company, in terms of Art. 135-*undecies* of the TUF.
For the Shareholders' Meeting pursuant to this Call Notice, the Company has designated, in line with article 135-undecies of Legislative Decree no. 58 of 24 February 1998, as amended (the "TUF"), Giacomo Mazzini as the person ("Designated Representative") to whom shareholders can confer a proxy and voting instructions free of charge, by signing the form available on the Company's website www.bcspeakers.com (Investor Center section/Corporate Governance/Shareholders' Meetings Archive) and sending this to the Designated Representative via registered mail to the Company's operational offices at Via della Loggetta 13, 50135 Florence (FI), or via email to the certified email address giacomo.mazzini@legalmail.it.
The proxy for the Designated Representative must contain the voting instructions for the proposal on the agenda, and any proposals to supplement the same, formulated by Shareholders pursuant to Art. 126-*bis* of TUF, and are effective only with regard to the proposals where voting instructions were issued.
The proxy must be conferred by the end of the second business day prior to the date set for the Shareholders' Meeting (i.e. 25 April 2025).
The proxy and voting instructions may be revoked using the same procedures up until the same deadline. The proxy is not effective with regard to proposals without any voting instructions conferred. The Designated Representative may only be conferred proxies in compliance with the provisions under Art. 135-*undecies* of the TUF.
As permitted by Italian Decree-Law no. 18 of 17 March 2020, in derogation of Art. 135-*undecies*, section 4 of Italian Legislative Decree no. 58/1998, whoever does not intend availing itself of the intervention procedures pursuant to Art. 135-*undecies* of Italian Legislative Decree no. 58/1998, may as an alternative, intervene only be conferring a proxy or sub-proxy to the Designated Representative in terms of Art. 135-*novies* of Italian Legislative Decree no. 58/1998, with voting instructions on all or certain proposals on the agenda, using the ordinary proxy/sub-proxy form available on the Company's website www.bcspeakers.com (Investor Center section/Corporate Governance/ Shareholders' Meetings Archive). The instructions on the proxy form must be followed for the conferral and sending of the proxies/sub-proxies, including electronically. The proxy must be received by 13:00 on the day prior to the Shareholders' Meeting.
The proxy and voting instructions may be revoked using the same procedures up until this time.
The conferral of proxies in terms of Art. 135-*novies* and 135-*undecies* of TUF does not involve any costs for the Shareholder, besides the transmission or mailing expenses.

Right to ask questions

All those entitled to attend the Shareholders' Meeting may ask questions about the agenda prior to the meeting by sending a specific letter in this regard, by registered letter to the Company's registered office, or by e-mailing fspapperi@bcspeakers.com. Questions received prior to the shareholders' meeting are answered at latest during said meeting. The Company has the right to provide a single answer to multiple questions on the same subject. Questions must be accompanied by a certificate issued by the intermediaries to ascertain shareholder status, or be included in the same communication required to attend the shareholders' meeting.
Questions must be received by 6:00 pm on 24 April 2025. Responses will be provided for questions pertaining to items on the agenda at the latest during the Shareholders' Meeting, using the methods established in the regulations.
The Company may provide a single answer to multiple questions on the same subject. Questions which do not respect the methods, deadlines and conditions indicated above will not be answered.

Additions to the agenda

Pursuant to article 126-bis of the TUF, shareholders who, also jointly, represent at least one-fortieth of the share capital may request, within ten days of publication of this notice, for additions to the list of subjects to be dealt with, indicating the additional topics in their application. The application must be submitted in writing to the registered office or sent by registered post, on condition that it reaches the company within the period referred to above, together with documentation proving the shareholding held, issued by Intermediaries maintaining the accounts in which shares are registered, as well as a report providing the

reasoning supporting the proposed resolution on the new topics, or the reasoning supporting additional resolution proposals presented on topics already on the agenda.
Pursuant to law, matters proposed by Directors, or on the basis of documents prepared by the same are not admitted to the agenda for the subjects on which the Shareholder's meeting resolves. The amended agenda will be published with the same method used for this notice.

Presentation of individual proposed resolutions on items on the agenda

Given that participation in the Shareholders' Meeting and exercising of voting rights can occur solely through the Designated Representative, in order to allow interested parties to exercise the right under article 126-bis, paragraph 1, third sentence of the TUF, those with voting rights can send individual proposed resolutions on items on the agenda for the Shareholders' Meeting, sending them to the Company by 17 April 2025, at the following certified email address pec@pec.bcspeakers.com; these proposals must be clear and complete, accompanied by information that allows the entity presenting them to be identified including, when possible, a telephone number.
Eligibility to submit proposals must be certified by the communication made by an intermediary authorised under current regulations, issued pursuant to article 83-sexies of the TUF with the methods specified in the paragraph, "Right to intervene and vote in the Shareholders' Meeting".
For the purposes of the preceding, the Company reserves the right to verify the pertinence of that proposed with respect to the items on the agenda, the completeness of the same and compliance with applicable regulations, as well as the eligibility of the proposing entity.
Proposed resolutions received in line with the above (and any accompanying illustrative reports) will be published on the Company's website at www.b&cspeakers.com (Investor Center section) by 25 April 2025, to allow those eligible to vote to express their opinions in a knowledgeable manner, also taking the new proposals into account, and for the Designated Representative to receive any voting instructions on the same.

Information on share capital

	No. of shares that make up the share capital	No. of voting rights
Total	11,000,000	16,800,529
- Ordinary shares	5,199,471	5,199,471
- Increased voting rights shares	5,800,529	11,601,058

Documentation

All documentation relating to the items on the agenda will be filed with the registered office and Borsa Italiana S.p.A., and shall be made available on the website www.bcspeakers.com within the terms permitted by current legislation. Shareholders have the right to a copy.
All information referring to the Shareholders' Meeting and any other information required by law is included in the call notice published on the Company website www.bcspeakers.com. under the section "Investor Center", to which reference is made. It is also published on eMarket STORAGE, available at www.emarketstorage.com, together with the documentation relating to the Shareholders' Meeting, made available in terms and based on the procedures required by current legislation.
Share capital subscribed and paid-up is €1,100 thousand divided into 5,199,471 ordinary shares with no nominal value, each of which giving the right to one vote, and into 5,800,529, each of which giving the right to two votes. Therefore, the total number of voting rights is 16,800,529. On the date of this notice, the Company holds 121,490 ordinary shares, in which respect applicable legislation suspends the right to vote. Any changes in treasury shares will be communicated at the start of the shareholders' meeting.
Further information is available on these rights and the foregoing from the Company's website www.bcspeakers.com.

1 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:	Marta Bavasso
Independent Director:	Valerie Sun
Independent Director:	Raffaele Cappiello

Board of Auditors

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

Independent auditing firm

PricewaterhouseCoopers S.p.A.

2 Proposal to approve the financial statements and allocation of profit for the period

The Company's Board of Directors, which met on 19 March 2025, proposed allocating the profit for the year as in the financial statements at 31 December 2024 as follows:

- distribution of a dividend of € 1 per ordinary share outstanding at the ex-dividend date, therefore excluding the treasury shares held at that date;
- the remainder to “retained earnings”.

3 Introduction to the separate and consolidated financial statements at 31 December 2024

The separate and consolidated financial statements for B&C Speakers S.p.A. as at 31 December 2024 were prepared in compliance with applicable International Accounting and Financial Reporting standards ("IAS/IFRS"), in effect at 31 December 2024, issued by the International Accounting Standards Board ("IASB") and approved 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").

Moreover, in accordance with the measures taken to implement Art. 9 of Italian Legislative Decree no. 38/2005, the Board also considered the guidelines set by CONSOB Resolution no. 15519 of 27 July 2006, establishing "Drafting principles for financial statements", CONSOB Resolution no. 15520 of 27 July 2006 establishing the "Amendments and supplements to the Issuers' Regulation adopted under Resolution no. 11971/99", CONSOB Communication no. 6064293 of 28 July 2006 on "Required corporate disclosure pursuant to Art. 114.5, Italian Legislative Decree no. 58/98" and Communication DEM/7042270 of 10 May 2007.

The purpose of these financial statements is to present the financial position and results of operations of B&C Speakers S.p.A. and the B&C Speakers Group as at and for the year ended 31 December 2024, in accordance with the International Accounting and Financial Reporting Standards ("IAS/IFRS") issued by the International Accounting Standards Board and endorsed by the European Union.
In FY 2024, the Parent Company continued its treasury share buy-back programme in accordance with that established by resolution of the shareholders' meeting on 28 April 2023. At 31 December 2024, it held 93,040 treasury shares, equal to 0.85% of the share capital. The shares have been valued in accordance with the relevant accounting principles. The weighted average purchase price of shares in the portfolio is € 16.01.
As of the date the Board of Directors approved this Annual Financial Report (19 March 2025), the number of treasury shares held came to 121,490, equal to 1.10% of share capital.

The financial data set out and commented below was prepared on the basis of the Consolidated Financial Statements of the Group at 31 December 2024 to which reference is made, since, pursuant to what is allowed by current legislation, it was considered more appropriate to prepare a single report on operations and therefore provide a detailed analysis of what are considered to be the more significant economic-financial trends of the Group

Consolidated report on operations and Parent Company data

As of 31 December 2024

4 Consolidated report on operations for the financial year ended 31 December 2024

The B&C Speakers Group is a key international entity in the production and marketing of "top quality professional loudspeakers". The Group's business, which operates both nationally and internationally, is dedicated exclusively to this sector. 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). For the sake of completeness, note that these latter companies became part of the Group at the end of 2023 and only in 2024 contributed to the results for the entire financial year.

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

Distribution in the US market is handled through the American subsidiary B&C Speakers NA LLC, which also offers support services for sales to local customers.

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.

Group profit for 2024 came to € 18,151 thousand, after taxes of € 1,369 thousand and amortisation/depreciation of € 2,704 thousand.

Group profit for 2023 came to € 13,905 thousand, after taxes of € 5,053 thousand and amortisation/depreciation of € 2,176 thousand.

Highlights

The tables below list the consolidated economic, capital and financial highlights for FY 2024 compared with the same items in the previous year:

Income statement highlights

(€ thousands)

	2024	2023
Revenues	100,369	94,018
Ebitda	21,778	21,801
Ebit	19,047	19,531
Net profit	18,151	13,905

Balance sheet highlights

(€ thousands)	31 December 2024	31 December 2023
Non current Assets	16,400	14,602
Non current liabilities	10,281	13,262
Current assets	70,864	71,746
Current liabilities	21,788	26,876
Net working Capital	49,077	44,870
Net Equity	55,195	46,210

Cash flow statement highlights

(€ thousands)

	2024	2023
Operating cash flow	12,968	18,343
Cash flow from investing activities	(2,418)	(434)
Cash flow from financial activities	(15,737)	(11,354)
Cash and cash equivalent at end of the year	(5,186)	6,555

Net financial position

(€ thousands)	31 December 2024	31 December 2023
Current net financial position	8,453	10,028
Total net financial position	(924)	(653)

As regards the definition of alternative performance indicators, please refer to the information below in this document.

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 31 December 2024 the listed price for shares in B&C Speakers S.p.A. (BEC) shares stood at € 16,90 and consequently market capitalisation amounted to about €185.9 million.

The following shows the share performance of B&C Speakers SpA in 2024 and in the first few months of 2025.

Macroeconomic Situation

In 2024, global GDP saw moderate growth, with significant differences between the various geographic areas. Based on forecasts, global GDP increased by around 3%, while the Eurozone saw a more limited increase, expected to be between 0.7% and 0.8% for the year.
In 2024, average inflation in the Eurozone was 2.4%, down with respect to the 5.5% seen in 2023 and the 8.3% in 2022. In 2024, inflation in Italy saw a significant decrease compared to the previous year. Based on the definitive figures issued by ISTAT, annual inflation increased by 0.1% in December, bringing average annual growth in consumer prices to 1.0%, down significantly with respect to the 5.7% registered in 2023.
The reduction in inflation is mainly attributable to the decline in prices for energy goods, which saw an average annual drop of -10.1%, compared to +1.2% the previous year.
In 2024, the European Central Bank (ECB) implemented a series of reductions in the reference interest rates, bringing the deposit rate to 3.00% in December. This series of cuts began in June, when the rate was decreased to 4.25%, followed by further decreases in subsequent months. Globally, economic prospects for 2025 suggest moderate growth, with the International Monetary Fund predicting stable global growth, just above 3% in both 2025 and 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. In 2024, the global market for professional audio equipment was valued at USD 4.73 billion and is expected to reach USD 7.16 billion by 2033. Growth is supported by an increase in demand for high quality audio and the expansion of content creation platforms. The professional audio sector shows positive prospects for growth in 2025, driven by technological innovation and expansion into various market segments.
Given this situation, 2024 confirmed the positive trends seen in the sector. Additionally, the professional audio sector shows positive prospects for growth in 2025, driven by technological innovation and expansion into various market segments.

Economic performance

Economic performance in 2024 saw an improvement compared to 2023, allowing financial year 2024 to end with profits that were higher than those registered in 2023. Furthermore, incoming orders were received, bringing (with respect to the Parent Company) the order portfolio to around €19.5 million at 31 December 2024.

To better represent the trends in economic management relative to 2024, the table below shows the Company's main economic aggregates compared to the equivalent figures in the same period the previous year:

Economic trends - Group B&C Speakers

(€ thousands)	**2024**	***Incidence***	**2023**	***Incidence***
Revenues	100,369	*100.0%*	94,018	*100.0%*
Cost of sales	(63,295)	*-63.1%*	(59,287)	*-63.1%*
Gross margin	**37,074**	***36.9%***	**34,731**	***36.9%***
Other revenues	313	*0.3%*	501	*0.5%*
Cost of indirect labour	(6,480)	*-6.5%*	(5,305)	*-5.6%*
Commercial expenses	(1,257)	*-1.3%*	(1,011)	*-1.1%*
General and administrative expenses	(7,871)	*-7.8%*	(7,116)	*-7.6%*
Ebitda	**21,778**	***21.7%***	**21,801**	***23.2%***
Depreciation and Amortization	(2,704)	*-2.7%*	(2,176)	*-2.3%*
Writedowns	- 27.36	*0.0%*	(94)	*-0.1%*
Earning before interest and taxes (Ebit)	**19,047**	***19.0%***	**19,531**	***20.8%***
Writedown of investments in non controlled associates	-	*0.0%*	-	*0.0%*
Financial costs	(1,461)	*-1.5%*	(1,675)	*-1.8%*
Financial income	1,580	*1.6%*	1,190	*1.3%*
Earning before taxes (Ebt)	**19,166**	***19.1%***	**19,047**	***20.3%***
Income taxes	(1,369)	*-1.4%*	(5,053)	*-5.4%*
Profit for the year	**17,797**	***17.7%***	**13,994**	***14.9%***
Minority interest	0	*0.0%*	0	*0.0%*
Group Net Result	**17,797**	***17.7%***	**13,994**	***14.9%***
Other comprehensive result	354	*0.4%*	(89)	*-0.1%*
Total Comprehensive result	**18,151**	***18.1%***	**13,905**	***14.8%***

Note:

These financial statements present and comment 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 Company's economic, capital and financial performance. The alternative performance indicators are measures used by the issuer to monitor and assess the Group's performance; they are not defined as accounting measures, neither by the Italian Accounting Standards nor by the IAS/IFRS. Therefore, the measurement criteria applied by the Group may not be consistent with that adopted by other operators and/or groups and may, therefore, not be comparable. We emphasise that the adjustment methods used by the Company to calculate these figures have remained constant over the years.

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 of intangible assets, depreciation of property, plant and equipment, provisions and write-downs 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

Group revenues reached € 100.4 million, up by 6.8% with respect to the figure in 2023. Part of this increase (€ 13 million) was achieved by the subsidiaries Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd. which, in 2024, were able to contribute to economic results for the entire year. With respect to sales by the rest of the B&C Speakers Group, 2024 ended with a slight decrease compared to 2023. This decrease, equal to 5.3%, can mainly be attributed to the trends in the Chinese market, and showed continual improvement with respect to the interim figures from 2024 (at the end of the first half of 2024 the drop was 7.5%, while at the end of the third quarter it had improved to 6.6%).
New orders received during the 2024 came to a total of € 93 million (+38% compared to the same period in 2023). This figure confirms the loyalty and stability of customers with respect to the Group's products.

The increase in turnover was mainly concentrated on the European and North American markets, while the Asian area suffered from the impact of the decline in Chinese demand.

Below is a breakdown of revenues by geographical area for 2024 (amounts in euro):

Geographical Area	2024	%	2023	%	Change	% Change
Latin America	8,158,911	8%	8,116,000	9%	42,911	1%
Europe	48,425,584	48%	43,720,047	47%	4,705,537	11%
Italy	6,368,235	6%	6,054,252	6%	313,983	5%
North America	20,753,771	21%	18,312,350	19%	2,441,421	13%
Middle East & Africa	782,069	1%	1,362,702	1%	(580,633)	-43%
Asia & Pacific	15,880,300	16%	16,452,978	17%	(572,678)	-3%
Total revenues	**100,368,870**	**100%**	**94,018,328**	**100%**	**6,350,542**	**7%**

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.

The percentage impact of cost of sales at year-end 2024 was in line with 2023. This trend is due to: (i) a recovery of margins on the variable part of the cost of sales, due to normalisation of raw materials costs, which allowed an improvement of 2.9 margin points compared to the first half of the previous year, (ii) a drop of 1.8 percentage points as a result of the increased cost of personnel following the integration of the two new subsidiaries, and (iii) an increase in the impact of customs duties and transport costs, which led to a loss of margin of about 1.1 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 as a percentage of revenues, going from 5.6% to 6.5%. In absolute terms, the figure for 2024 was up 22% with respect to 2023, mainly due to the inclusion of the two new subsidiaries in the scope of consolidation.

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 increased in absolute terms by 24% with respect to 2023. This increase is mainly due to the inclusion of the two new subsidiaries in the scope of consolidation.

Administrative costs and overheads

Administrative costs and overheads rose by € 756 thousand with respect to the corresponding figure for 2023, also increasing in terms of their impact on revenues, from 7.6% to 7.8%. The increase in general and administrative costs is mainly due to the contribution coming from the two new subsidiaries in the scope of consolidation (in 2023 they only affected the final part of the year). In fact, with the scope unchanged with respect to 2023, administrative costs and overheads fell by 6.6%.

EBITDA and EBITDA Margin

Due to the dynamics outlined above, EBITDA in 2024 came to € 21.8 million, substantially unchanged with respect to 2023 (-0.1%).
The EBITDA margin for 2024 was 21.7% of revenues, compared to 23.2% in 2023. This slight dilution of margins is due to the inclusion of the two new subsidiaries, whose margins are lower than those of B&C Speakers S.p.A. and Eighteen Sound S.r.l. Holding the scope unchanged with respect to 2023, the EBITDA margin would be 24.4%.

Depreciation and amortisation

The depreciation of property, plant and equipment and amortisation of intangible assets and rights of use rose with respect to 2023, totalling € 2.7 million (€ 2.1 million in 2023). This increase is mainly due to the inclusion of the two new subsidiaries.

EBIT and EBIT margin

EBIT for 2024 amounted to € 19 million, down by 2.5% with respect to 2023 (when the figure was € 19.5 million). The EBIT margin was at 19% of revenue (20.8% in 2023).

Group Net Profit

The Group's net profit in 2024 amounted to € 17.8 million and represents 17.7% of consolidated revenue with a total increase of 27.2% with respect to 2023. This trend is in part due to the effects of the tax benefits obtained following the renewal of the Patent Box ruling request filed with the Revenues Agency (which occurred during the first half with reference to tax period 2020 and the following four tax periods), which led to a positive impact of € 4,207 thousand on the income statement for the year. The tax burden for the period, net of the above effect, was € 5,577 thousand, representing 29.1% of before-tax profit (26.5% in 2023).

Equity and financial trend

Below is the reclassified statement of financial position according to the allocation of sources and uses:

Reclassified Balance sheet *(€ thousands)*	30 September 2024	31 December 2023	Change
Property, plant & Equipment	**12,409**	**10,798**	**1,611**
Inventories	29,953	27,624	2,329
Trade receivables	20,128	18,150	1,978
Other receivables	5,237	5,288	(50)
Trade payables	(9,982)	(10,824)	842
Other payables	(3,662)	(4,489)	827
Working capital	**41,674**	**35,748**	**5,926**
Provisions	**(904)**	**(2,581)**	**1,677**
Invested net working capital	**53,179**	**43,965**	**9,214**
Cash and cash equvalents	9,314	14,613	(5,299)
Investments in associates	-	-	-
Goodwill	2,318	2,318	-
Short term securities	7,283	6,979	304
Other financial receivables	622	580	43
Financial assets	**19,537**	**24,489**	**(4,952)**
Invested net non operating capital	**19,537**	**24,489**	**(4,952)**
NET INVESTED CAPITAL	**72,716**	**68,454**	**4,262**
Equity	55,195	46,210	8,985
Short-term financial borrowings	8,144	11,563	(3,420)
Long-term financial borrowing	9,377	10,681	(1,303)
RAISED CAPITAL	**72,716**	**68,454**	**4,262**

Note:

Fixed assets: these are defined by the Issuer's Directors as the value of multi-annual assets (*tangible* and *intangible*). 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. Provisions: the value of bonds linked to employees' and Directors' severance indemnity, as well as the value for provisions for risks. 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.

Below are comments on the changes to assets and liabilities classified according to administrative allocation.

Net Operating Invested Capital shows an increase of 5.9 million euro compared to 31 December 2023. This increase was mainly due to the combined effect of the following factors:

- an increase in fixed assets amounting to approximately € 1.6 million due to the combined effects of investments and amortisation/depreciation for the period;
- an increase in inventories of around € 2.3 million;
- an increase in trade and other receivables of around € 1.9 million, mainly due to an increase in turnover;
- a decrease in trade and other payables of around € 1.6 million, mainly due to the decrease in trade payables following lower purchases of materials in the last part of the year;
- a decrease in provisions, mainly associated with the full reimbursement of the employee benefit fund with reference to the subsidiary Eminence Speakers LLC, which occurred during the second quarter of 2024.

Net Invested Non-Operating Capital came down with respect to 31 December 2023, by approximately € 4.9 million. This decrease is mainly due to the drop in the Group's cash and cash equivalents, following the payment of dividends totalling € 7.7 million in May 2024.
The other asset categories showed no change compared to 31 December 2023.
Note that the performance of the Group's securities portfolio market value showed profit adjusted to fair value of € 0.4 million at 31 December 2024.

Financial debt

Short-term borrowings fell by € 3.4 million, due to the natural maturing of certain loans in place at 31 December 2023.

Medium/long-term borrowings fell by € 1.3 million due to the decrease in bank financial liabilities following reclassification of the current portion of debt to short-term. In addition, new bank loans totalling € 2.5 million were obtained in 2024.

The overall *Net Financial Position* was negative at € 0.9 million, compared to € 0.6 million at the end of 2023. The Net Financial Position was impacted by excellent cash generation from operations (equal to 12.9 million), thanks to turnover generated during the year and lower tax outflows due to the partial use of the credit generated through the so-called Patent Box. These cash flows from operations made it possible to handle the cash absorbed by the repayment of existing loans and the distribution of dividends totalling € 7.6 million.

This amount was calculated in accordance with CONSOB Communication of 28 July 2006 and in accordance with the CESR Recommendation of 10 February 2005 "Recommendations for the standardised implementation of the regulation of the European Commission on financial statements", which was updated in line with the ESMA guidelines published in 2021.

(values in Euro thousands)	**31 december 2024 (a)**	**31 december 2023 (a)**	**Change**
A. Cash	9,314	14,613	-36%
C. Other current financial assets	7,283	6,979	4%
D. Cash and cash equivalent (A+C)	**16,597**	**21,592**	**-23%**
E. Current financial indebtness	(2,595)	(2,708)	
F. Current portion of non current borrowings	(5,549)	(8,855)	-37%
G. Current borrowingse (E+F)	**(8,144)**	**(11,563)**	**-30%**
H. Current net financial indebtness (G+D)	**8,453**	**10,028**	**-16%**
I. Non current financial indebtness	(9,377)	(10,681)	-12%
L. Non current financial indebtness	**(9,377)**	**(10,681)**	**-12%**
M. Total financial indebteness (H+L)	**(924)**	**(653)**	**42%**

Key performance indicators

To provide a more comprehensive representation of the Group's position, the performance and the result of the business as a whole are presented using both financial and non-financial key performance indicators.

Group Key performance indicators	**2024**	**2023**
R.O.E.	32.2%	29.2%

Return on Equity; Net result/Equity

R.O.I.	21.8%	23.4%
Return on Investments; Ebit/Total assets		
R.O.S.	19.0%	23.0%
Return on Sales; Ebit/ Total Revenues		
Total indebtness ratio	1.72	1.37
Equity/ (Current and non current Liabilities)		
Financial indebtness ratio	8.16	4.49
Equity/ (Current Financial Liabilities)		
Secondary liquidity ratio	3	2
Current Assets/Current Liabilities		
Net working capital	41,674	35,748
Primary liquidity ratio	42.7%	40.0%
Cash and cash equivalents/Current Liabilities		
Days of Inventory Turnover	104.69	88.93
Days of Receivables Turnover	69.60	86.16

Corporate structure

At 31 December 2024, the Group workforce numbered 380 units.
The following shows the changes in the Group's workforce over the last two years:

Personnel headcount	**31-Dec-24**	**31-Dec-23**
Workers	268	235
Employees	93	104
Lower management	18	4
Upper management	1	1
Total	**380**	**344**

The increase during the year is mainly due to the expansion in the staff of the Parent Company and the Chinese subsidiary.

Investments

During 2024, investments totalling around € 2 million were made, mainly targeted towards industrial plants and equipment for production purposes, with the goal of increasing the efficiency of the production plants in Vallina (Bagno a Ripoli, Florence), Reggio Emilia, Eminence (Kentucky, USA) and Dongguan (China).

At the production plant in Vallina (Bagno a Ripoli, Florence) there are two loudspeaker production lines: one is highly automated and suitable for mass production, whilst the other is more flexible and used for smaller scale, diversified production. Both production lines meet the latest productivity and efficiency criteria.

As regards the production of diffusers for high frequencies (Drivers), there are two production lines that have benefited from investments made to improve efficiency.

The production plant at Reggio Emilia has three production lines.

At the manufacturing plants of Eminence Speakers LLC (USA) and B&C Speakers (Dongguan) Electronic Co. Ltd. (China) there are lines to produce loudspeakers under the Eminence brand.

All investments in fixed structures and installations have been agreed with the parent company *Research & Development International S.r.l.*, with the goal of achieving a significant improvement in production capacity.

Research and development

The company continues to maintain its commitment to managing cultural and organisational growth that will enable it to maintain the level of excellence achieved up to now, at a time when international competition is becoming fiercer with each passing day.

Research and development investments remained high. In 2024, existing projects were completed and new ones started. More specifically, we note that the Parent Company carried out research and development into technological innovation, focusing its efforts mainly on projects considered to be particularly innovative, carried out at the Vallina plant.

During 2024 the company incurred R&D costs in line with the previous period, for the development of these projects, secure in the belief that the success of these innovations could generate good results in terms of turnover with favourable effects on company economics.

Comparison of profits and shareholders' equity of the Parent company in accordance with IFRS accounting standards and profits and shareholders' equity of the group in accordance with IFRS as at 31 December 2024

The table below compares the profit and shareholders' equity of the Parent Company under IFRS and the profit and shareholders' equity of the Group at 31 December 2024.

(values in Euro)	**Equity**	**Total comprehensive income**
Holding Equity and Net Result IFRS	**47,935,883**	**16,412,411**
Consolidation of controlled entities - Netting of investments	(12,487,011)	-
Consolidation of controlled entities - Reserves and Net Equity allocation	19,028,714	2,013,544
Goodwill	2,318,181	-
Dividends	-	(71,874)
Intercompany transactions	-	(161,853)
Intercompany inventory margins	(1,600,541)	(395,284)
	-	-
Group Equity and Net Result IFRS	**55,195,227**	**17,796,944**

The entries in this consolidation statement are already net of the relative deferred tax effects where applicable.

Significant events of 2024

The Shareholders' Meeting, held on 29 April 2024, approved the financial statements and resolved the distribution of an ordinary dividend of €0.70 per ordinary share outstanding at the ex-dividend date (on 6 May, with record date 7 May and payment on 8 May).

On that occasion, the Shareholders' Meeting (see the press release issued on 29 April 2024) also re-elected the officers of the company. The Board of Directors' meeting authorised the powers and appointments of the internal Board Committees.

Business outlook

The beginning of 2025 confirmed the confident climate within the reference market, which translated to the approval of a number of new projects by clients. In addition, note that sales volumes achieved in the first part of 2025 were up with respect to 2024.
At the beginning of the 2025, additional development projects were launched in relation to Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd. (part of the Group since the end of 2023), in particular:

- the launch of sales for a new product catalogue designed for the US after market car audio segment, designed in Italy and manufactured at the plant in Kentucky (USA);
- the launch of two new product families aimed at the Portable-Mi segment, designed in Italy and to be manufactured at the Dongguan plant in China.

The expected results for 2025 could potentially be directly and indirectly affected by the consequences of the ongoing conflict between Russia and Ukraine. Recall, however, that historically the Group has not had significant sales to Russian or Ukrainian customers and that since the start of the conflict the effects on the Group have been quite limited. With reference to the risk of duties being imposed by the current US administration, based on information currently available management has not identified any imminent threats which in the short term could have significant impacts on business.
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.

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.
At present, the flow of orders does not seem to be suffering from the macroeconomic situation. Nonetheless, it cannot be excluded that the current situation could lead indirectly to a decrease in demand. 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 and Group's business.

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 31 December 2024 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.

Major shareholders

The most recently available official figures indicate the following major shareholders:

- **Research & Development International S.r.l**, which holds a 52.73% stake (parent company);
- Lazard Freres Gestion SAS, which holds 4.44%;
- Joh. Berenberg, Gossler & Co. KG, which holds 3.52%;
- First Capital S.p.A. which holds 3.20%
- Allianz Global Investors GmbH, which holds 2.42%.

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 31 December 2024, the Director Lorenzo Coppini holds 50,000 shares in B&C Speakers S.p.A.;
- as at 31 December 2024, the Director Alessandro Pancani holds 3,617 shares in B&C Speakers S.p.A.;
- as at 31 December 2024, the Director Roberta Pecci holds 11,542 shares in B&C Speakers S.p.A.

Corporate Governance

The Group abides by the Code of Corporate Governance of Italian Listed Companies.
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. Below is a summarised listing of the main elements of Corporate Governance. For a more detailed description of the elements that make up Corporate Governance see the complete document relating to the annual report available on the website www.bcspeakers.com, in the *Investor Relations* section.
More specifically, reference is made to the above-mentioned document for information relating to the internal control system employed by management to monitor risks relating to financial reporting, as per Art. 123-*bis* TUF.

It should be noted that the company is not required to draft the Sustainability report pursuant to Italian Legislative Decree 125/2024 because it does not exceed the size limits established in the Decree in question.

Board of Directors

The Issuer's Board in office on the date on which these financial statements are approved numbered 7 members and was appointed by majority vote (in accordance with the voting rules laid down by the articles of association) by the ordinary Shareholders Meeting held on 29 April 2024; it shall remain in office until the Meeting convened to approve the financial statements for the year ending on 31 December 2026.

Board of Auditors

Pursuant to Art. 24 of the Issuer's articles of association, the Board of Auditors, in office since 29 April 2024, numbers three Regular Auditors and two Alternate Auditors, who will remain in office until the Meeting convened to approve the financial statements as at 31 December 2026.

Main risks and uncertainties to which the group is exposed

Risks connected with the general condition of the economy

The Group's economic, equity and financial position is influenced by various factors that together make up the macroeconomic context; these include the increase or decrease of the gross domestic product, the level of consumer and business confidence, interest rate trends for consumer credit, the cost of raw materials and the unemployment rate.

The main macroeconomic factors that could impact performance in the sector where the Group operates are, inter alia, the Gross Domestic Product, business and consumer confidence levels, the rate of unemployment and price of oil. Generally, international tensions, the high unemployment rate, the drop in available income for households in real terms and consequent drop in consumption, are all still having repercussions on the economy. Should this weakness in the economy persist, it cannot be excluded that this could impact negatively on the Company and Group's economic and financial position.

In addition, the crises in Ukraine and the Middle East and consequent effects on the cost of energy, transport and more generally on the supply chain should the situation continue or worsen, could result in additional risks for the Group's business; nonetheless based on the information currently available and given the Group's limited presence in Russia, Ukraine and the Middle East, these should not have significant repercussions.

For additional information, reference is made to the "Liquidity risk" and "Update on the impacts of armed conflicts" in the Notes.

Dependence on suppliers

The Group believes that the suppliers of two transducer components - the cone and coil - would be difficult to replace quickly, given the specific technical characteristics and quality required of these, which affect the transducer yield. Therefore, unavailability of these components from current suppliers could have a negative impact on Group business. In fact, although the Group could turn to other supply channels for these components, this may result in different conditions and technical standards to those enjoyed at present, and may result in delays in the production cycle, with all the relative negative fall-out on the Company's business.

One should also note that relations between the Parent Company and its suppliers are not governed by any long-term contracts; rather they are regulated by individual purchase orders in which prices are negotiated on the basis of the volumes of assets requested and the technical-quality characteristics offered by the different suppliers. Should one or more suppliers choose to cease working with the Company, or should disputes arise concerning the nature or terms of business, the Company will be unable to take the standard legal action applicable to supply contracts, framework agreements or other such long-term commitments; in this case, its business may suffer accordingly.

The Group seeks to mitigate this risk by using multiple vendors for the purchase of the components and for each process outsourced. In thus doing, it strives to limit the risk of interruption to production as far as possible, should the relationship with one or more suppliers be interrupted.

In the event of significant difficulties by key suppliers of the Parent Company, we cannot rule out major interventions and/or investments in terms of stocks and the purchases of components for production, in order to benefit from considerable economic savings, whilst keeping production unchanged. It should be noted that thanks to the careful management of inventories and procurement processes, the spread of the pandemic worldwide did not impact significantly on the supply chain.

Dependence on key figures

The Group is currently managed by some key figures, namely the directors of the Parent Company with their operative powers of attorney, whose consolidated experience in the industry allows them to make an important contribution towards the Company's success. Should the contracts be terminated between the Company and one or more of these key management figures, there is no guarantee that the Group will be able to promptly replace them with equally qualified persons able to ensure, in the short-term, the same contribution; the consequence would be a potentially negative effect on the Company's business.

Exchange rate fluctuation

The Group also operates in non-euro zone countries and this exposes the Group to the risks deriving from changes in the exchange rates between the different currencies. We are therefore unable to exclude the possibility that repeated changes in exchange rates may have a negative impact on the Group's economic-financial position.
Exposure to economic risk is constituted by debts and loans in foreign currency, related to sales and to future purchases. The Group periodically monitors its degree of exposure to the risk in question, preparing sensitivity analyses to identify, duly in advance, any need to hedge against exchange risk.

Concentration of the customers

Most of the Group's revenues come from orders placed by OEM customers. Should there be a reduction in the demand generated by these customers, with which there are no particular contractual constraints, or should payments by these customers be delayed, this would negatively impact the Group's economic and financial position.
In accordance with its risk management policy, the Group places particular emphasis on the process of product development aiming to extend the life cycle of a product by means of high quality maintenance. In particular, the difficulty in replacing components supplied by the Group, together with its excellent ability to design and produce highly customisable products for its clients, produces a high level of customer loyalty and a consequent lowering of the risk associated with concentration in terms of its main customers.

Risks related to regulatory and legislative framework (including the adoption of the code of corporate governance of listed companies)

The Company strives towards the continuous acceptance of the Governance regulations laid down by the Code of Corporate Governance for listed companies, regarding the parts considered applicable to the size and complexity of the Company. In particular, a Remuneration and Appointments Committee has been established, consisting of three directors (of which two independent) and a Control, Risk and Sustainability Committee, consisting of three independent directors. Additionally, an Investor Relator has been appointed to manage relations with investors in general, the organisational and control model pursuant to Italian Legislative Decree no. 231/01 has been approved and the supervisory body appointed and assigned the task of verifying the application of the model. The Parent Company also has an Internal Auditor Manager.

Reference market and the threat posed by competition

Entry on the market of new Italian or foreign competitors may have a negative impact on the Group's economic-financial results in the medium/long-term. In this case, there is no certainty that the competitive structures of the reference market shall remain such as to allow the Group to pursue its strategies. We can also not exclude the possibility that in the future, producers of loudspeaker systems may decide to produce electro-acoustic transducers in-house, with all consequent negative effects on the Group's economic, equity and financial position.
The Group believes that adequate financial support to product development, with a view to maintaining and improving quality and potential customisation (the Group's real strength) can help to mitigate the risk of competition.

Fluctuation in the price of production factors

The prices of the components purchased by the group are subject to fluctuations as a result, for example, of changes in the price of the raw materials used to make the components themselves, such as neodymium, ferrite, steel, iron, aluminium and plastic. These possible increases could have a negative effect on the Group's business and its economic, equity and financial situation.

Climate change related risks

Climate change related issues do not represent a risk for the Company and Group that can be directly linked to possible negative effects in the short term on the business and the economic, asset and financial position. For the sake of completeness, note that no issues associated with climate have been identified that could have a significant impact on the hypotheses underlying the assessment of asset recoverability. However, it cannot be excluded that over the medium/long-term adverse and particularly catastrophic climate events could lead to supply chain continuity problems for the Group. Taking into consideration the recommendations provided by ESMA in its Public Statement "*European common enforcement priorities for 2024 annual financial reports*" and in CONSOB Call to Attention 2/24 of 20 December 2024, containing "Climate disclosures provided in financial statements", management constantly monitors this aspect when determining risks and possible actions to be undertaken to mitigate the same.
In addition, note that the Group is on a path towards sustainable and responsible growth, having approved a sustainability policy, which can be found on the company's website in the Investors section. The policy defines priority areas in the context of the process towards increasingly full integration of sustainability in daily business. The sustainability policy is part of a sustainability plan which defines concrete actions to be implemented over the next three years with the relative KPIs to monitor achievement of objectives. The Group's Management believes that this commitment is a priority to achieve sustainable growth within an increasingly complex and challenging social and environmental context.

Financial risks

As regards Financial Risks, one should refer to the specific section in the Explanatory Notes.

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5 Main data of the Parent Company

In this section we report the main data relating to the Parent Company B&C Speakers S.p.A.

Highlights

The tables below list the Parent Company's economic, capital and financial highlights for FY 2024 compared with the same items in the previous year:

Income statement highlights

(€ thousands)

	2024	2023
Revenues	68,552	71,379
Ebitda	18,130	18,014
Ebit	16,595	16,452
Net profit	16,411	11,877

Balance sheet highlights

(€ thousands)	31 December 2024	31 December 2023
Non current Assets	21,551	17,743
Non current liabilities	6,649	8,506
Current assets	50,510	52,683
Current liabilities	17,476	21,229
Net working Capital	33,034	31,453
Net Equity	47,936	40,691

Cash flow statement highlights
(€ thousands)

	2024	2023
Operating cash flow	14,368	14,513
Cash flow from investing activities	(4,687)	(2,752)
Cash flow from financial activities	(9,349)	(9,349)
Cash and cash equivalent at end of the year	(4,332)	2,411

Net financial position
(€ thousands)

	2024	2023
Current net financial position	3,782	5,487
Total net financial position	(2,125)	(2,312)

Economic performance

General economic performance in 2024 saw a decrease in the Company's turnover with respect to 2023. However, this event did not impact the Company's margins thanks to the implementation of significant efficiency measures with respect to costs. Also note that incoming orders brought (with respect to the Parent Company) the order portfolio to around € 16 million at 31 December 2024.

To better represent the trends in economic management relative to 2024, the table below shows the Company's main economic aggregates compared to the equivalent figures in the same period the previous year:

Economic trends - B&C Speakers S.p.A.

(€ thousands)	2020	*Incidence*	2019	*Incidence*
Revenues	68,552	100.00%	71,379	100.00%
Cost of sales	(42,672)	-62.25%	(45,318)	-63.49%
Gross margin	**25,881**	**37.75%**	**26,061**	**36.51%**
Other revenues	527	0.77%	337	0.47%
Cost of indirect labour	(2,677)	-3.91%	(2,736)	-3.83%
Commercial expenses	(854)	-1.25%	(754)	-1.06%
General and administrative expenses	(4,747)	-6.92%	(4,894)	-6.86%
Ebitda	**18,130**	**26.45%**	**18,014**	**25.24%**
Depreciation of tangible assets	(1,432)	-2.09%	(1,376)	-1.93%
Amortization of intangible assets	(102)	-0.15%	(108)	-0.15%
Writedowns	0	0.00%	(77)	-0.11%
Earning before interest and taxes (Ebit)	**16,595**	**24.21%**	**16,452**	**23.05%**
Writedowns of investment in associates	0	0.00%	-	0.00%
Financial costs	(1,001)	-1.46%	(1,255)	-1.76%
Financial income	1,210	1.77%	1,030	1.44%
Earning before taxes (Ebt)	**16,805**	**24.51%**	**16,227**	**22.73%**
Income taxes	(392)	-0.57%	(4,344)	-6.09%
Profit for the year	**16,412**	**23.94%**	**11,882**	**16.65%**
Other comprehensive result	(2)	0.00%	(5)	-0.01%
Total profit for the year	**16,411**	**23.94%**	**11,877**	**16.64%**

Note:
These financial statements present and comment 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 Company's economic, capital and financial performance. The alternative performance indicators are measures used by the Issuer to monitor and assess the Company's performance; they are not defined as accounting measures either by the Italian Accounting Standards or by the IAS/IFRS. Therefore, the measurement criteria applied by the Company may not be consistent with that adopted by other operators and/or groups and may, therefore, not be comparable. We emphasise that the adjustment methods used by the Company to calculate these figures have remained constant over the years.

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 of intangible assets, depreciation of property, plant and equipment, provisions and write-downs as resulting from the aforesaid consolidated income statement. EBITDA is a measure that the Issuer uses to monitor and assess the Company'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) is the consolidated result before tax, as recorded in the income statement prepared by the Directors in preparing IAS/IFRS-compliant financial statements.

Revenue

The Company's revenue reached € 68.5 million, down 4% with respect to the figure in 2023.

This trend was, in particular, the consequence of decreased revenues, mainly in the Americas and, to a lesser extent, in Asia.

Below is a breakdown of revenues by geographical area for 2024 (amounts in euro):

Geographical Area	2024	%	2023	%	Change	% Change
Latin America	3,579,868	5%	4,537,598	6%	(957,730)	-21%
Europe	39,657,798	58%	35,410,490	50%	4,247,308	12%
Italy	7,757,458	11%	7,567,570	11%	189,888	3%
North America	7,466,207	11%	9,356,084	13%	(1,889,877)	-20%
Middle East & Africa	516,753	1%	1,033,944	1%	(517,190)	-50%
Asia & Pacific	9,574,139	14%	13,473,426	19%	(3,899,287)	-29%
Total revenues	**68,552,223**	**100%**	**71,379,111**	**100%**	**(2,826,888)**	**-4%**

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.

The cost of sales at the end of 2024 showed improvement with respect to the figure in 2023, with its impact on revenues falling from 63.5% to 62.2%. This trend is due to: (i) a recovery of margins on the variable part of the cost of sales, due to normalisation of raw materials costs, which allowed an improvement of 3.6 margin points compared to the first half of the previous year, (ii) a drop of 1.8 percentage points as a result of the increased cost of personnel following the integration of the two new subsidiaries, and (iii) an increase in the impact of customs duties and transport costs, 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 were substantially unchanged both in absolute terms and as a percentage of revenue, going from 3.8% to 3.9%.

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 increased in absolute terms by 13% with respect to 2023. L

Administrative costs and overheads

General and administrative costs decreased by € 147 thousand with respect to the corresponding figure for 2023, nonetheless seeing little change in their impact on revenues, which went from 6.86% to 6.92%.

EBITDA and EBITDA Margin

Due to the dynamics outlined above, EBITDA in 2024 came to € 18.1 million, substantially in line with the figure in 2023 (+0.6%).

The EBITDA margin reached 26.45% of revenues during the period, compared to 25.24% in 2023.

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use were substantially in line with 2023.

EBIT and EBIT margin

EBIT for 2024 amounted to € 16.6 million, a slight increase with respect to the € 16.4 million recorded in 2023. The EBIT margin was at 24.2% of revenue (23% in 2023).

Net profit

Net profit in 2023 amounted to € 16.4 million, representing 23.9% of revenue with a total increase of 38.1% on 2023. This trend is in part due to the effects of the tax benefits obtained following the renewal of the Patent Box ruling request filed with the Revenues Agency (which occurred during the first half with reference to tax period 2020 and the following four tax periods), which led to a positive impact of € 4,207 thousand on the income statement for the year. The tax burden for the period, net of the above effect, was € 4,600 thousand, representing 27.4% of before-tax profit (26.8% in 2023).

Equity and financial trend

Below is the reclassified statement of financial position according to the allocation of sources and uses:

Reclassified Balance sheet (€ thousands)	31 December 2024	31 December 2023	Change
Fixed Assets	**5,919**	**5,221**	**698**
Inventories	17,802	17,420	382
Trade receivables	17,335	15,293	2,042
Other receivables	4,106	4,673	(567)
Trade payables	(7,792)	(8,318)	526
Other payables	(2,138)	(2,928)	790
Working Capital	**29,313**	**26,140**	3,173
Provisions	**(742)**	**(707)**	(35)
Invested net working capital	**34,490**	**30,654**	**3,836**
Cash and cash equivalents	4,045	8,491	(4,446)
Investments	12,487	11,777	710
Short term securities	7,283	6,979	304
Other financial receivables	3,084	572	2,512
Financial assets	**26,899**	**27,819**	(920)
Invested net non operating capital	**26,899**	**27,819**	(920)
NET INVESTED CAPITAL	**61,389**	**58,473**	**2,916**
Equity	47,936	40,691	7,245
Short-term financial borrowings	7,546	9,983	(2,437)
Long-term financial borrowing	5,907	7,799	(1,891)
RAISED CAPITAL	**61,389**	**58,473**	**2,917**

Note:
Fixed assets: these are defined by the Issuer's Directors as the value of multi-annual assets (*tangible* and *intangible*). 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. Provisions: the value of bonds linked to employees' and Directors' severance indemnity, as well as the value for provisions for risks. 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.

Below are comments on the changes to assets and liabilities classified according to administrative allocation.

Net Operating Invested Capital shows an increase of 3.8 million euro compared to 31 December 2023. This increase was mainly due to the combined effect of the following factors:

- an increase in fixed assets amounting to approximately € 0.6 million due to the combined effects of investments and amortisation/depreciation for the period;
- an increase in inventories of around € 0.3 million;
- an increase in trade and other receivables of around € 1.5 million, mainly due to an increase in trade receivables;
- a decrease in trade and other payables of around € 1.3 million, mainly due to a decrease in tax payables;

Net Invested Non-Operating Capital came down with respect to 31 December 2023, by approximately € 0.9 million. This decrease was mainly due to the decline in the Group's cash and cash equivalents (mainly following the payment of the € 7.7 million dividend in May), the increase in financial receivables connected with financing provided by the Company to the subsidiary Eminence Speakers LLC and the increase in equity investments, following the capital increase carried out for the Chinese subsidiary, for € 710 thousand.
The other asset categories showed no change compared to 31 December 2023.

Note that the performance of the Group's securities portfolio market value showed profit adjusted to fair value of € 0.4 million at 31 December 2024.

Financial debt

Short-term borrowings fell by € 2.4 million, due to the natural maturing of certain loans in place at 31 December 2023.

Medium/long-term borrowings fell by € 1.9 million due to the decrease in bank financial liabilities following reclassification of the current portion of debt to short-term. In addition, new bank loans totalling € 2.5 million were obtained in 2024.

The overall *Net Financial Position* was negative at € 2.1 million, compared to € 2.3 million at the end of 2023. The Net Financial Position was impacted by excellent cash generation from operations (equal to 14.3 million), thanks to turnover generated during the year and lower tax outflows due to the partial use of the credit generated through the so-called Patent Box. These cash flows from operations made it possible to handle the cash absorbed by the repayment of existing loans and the distribution of dividends totalling € 7.6 million.

This amount was calculated in accordance with CONSOB Communication of 28 July 2006 and in accordance with the CESR Recommendation of 10 February 2005 "Recommendations for the standardised implementation of the regulation of the European Commission on financial statements", which was updated in line with the ESMA guidelines published in 2021.

(values in Euro thousands)	**31 december 2024 (a)**	**31 december 2023 (a)**	**Change**
A. Cash	4,045	8,491	-52%
C. Other current financial assets	7,283	6,979	4%
D. Cash and cash equivalent (A+C)	**11,328**	**15,470**	**-27%**
E. Current financial indebtness	(2,595)	(2,708)	-4%
F. Current portion of non current borrowings	(4,951)	(7,275)	-32%
G. Current borrowingse (E+F)	**(7,546)**	**(9,983)**	**-24%**
H. Current net financial indebtness (G+D)	**3,782**	**5,487**	**-31%**
I. Non current financial indebtness	(5,907)	(7,799)	-24%
L. Non current financial indebtness	**(5,907)**	**(7,799)**	**-24%**
M. Total financial indebteness (H+L)	**(2,125)**	**(2,312)**	**-8%**

Consolidated financial statements and explanatory notes to the consolidated financial statements

As of 31 December 2024

6 Consolidated financial statements of the B&C Speakers Group at 31 December 2024

6.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 December 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Values in Euro)*		*Notes*	31 December 2024	31 December 2023
ASSETS				
Fixed assets				
Tangible assets		*1*	5,095,272	3,872,531
Right of use		*2*	6,692,427	6,477,332
Goodwill		*3*	2,318,181	2,318,181
Other intangible assets		*4*	621,360	447,843
Deferred tax assets		*5*	1,050,595	906,969
Other non current assets		*6*	622,199	579,561
	related parties	*31*	*6,700*	*6,700*
Total non current assets			**16,400,034**	**14,602,417**
Currents assets				
Inventory		*7*	29,952,836	27,623,705
Trade receivables		*8*	20,128,062	18,149,825
Tax assets		*9*	1,531,488	190,315
Other current assets		*10*	9,938,214	11,168,906
Cash and cash equivalents		*11*	9,313,627	14,612,848
Total current assets			**70,864,227**	**71,745,599**
Total assets			**87,264,261**	**86,348,016**
LIABILITIES				
Equity				
Share capital		*12*	1,090,507	1,099,615
Other reserves		*12*	4,113,008	5,589,479
Foreign exchange reserve		*12*	728,382	365,116
Retained earnings		*12*	49,263,330	39,156,125
Total equity attributable to shareholders of the parent			**55,195,227**	**46,210,335**
Minority interest			-	-
Total equity			**55,195,227**	**46,210,335**
Non current liabilities				
Long-term borrowings		*13*	3,820,239	5,452,443
Long-term lease liabilities		*14*	5,557,150	5,228,386
	related parties	*31*	*2,140,714*	2,452,012
Severance Indemnities		*15*	859,546	2,537,875
Provisions for risk and charges		*16*	44,483	43,012
Total non current liabilities			**10,281,418**	**13,261,716**
Current liabilities				
Short-term borrowings		*17*	6,762,957	10,147,066
Short-term lease liabilities		*14*	1,380,620	1,416,216
	related parties	*31*	*871,159*	921,670
Trade liabilities		*18*	9,981,831	10,823,737
	related parties	*31*	*100,134*	*88,737*
Tax liabilities		*19*	103,809	1,011,163
Other current liabilities		*20*	3,558,399	3,477,783
Total current liabilities			**21,787,616**	**26,875,965**
Total Liabilities			**87,264,261**	**86,348,016**

6.2 CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR FY 2024

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Values in Euro)		Notes	2024	2023
Revenues		22	100,368,870	94,018,328
Cost of sales		23	(63,294,991)	(59,286,905)
Other revenues		24	312,733	501,096
Cost of indirect labour		25	(6,480,428)	(5,304,994)
Commercial expenses		26	(1,256,800)	(1,010,633)
General and administrative expenses		27	(7,871,258)	(7,115,671)
Depreciation and amortization			(2,704,202)	(2,176,171)
Writedowns		28	- 27,361.79	(93,599)
Earning before interest and taxes			**19,046,561**	**19,531,452**
Writedown of investments in non controlled associates			-	-
Financial costs		29	(1,461,116)	(1,674,546)
	related parties	*31*	*(64,755)*	*(80,297)*
Financial income		29	1,580,490	1,189,595
Earning before taxes			**19,165,935**	**19,046,501**
Income taxes		30	(1,368,991)	(5,052,737)
Profit for the year (A)			**17,796,944**	**13,993,764**
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:				
Actuarial gain/(losses) on DBO (net of tax)		12	(9,469)	(11,754)
Other comprehensive income/(losses) for the year that will be reclassified in icome statement:				
Exchange differences on translating foreign operations		12	363,267	(77,160)
Total other comprehensive income/(losses) for the year (B)			**353,797**	**(88,915)**
Total comprehensive income (A) + (B)			**18,150,741**	**13,904,850**
Profit attributable to:				
Owners of the parent			17,796,944	13,993,764
Minority interest			-	-
Total comprehensive income atributable to:				
Owners of the parent			18,150,741	13,904,850
Minority interest			-	-
Basic earning per share		12	1.62	1.28
Diluted earning per share		12	1.62	1.28

6.3 CONSOLIDATED STATEMENT OF CASH FLOW FOR FY 2024 PREPARED IN COMPLIANCE WITH THE IFRS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD AND ENDORSED BY THE EUROPEAN UNION

Consolidated statement of cash flows (Par. 7.3, Note 12)	Full year		
	2024	2023	
A- Net current bank balances at the beginning of the period	**11,904,398**	**5,349,626**	
B- Cash flow from operating activities			
Profit/loss for the period (Including third parties Profit/loss)	18,150,741	13,904,850	
Income tax expense	1,368,991	5,052,737	
Depreciation and amortization	2,704,202	2,176,171	
Sale of property, plant and equipment	0	0	
Finance cost	1,461,116	1,674,546	
Interest income	(1,580,490)	(1,189,595)	
Net change in provisions for risk and charges and other provision relating to personell	45,304	44,173	
Change in provigion for leaving indemnities	(1,722,162)	(221,678)	
(increase) decrease in current trade and other current receivables	(1,476,933)	6,243,205	
(increase) decrease in deferred tax assets and liabilities	(143,626)	(150,491)	
(increase) decrease in inventory	(2,329,131)	729,571	
Increase (decrease) in current trade and other payables	32,622	(5,474,276)	
Net cash from/(used in) operating activities	**16,510,633**	**22,789,212**	
Paid interest costs	(916,802)	(1,386,374)	
Collected interest income	767,933	709,000	
Taxes paid	(3,392,945)	(3,769,272)	
Total (B)	**12,968,820**	**18,342,566**	
C- Cash flow from investing activities			
Payment for acquisition of subsidiary, net of cash acquired	0	(1,112,471)	
(Investments) in non current tangible assets	(2,219,921)	(1,105,883)	
Proceeds for sale of non current tangible assets	0	0	
Net (investments) in non current intangible assets	(354,857)	(198,066)	
Net (investments) in investment in associates	0	0	
(increase) decrease in non current receivables	0	0	
Net (investments) in non current securities	(42,638)	(43,193)	
(Investments) in current securities	0	(1,443,772)	
Proceeds from sale of current securities	200,000	3,469,347	
Total (C)	**(2,417,416)**	**(434,039)**	
D- Cash flow from financing activities			
(Outflow) from repayment of loans	(7,438,617)	(10,413,001)	
Inflow from borrowing activities	2,536,022	4,777,000	
(Outflow) from repayment of lease liabilities	(1,668,463)	(1,330,054)	**Note 1**
Purchase of treasury shares	(1,485,579)	2,115,035	
Dividend paid to shareholders	(7,680,269)	(6,502,736)	
Total (D)	**(15,736,907)**	**(11,353,755)**	
E- Cash flow for the period (B+C+D)	**(5,185,503)**	**6,554,772**	
F- Cash and cash equivalents at end of the period	**6,718,895**	**11,904,398**	

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 € 361 thousand.

Reconciliation between Net Cash and Cash & cash equivalent	31-Dec-24	31-Dec-23
Cash	9,313,627	14,612,848
Bank overdrafts	(2,594,732)	(2,708,450)
Total	**6,718,895**	**11,904,398**

6.4 STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2024, PREPARED IN CONFORMITY WITH THE IFRS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD AND ENDORSED BY THE EUROPEAN UNION

	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 January 1, 2023	1,083,955	379,096	3,012,759	43,696	54,553	442,275	0	31,676,851	36,693,185	-	36,693,185
Result of the period								13,993,764	13,993,764		13,993,764
Other comprehensive income/expenses						(77,160)		(11,754)	(88,915)		(88,915)
Totale other comprehensive income/expenses	-	-	-	-		(77,160)		13,982,010	13,904,850	0	13,904,849.77
Shareholders											
Allocation of previous year result								0	0		0
Dividend distribution								(6,502,736)	(6,502,736)		(6,502,736)
Treasury shares allocation	15,659		2,099,377					0	2,115,035		2,115,035
Balance December 31, 2023	1,099,614	379,096	5,112,136	43,696	54,553	365,115		39,156,125	46,210,334	0	46,210,334

	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 January 1, 2024	1,099,615	379,096	5,112,135	43,696	54,555	365,114	39,156,125	46,210,335	-	46,210,335
Result of the period							17,796,944	17,796,944		17,796,944
Other comprehensive income/expenses						363,267	(9,469)	353,797		353,797
Totale other comprehensive income/expenses	-	-	-	-		363,267	17,787,475	18,150,741	0	18,150,741.14
Shareholders										
Allocation of previous year result							0	0		0
Dividend distribution							(7,680,269)	(7,680,269)		(7,680,269)
Treasury shares allocation	(9,106)		(1,476,473)				0	(1,485,579)		(1,485,579)
Balance December 31, 2024	1,090,509	379,096	3,635,661	43,696	54,555	728,380	49,263,330	55,195,227	0	55,195,227

7 Explanatory notes to the consolidated financial statements at 31 December 2024

7.1 Accounting policies

The consolidated financial statements as at 31 December 2024 of the B&C Speakers S.p.A. Group (hereinafter the "Group") have been prepared in accordance with the International Accounting and Financial Reporting Standards ("IAS/IFRS") in force as at 31 December 2024, as issued by the International Accounting Standards Board ("IASB") and adopted 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"). Moreover, in accordance with the measures taken to implement Art. 9 of Italian Legislative Decree no. 38/2005, the Board also considered the guidelines set by: CONSOB Resolution no. 15519 of 27 July 2006, establishing "Drafting principles for financial statements", CONSOB Resolution no. 15520 of 27 July 2006 establishing the "Amendments and supplements to the Issuers' Regulation adopted under Resolution no. 11971/99", CONSOB Communication no. 6064293 of 28 July 2006 on "Required corporate disclosure pursuant to Art. 114.5, Italian Legislative Decree no. 58/98" and Communication DEM/7042270 of 10 May 2007.
These consolidated financial statements for the Group are denoted in euro as this is the currency used to conduct most of the operations of the Parent Company B&C Speakers S.p.a. (hereinafter the "Comp" or "Parent Company) and its subsidiaries.
International accounting standards have been uniformly applied to all Group companies.
The financial statements of the subsidiaries, used for consolidation, have been duly amended and reclassified wherever necessary, in order to bring them into line with the international accounting standards and homogeneous classification criteria used throughout the Group.
These financial statements are prepared on the basis of historic cost and considering the business as a going concern. The Group has in fact determined that, despite the difficult economic and financial environment, there are no significant uncertainties (as defined by para. 25 of IAS 1) on business continuity, since the volume of business, as well as the portfolio of current orders, of the Company and the Group give no indications of business continuity risks.

These consolidated financial statements were audited by PricewaterhouseCoopers S.p.A.

Update on the macroeconomic situation

With reference to armed conflicts in course, note that the 2024 results 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.
With reference to the likely imposition of duties by the current US administration, based on information currently available management has not identified any imminent threats which in the short term could have significant impacts on business.
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 December 2024, 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.

Content and form of the financial statements

The consolidated financial statements comprise the Balance sheet, Income Statement, Statement of Changes in Equity, Statement of Cash Flow and these Explanatory Notes.

With reference to the form of the consolidated financial statements, the Group has chosen to submit the following:

Consolidated statement of financial position

The Consolidated Statement of Financial Position is presented with separate indication of Assets, Liabilities and Net Equity.

In turn, the Assets and Liabilities are recorded in the consolidated financial statements on the basis of whether they are classified as current or non-current.

Consolidated Statement of Comprehensive Income

The consolidated income statement is classified according to destination. The following aggregates are highlighted: (i) EBIT, which includes all components of income and cost, net of depreciation, amortisation, write-downs and other provisions (ii) EBT, which includes EBT net of tax on income and finally (iii) net income for the period. The Comprehensive Income Statement is presented with a breakdown of Other comprehensive profits and losses that distinguishes between gains and losses that will be reclassified in the income statement and gains and losses that will not be reclassified in the income statement.

Consolidated cash flow statement

The consolidated statement of cash flows is broken down according to cash-generating areas. The statement of cash flows adopted by the B&C Speakers Group was drawn up using the indirect method. Cash and cash equivalents included in the statement of cash flow include the balance sheet figures of this item on the reference date. Foreign currencies were converted at the average exchange rate for the year. Income and expenses relating to interest rates, dividends received and income tax are included in the cash flows generated by operational management.

Consolidated statement of changes in net equity

The consolidated statement of changes in equity is included, as required by the international accounting standards, with the separate highlighting of the consolidated result for the year and of all income, revenues, expenses and charges that are not recorded on the income statement, but rather charged directly to consolidated equity, in accordance with specific IAS/IFRS.

Consolidation scope

The controlled undertakings, i.e. those controlled by the Parent Company, were fully consolidated.
The companies within the scope of consolidation at 31 December 2024 are shown in the following table.

During the year no changes were seen in the scope of consolidation compared with 31 December 2023.

Companies	Country	Group structure at 31 december 2024			Group structure at 31 December 2023		
		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 NA LLC	Stati Uniti	100%	-	100%	100%	-	100%
B&C Speakers Electronics Ltd	Cina	100%	-	100%	100%	-	100%

Recall that accounting recognition of the business combination with Eminence Speakers LLC in 2023 was determined provisionally in the financial statements at 31 December 2023. At 31 December 2024, as twelve months had passed since the acquisition, these figures became definitive without the need to apply adjustments.

The key data of the Parent Company's subsidiaries and associates at 31 December 2024 are shown below.

Company		**Eighteen Sound S.r.l. (Italy)**
Share Capital	**Euro**	5,630,000
Net Equity	**Euro**	12,865,541
Profit / Loss	**Euro**	2,334,381
Stake held directly		100.00%
Stake held indirectly		0.00%
% capital shareholding		100.00%
Book value	Euro	6,582,989

Company		**B & C SPEAKERS, NA LLC (USA)**
Share Capital	Dollars	30,000
Net Equity	Dollars	1,752,166
Profit / Loss	Dollars	- 172,316
Stake held directly		100%
Stake held indirectly		0%
% capital shareholding		100%
Book value	Euro	1,449,786

Company		**B&C SPEAKERS BRASILE (Brasil)**
Share Capital	Real	1,720,729
Net Equity	Real	2,832,358
Profit / Loss	Real	46,070
Stake held directly		100%
Stake held indirectly		0%
% capital shareholding		100%
Book value	Euro	116,550

Denominazione e Sede		**Eminence Speakers NA LLC (USA)**
Capitale Sociale	Dollari	95,813
Patrimonio Netto	Dollari	1,675,174
Utile o Perdita	Dollari	(682,949)
Quota posseduta direttamente		100%
Quota posseduta indirettamente		0%
Totale quota posseduta		100%
Valore di bilancio	Euro	2,437,687

Denominazione e Sede		**B&C Spealers Electronics Ltd(Cina)**
Capitale Sociale	Remimbi	14,691,991
Patrimonio Netto	Remimbi	18,376,935
Utile o Perdita	Remimbi	3,532,718
Quota posseduta direttamente		100%
Quota posseduta indirettamente		0%
Totale quota posseduta		100%
Valore di bilancio	Euro	1,900,000

Consolidation standards

The main criteria for consolidation, applied in preparing the consolidated financial statements as at 31 December 2024 in accordance with IFRS, in continuity with the previous year, are as follows:

a) the carrying amount for equity investments is eliminated against the relative equity, against the assumption of the assets and liabilities of the investees in accordance with the line-by-line consolidation method. Control exists when the Group is exposed to, or is entitled to variable returns from its involvement in the enterprise and has the ability to influence these variable returns through its power over the controlled company. The acquisition of a subsidiary is recognised using the acquisition method and its cost is determined by adding the current values (fair value), at the date when control was gained of the transferred assets, liabilities incurred or assumed, and the financial instruments issued by the Group in exchange for control of the acquired enterprise;

b) assets, liabilities and potential liabilities acquired and identifiable are entered at their current (fair) value on the date of acquisition. The positive difference between cost of acquisition and the share of Group interest in the current value of those assets and liabilities is classified as goodwill and is entered in the balance sheet as intangible asset. In accordance with the transitional provisions of IFRS 3, the Group has fully applied this principle since the preparation of the first consolidated financial statements (31 December 2004);

c) if a negative difference should emerge, IFRS 3 does not allow for the recognition of negative goodwill, hence the excess interest of the purchaser in the fair value of the assets, liabilities and potential liabilities that can be identified for the acquired business with respect to the cost of the acquisition is recognised in the income statement, after having re-determined the fair value of the assets, liabilities and potential liabilities that can be identified for the acquired business;

d) once control over the investee has been acquired, any acquisitions of additional investments are entered by charging the difference between the price paid and the value of the corresponding share of the investee's shareholders' equity directly as a reduction to the consolidated shareholders' equity. Similarly, if any equity investments are sold but do not lead to the loss of control, the capital gain or loss is charged or credited to an entry in net equity and subsequently transferred to the income statement only when control over the investee is sold;

e) the economic results of the subsidiaries acquired or transferred during the financial year are included in the consolidated income statement from the actual acquisition date until the actual date of sale;

f) investments in associates are valued on the basis of the equity method; if any portion of the losses of the associate attributable to the Parent Company exceeds the carrying amount of the investment, the value of the investment is reduced to zero and the portion of any further losses is recognized to the extent that the Parent Company is obliged to that liability;

g) significant operations between consolidated companies are derecognised, as are receivables and payables, costs and income and profits not yet realised deriving from transactions implemented between Group companies, net of any tax effect;

h) the interest share of minority shareholders in net assets of the consolidated subsidiaries is identified separately from the Group's shareholders' equity. This interest is determined according to the percentage they hold in the fair value of the assets and liabilities recorded as at the original purchase date and in the changes of shareholders' equity after said date. For acquisitions made prior to the date of first-time application of the IFRS, as permitted by IFRS 1, consolidation takes place according to the standards previously in force.

The separate financial statements of each company belonging to the Group are prepared in the currency of the primary economic context in which it operates (functional currency). For the purpose of the consolidated financial statements, the financial statements of each foreign entity are specified in euro, which is the main currency utilised by the Group and the currency in which the consolidated financial statements are presented. For the purpose of the presentation of the consolidated financial statements, the assets and liabilities of foreign subsidiaries, whose functional currencies differ from the euro, were converted using current exchange rates at the reporting date, while gains and losses use average exchange rates for the period. The foreign exchange differences resulting from the application of this method, as well as the differences resulting from the comparison between the initial shareholders' equity converted at current exchange rates and those converted at historical exchange rates, pass through the statement of comprehensive income and are accumulated in a specific reserve in shareholders' equity (so-called Foreign exchange reserve) until disposal of the investment. This reserve is recognised on the income statement as income or expense in the period in which the relevant subsidiary is sold.

The rates applied on the conversion of financial statements into a currency other than the euro as at 31 December 2024 and 31 December 2023 are shown in the following table (source: Bank of Italy):

Currency	31-dic-24		31-dic-23	
	Avg exch.	Final exch.	Avg exch.	Final exch.
EURO/USD	1.082	1.039	1.081	1.105
EURO/REAL	5.828	6.425	5.401	5.362
EURO/RMB	7.788	7.583	7.660	7.851

Accounting standards adopted

The measurement criteria adopted to prepare the consolidated financial statements as at 31 December 2024 are as follows.

Goodwill

In the case of company acquisitions, assets, liabilities and potential liabilities acquired and identifiable are entered at their current (fair) value on the date of acquisition. The positive difference between cost of acquisition and the share of Group interest in the current value of those assets and liabilities is classified as Goodwill and is entered in the balance sheet as intangible asset. Any negative difference (“negative goodwill”) is instead entered in the Income statement on the date of acquisition.
Goodwill is not amortised, but once a year, or more frequently should specific events or changed circumstances indicate possible impairment, it is subjected to tests to identify any impairments, in accordance with the provisions of IAS 36 - Impairment of assets. Any goodwill recognized following acquisitions of control prior to 31 December 2004 were recorded in accordance with the principles applicable at the time. After initial recognition, goodwill is measured at cost less any accumulated impairment losses

Other intangible assets

An intangible asset purchased or manufactured in-house is entered entirely among assets only if it is identifiable, controllable and predictable that it will generate future economic benefits and its cost can be reliably determined.
These assets are entered at their cost of purchase or production and depreciated in constant shares along the estimated life, if they have a finite useful life.
Intangible assets with a finite life are entered at their cost of purchase or production, net of accumulated amortisation and impairment. Amortisation is measured to the period of their expected life and begins when the asset is available for use.
Development costs can be capitalised, provided the cost can be reliably determined and that it can be demonstrated that the activity is able to generate future economic benefits.
Research costs are charged to the Income Statement in the period in which they are incurred.
Fixed assets in progress are stated at cost based on contractual progress reports defined with the supplier and are depreciated from the period in which they come into operation.
Below is a summary of the amortisation periods of the various items of the intangible assets:

Category	Ammortization period
Patent rights	3 - 5 years
Development costs	3 - 5 years

Property, plant and equipment

These assets are entered at their cost of purchase or internal production, inclusive of accessory, direct and indirect costs for the share reasonably attributable to the asset.
The depreciation rates applied for each category of assets are:

Category	% depreciation
Photovoltaic asset and other minor	12.5% - 5%
Lightweight construction	10%
Plants and machinery	10%
Melting equipment	40%
Various equipment	25%
Cars	25%
Vehicles	20%
Internal transport	20%
Office furniture	12%
PC and office machines	20%

For assets of new acquisition, the specified rates were applied substantially on the basis of the date on which the goods are ready for use.
The rates applied are the actual period during which these goods will be usable to the company.
Ordinary maintenance costs are directly charged in full to the income statement. The costs for maintenance that allow an improvement in the performance are entered at the greater value of the assets to which they relate and depreciated along the residual life of the asset.
Gains and losses arising from transfers or disposals of assets are determined as the difference between the revenues from sales and the net carrying amount of the asset and are charged to the income statement.

Leases (for the lessee)

The Group recognises rights of use from the start of the lease, corresponding to the date when the underlying asset becomes available for use, on all lease contracts in which the Group is the lessee, except for short-term leases (i.e. lease contracts for 12 months or less and that do not contain a purchase option) and those for modest amounts (i.e. for a unit value of less than € 5,000).
The rentals for short-term contracts and those with a low value are recognised as costs in the income statement at equal rates across the duration of the lease.
Rights of use are valued at cost, less accumulated amortisations and impairment losses, and adjusted following the re-measurement of the lease liability. The amount assigned to the rights of use correspond to the amount of the recognised lease liability, in addition to the direct costs incurred and rentals regulated at the start of the contract or beforehand, the reinstatement costs, less any lease incentives received. The discounted amount for the aforementioned liabilities determined in this way increases the underlying asset's rights of use, with a counter entry for a specific provision. Unless the Group is reasonably certain that it will acquire ownership of the leased asset at the end of the lease term, rights of use are amortised at equal rates based on the estimated useful life or duration of the contract, if lower.
The duration of the lease is calculated by considering the lease period that cannot be cancelled, together with the periods covered by an option to extend the agreement if there is reasonable certainty that this will be exercised, or any period covered by an option to terminate the lease contract, if there is reasonable certainty that this will not be exercised. The Group assesses whether there is reasonable certainty to it exercising the option to extend or terminate, taking into consideration all significant factors that create an economic incentive relating to these decisions.
Financial lease liabilities are recognised at the date the agreement begins for an amount equalling the current rental to be paid during the term of the contract, discounted using marginal interest rates (incremental borrowing rate - IBR), when the interest rate implicit in the lease contract cannot be easily determined. Variable lease payments are recognised in the income statement as a cost relevant to the period.

IFRS 16 requires management to make estimates and assumptions that could impact on the rights of use value and the financial lease liabilities, including the determination of: contracts in the scope of the new rules for measuring assets/liabilities based on the financial method; contract conditions; the interest rate used to discount future lease expenses.

Leases (for the lessor)

Lease contracts involving the Group as the lessor are classified as operating leases or financial leases.

A lease is classified as a financial lease if it essentially transfers all the risks and benefits associated with ownership of the underlying asset. A lease is classified as an operating lease if it essentially does not transfer all the risks and benefits resulting from ownership of the underlying asset.
With regard to financial leases, from the effective date, the Group recognises the assets held by a financial lease in the statement of financial position and denotes them as a credit for an equal value under net leased assets. The net lease investment is valued using the interest rate implicit in the lease.
With regard to operating leases, the Group recognises the payments owing for the operating lease as income at equal rates, or based on another systematic criterion.

Costs incurred to realise the lease income include amortisations.

Impairment

On the closing date, the Group reviews the carrying amount of its tangible and intangible assets and holdings to determine if there are indications that these assets may have reduced in value (impairment test). If there is any such indication, an estimate is prepared of the total amount recoverable amount for these assets, in order to determine the correct write-down in value. When the recoverable amount of an asset cannot be individually estimated, the Group estimates the recoverable value of the cash-generating unit to which the asset belongs.
Intangible assets with indefinite useful life (goodwill) are taxed annually based on a test to determine if there is any loss in value regardless of the existence, or otherwise of indicators for the reduction of their value.
The recoverable amount is the greater of the “fair value” net of the cost of sale and the value in use. In calculating the value in use, the future estimated cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the value of money and the risks specific to the asset. If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, it is reduced to the lesser recoverable value. A loss is recognised immediately in the Income statement.
When there is no longer any reason to maintain the impairment, the carrying amount of the asset or cash-generating unit, with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable amount; this shall not, however, exceed the net carrying amount of that asset had it not been written down as impairment loss. Recovery of value is charged to the Income statement.

Non-current assets held for sale

Non-current assets (and available asset groups) classified as held for sale are valued at the lower of their previous value of entry and the market value less the cost of sale.
Non-current assets (and available asset groups) are classified as held for sale when their carrying amount is expected to be recovered through a disposal, instead of using them in the operational activities of the company. This condition is only met when sale is considered to be highly likely and the asset (or group of assets) is available for immediate sale in its current condition. To this end, management must be committed to the sale, which should be completed within twelve months of classification in this entry.

Inventories

Inventories are entered at the lower of the purchase or production cost and the realisable value, as can be deduced from market trends on the reporting date. The cost includes all ancillary expenses, net of trade discounts and, for finished products or work-in-progress, the production cost includes raw materials, direct labour and other costs directly attributable to production in addition to converging the indirect production costs that are reasonably attributable to production work in conditions of normal use of the production capacity.
The purchase cost was calculated using the FIFO method.

The market value as regards raw materials and works in progress is represented by the presumed net realisable value of the corresponding finished products less costs for completion; as for finished products, it is represented by the presumed net realisable value (list prices less cost of sale and distribution).
Any lower valuation established on the basis of market trends is deleted in subsequent years if the reasons that led to it no longer exists.
Inventories that are obsolete, slow-moving and/or surplus to normal requirements are devalued in relation to their possible future use or realisation by means of an inventory depreciation provision.

Financial assets

The classification and measurement of all financial assets including those in incorporated derivatives, is done considering the model used to manage the financial asset, as well as the contractual characteristics of the cash flows obtainable through the asset. Based on the characteristics of the instrument and the business model adopted to manage it, there are three categories:
(i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income (hereafter, also FVOCI); (iii) financial assets measured at fair value through profit and loss.
A financial asset is measured using the amortised cost method if both of the following conditions are met:

- the business model for the financial asset consists in holding the same with the sole aim of collecting the relative cash flows; and
- the financial asset generates, at contractually established dates, cash flows consisting solely of returns from the financial asset itself.

Under the amortised cost method, the initial recognition value is subsequently adjusted to take repayments of capital into account, as well as any writedowns and amortisation of the difference between the repayment value and initial recognition value.
Amortisation is recognised on the basis of the effective internal interest rate which represents the rate that makes current expected cash flows and the initial recognition value equal, when initially recognised.
Receivables and other financial assets measured at amortised cost are shown in the balance sheet net of the relative provision for writedowns.
Financial assets represent debt instruments for which the business model offers the possibility both to collect contractual cash flows and to obtain capital gains from sale (hold to collect and sell) are measured at fair value through other comprehensive income (FVTOCI).
In this case changes in the fair value of the instrument are recognised under shareholders' equity, among other components of comprehensive income. The total amount of fair value changes recognised to the shareholders' equity reserve which holds other components of comprehensive income is subject to reversal in the income statement when the instrument is derecognised. Interest income calculated using the effective interest rate, exchange differences and writedowns is recognised in the income statement.
A financial asset is not measured at amortised cost or at FVTOCI is measured at fair value through profit and loss (FVTPL).

Trade receivables and other receivables

Trade receivables and other receivables are recognised initially at fair value and subsequently measured in accordance with the amortized cost method, net of the provision for doubtful accounts.
The Group measures possible impairments/writedowns on trade receivables by adopting an expected loss logic. For trade receivables the Group uses a simplified approach, which does not require the recognition of periodic changes in credit risk, but instead the recognition of expected credit loss (ECL) calculated over the lifetime of the receivable (lifetime ECL). In particular, the policy implemented by the Group classifies trade receivables into categories on the basis of days overdue, determining provisions on the basis of historic credit loss experience, adjusted to take into account specific forecasting aspects relative to the creditors and economic situation.
Trade receivables are entirely written down if there is no reasonable expectation of collection, or in the case of no longer active trading partners.
The carrying amount of an asset is reduced through the use of a provision for writedowns and the amount of the loss is recognised in the income statement.

When the collection of receivables is deferred beyond standard conditions offered to customers, the receivable is discounted.

Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts and deposits redeemable on demand and other short-term financial investments that are highly liquid and therefore readily convertible to cash; their value may change significantly. The item does not include bank overdrafts that are repayable on sight.

Financial liabilities

Financial liabilities include financial payables, including account overdrafts and payables for advances on the granting of loans, as well as other financial liabilities, including derivatives and liabilities relative to assets recognised as part of financial leasing contracts.
These also include trade payables and other payables.

Financial liabilities are recognised at fair value net of accessory charges. After initial recognition, these liabilities are reported with the amortised cost criteria, calculated using the effective interest method. If a financial liability is renegotiated but cannot be classified as "repayment of the original debt", the difference between i) the carrying amount of the liability prior to the change and ii) the current value of the adjusted payable cash flows, discounted at the original rate (IRR), is recognised in the income statement.
Loans are classified as current liabilities unless the Company has the absolute right to defer the extinction of such a liability for at least 12 months after the balance sheet date.

Provisions for risks and charges

The Group enters risks and expenses when it has a legal or implied obligation toward third parties and it is likely that it will have to use resources to fulfil said obligation, when a reliable estimate can be made of the amount of the obligation itself.
Changes in estimates are accounted for in the income statement in the year of their competence.
If the effect is significant, provisions are calculated by discounting future cash flows. These future cash flows are estimated using a discount rate gross of tax, so as to reflect current market assessments of the present value of money and the risks specific to the liability.

Provisions for personnel and similar

The liabilities relating to benefits due to employees and paid on or after the cessation of the employment contract for plans with defined benefits is determined, separately for each plan, on the basis of actuarial assumptions by estimating the amount of future benefits accrued by employees at the reference date (known as the "Projected unit credit method"). The liability entered in the financial statements net of any assets servicing the plan, is recognised on an accruals basis over the maturation period of the entitlement. The liability assessment is carried out by independent actuaries.
The cost components of the defined benefits are recognised as follows:

- costs relating to the performance of the service are recognised in the income statement under personnel costs;
- net financial charges on liabilities or assets in defined benefits are recognised in the income statement as Financial income/(charges), and are determined by multiplying the value of the net liabilities/(assets) by the rate used to discount the bonds, taking into account contributions payments and benefits accrued during the period;
- components of the net liability re-measurement, consisting of actuarial gains and losses, the return on assets (excluding interest income recognised in the income statement) and any variation within the limit of the asset, are recognised immediately in Other profits (losses). These components must not be reclassified in the income statement in a subsequent period.

The evaluation of the Severance pay for Directors was performed by seeing that the annual provision corresponds to the amount accrued and simultaneously paid into the insurance policy.

Deferred tax assets and liabilities

Deferred taxes are determined based on the temporary taxable differences between the value of assets and liabilities and their value for tax purposes. Deferred tax assets are accounted for only to the extent that it is probable that there will be taxable income against which use this surplus. The carrying amount of deferred tax assets is revised annually and reduced to the extent that it is no longer probable that the company will generate taxable income to allow all or part of the recovery of the assets.
Deferred taxes are determined based on tax rates that are expected to be applied during the period in which such deferrals will be entered, as opposed to the currently applicable rate or pending approval. Deferred taxes are attributed directly to the income statement, with the exception of those relating to items entered as equity, in which case the related deferred taxes are also attributed to equity.
Deferred tax assets and liabilities are offset when there is a legal right to compensate for current assets and liabilities and when referring to tax due to the same agency and the Parent Company intends to liquidate the assets and current tax liabilities on a net value basis.

Foreign currency conversion criteria

Receivables and payables originally entered in foreign currencies are converted into euro at the exchange rate applicable on the date of their transaction. Differences in exchange rates between collection and payment of debts in a foreign currency are entered in the income statement.
Revenues and income, costs and expenses relating to transactions in foreign currencies are entered at the exchange rate applicable on the transaction date.
At the end of the year, the value of monetary assets and liabilities in a foreign currency are converted using the spot rate on the reporting date and any related gains and losses are recognised in the income statement. If the conversion produces a net profit, this value constitutes a reserve not distributable to its realisation.

Revenue entry

The Group recognises revenues after identifying the contracts with its customers and the relative performances to be satisfied (transfer of goods and/or services), determining the payment it has the right to in exchange for satisfying the performances, as well as identifying the method by which the performances are achieved (at a given time vs. over a period of time).
In particular, the Group recognises revenues only when the following requirements are met (requirements of identifying the contract with a customer):

a) the parties to the contract have approved the contract (in writing, orally or with respect to other habitual commercial practices) and have committed to fulfilling their respective obligations; hence there is an agreement between the parties which creates rights and obligations which can be acted upon, regardless of the form in which the agreement is manifested;

b) the Group can identify the rights of each party with regards to the goods or services to be transferred;

c) the Group can identify the conditions of payment for the goods or services to be transferred;

d) the contract has commercial substance; and

e) it is probable that the Group will receive the payment it has a right to in exchange for the goods or services to be transferred to the customer.

If the above requirements are not met, the relative revenues are recognised when: (i) the Group has already transferred control over the assets and/or provided services to the customer and all, or almost all of the payment promised by the customer has been received and cannot be refunded; or (ii) the contract has been dissolved and the payment which the Group has received from the customer is not refundable.
If the above requirements are met, the Group applies the recognition rules described below.
Revenues for the sale of products (acoustic transducers) are recognised when control of the good involved in the transaction is transferred to the buyer, or when the buyer acquires full capacity to determine the use of the good, as well as to obtain substantially all the benefits.
Revenues are recognised net of discounts including, but not limited to, sales incentive programs and customer bonuses, as well as taxes directly associated with the sale of the goods. Revenues from the provision of services are recognised when they are delivered with reference to a progress report.

Costs

The costs are charged to the income statement when their existence is certain and when the amount can be objectively determined and when it is possible to verify that the company has substantially incurred such costs on an accrual basis.

Financial income

Financial income is recognised on an accrual basis and includes interest income from funds invested, exchange gains and income deriving from financial instruments, when not offset as part of hedging transactions. Interest income is entered into the income statement when it accrues, considering its effective yield.

Financial charges

Financial charges are recognized on an accrual basis and include interest expense on financial debts calculated using the effective interest method and losses on exchange rate differences.

The share of interest expense from instalments on financial leasing operations is charged to the income statement using the effective interest method.

Financial charges, incurred against investments in assets for which there is normally a determined period of time before making the asset ready for use, are capitalised and amortised over the useful life of the class of assets to which they relate.

Dividends

Dividends entered in the income statement are recorded on an accrual basis, i.e. when due to distribution of the investee, the shareholder’s right to receive the payment accrues.

Contributions

Contributions are booked if there is reasonable certainty of the Company complying with the conditions required to accrue the relevant right to receive such, in addition to reasonable certainty that said contributions will indeed be received.

“Contributions for plant investments” are recorded on the income statement according to the useful life of the asset against which they are disbursed.

“Contributions for operating expenses” are credited to the income statement in relation to costs against which they are disbursed.

Income tax

Taxes for the year represent the sum of current and deferred tax.

Taxes were divided between current taxes, calculated on the taxable income, and deferred tax assets (tax assets and/or liabilities) with respect to the taxable income of the subsequent years.

They are included in the consolidated financial statement as taxes allocated in the financial statements of individual consolidated companies, based on the estimate taxable income determined in accordance with the national laws applicable on the closing date of the statement, accounting for the applicable exemptions and tax credits. Income tax is entered in the income statement, with the exception of those regarding items directly debited or credited to equity, in which cases the tax effect is entered directly under equity.

They are entered under “Current tax liabilities” net of any advances and withholdings applied. Taxes due in the event of a distribution of the reserves in suspension of the tax are not set aside because of their non-distribution.

Any advance payments in excess of the tax load for the year are classified as “Current tax assets”.

The company is not subject to the International Tax Reform - Pillar Two Model Rules, the new system for a global minimum tax for multinationals, as endorsed by Italian Legislative Decree 209/2023 in domestic law, implementing in Italy the EU Council Directive no. 2022/2523 (known as the GMT Directive), structured in line with the Pillar 2 model issued by the OECD/G20.

Treasury shares

Treasury shares are deducted from shareholders' equity. The original cost and income arising from subsequent sales are recorded as changes in shareholders' equity, with no impact on the income statement.

Earnings per share

The basic earnings per share are calculated by dividing the profit or loss attributable to the shareholders of the Parent company by the weighted average of the ordinary shares outstanding during the period. Diluted earnings per share are calculated by dividing the profit or loss attributable to the shareholders of the Company by the weighted average of the ordinary shares outstanding, considering the effects of all potential ordinary shares with diluted effect.

Use of estimates

The preparation of financial statements and related Notes in application of the IFRS requires the Management to make estimates and assumptions that have effect on the values of assets and liabilities, as well as on the information relating to potential assets and liabilities as at the reporting date. Final results may differ from these estimates. The estimates are used to evaluate intangible assets subjected to impairment testing, as well as to calculate provisions for risks on loans, for obsolete inventories, depreciation, asset amortisation, employee benefits, taxes, restructuring funds and other provisions and funds. The estimates and assumptions are regularly reviewed and the effects of each change are reflected immediately in the income statement.

Below there is a summary of the critical processes of assessment and the key assumptions used by the Group in the process of implementing IFRS and which are likely to have significant effects on the values recorded in the Consolidated Financial Statements or for which there is a risk that significant value differences may arise compared to the carrying amount of assets and liabilities in the future.

Recoverable value of non-current assets

Non-current assets include Tangible Fixed Assets, Other intangible assets, Goodwill and Other Non-current financial assets and Investments in associates. The Group periodically reviews the carrying amount of non-current assets held and used and of assets that need to be disposed of, whenever events and circumstances require such a review. This analysis is carried out for goodwill at least once a year and whenever events and circumstances warrant. The recoverability of the carrying amount of goodwill is generally analysed using cash flow estimates that are expected from the use or sale of assets and the appropriate discount rates for calculating their current value. When the carrying amount of a non-current asset has undergone an impairment loss, the Group enters a write-down equal to the excess between the carrying amount of the asset and its recoverable amount through use or sale thereof, calculated by reference to the cash flows inherent in the most recent business plans.

Recoverability of deferred tax assets

The Company has deferred tax assets for temporary deductible differences and theoretical tax benefits from losses that could be carried forward. In determining the estimated recoverable amount, the Group took the results of the business plans into account.

Pension plans and other post-employment benefits

The provisions for employee benefits and net financial charges are assessed using an actuarial method that requires the use of estimates and assumptions for the determination of the net value of the obligation. The actuarial method considers financial parameters such as, for example, the discount rate and payroll growth rates and considers the probable occurrence of potential future events through the use of demographic parameters such as mortality rates and the resignations or retirement of employees.

Provision for doubtful accounts

The provision for doubtful accounts reflects the management's estimate on expected losses related to the portfolio of receivables. The Group applies the simplified approach established under IFRS 9 and records expected losses on all trade receivables based on the residual duration, determining provisions based on historic experience with credit losses, adjusted to take into account specific aspects relative to the creditors and the economic situation (expected credit loss - ECL).

Provision for inventory writedowns

The provision for inventory writedowns reflects the management's estimate of the Company's expected losses, calculated on the basis of past experience. Abnormal trends in market prices could lead to future inventory write-downs.

Funds for Product Warranty

At the time of selling a product, the Company sets aside funds relating to the estimated costs for product warranty. The estimate for this fund is calculated on the basis of historical information regarding the nature, frequency and average cost of works on guarantee.

Contingent liabilities

The Company ascertains a liability regarding pending disputes and lawsuits, when it considers it is likely there will be a financial outlay and when the amount of losses arising from it can be reasonably estimated. In the event that a financial outlay becomes possible but the amount cannot be determined, that fact is reported in the notes to the financial statements. The Company monitors the status of any pending lawsuits and seeks advice from its legal advisers and experts in legal and tax matters.

Depreciation and amortisation

The cost of fixed assets is depreciated on a straight line basis over their estimated useful lives. The economic useful life of the Group's fixed assets is determined by the Directors at the time of purchase; it is based on past experience gained over years in the business and knowledge about any technological innovations which could lead to the asset becoming obsolete and no longer economically viable.
The Company assesses technological advances in the sector on a regular basis in order to update the remaining useful life. This periodic update could involve a change in the depreciation period and therefore also in the amount of depreciation in future business years.

Income tax

The Company is subject to different tax legislation on income in a number of different jurisdictions. In order to determine the Group's tax liabilities, the Management has to use certain forms of assessment regarding transactions whose tax implications are not certain on the date the balance sheet is closed. The Group acknowledges the liabilities which might arise from future inspections by the tax authorities according to the estimate of tax that will be due. If the outcome of any of the aforesaid inspections were to differ from that estimated by management, it could have some significant effects on current and deferred taxes.

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.

New accounting standards, amendments and interpretations applied as from 1 January 2024

The following accounting standards, amendments and interpretations were applied by the Group from the first time as from 1 January 2024:

– On 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 published the amendment, "Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants". These amendments are intended to clarify how to classify payables and other short or long-term liabilities. Additionally, the amendments improve the information that entities must provide when their right to defer the payment of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants).

- On 22 September 2022 the IASB issued “*Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*” with amendments that clarify how the seller of an asset, who subsequently becomes the lessor of the same asset, should measure the sale and leaseback transactions under IFRS 15. The Board established that the lessor/seller measures the liabilities deriving from the leaseback so as to not recognise any profit or loss associated with the right to continue to utilise the asset.
- On 25 May 2023 the IASB published "*Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*", an amendment to be applied in the presence of agreements that include financing for suppliers, to require the financing entity to provide further qualitative and quantitative information with respect to existing obligations. This information has to do with the features of the agreements, their book value, impacts on the entity's cash flows, etc. Additionally, the IASB has decided that in most cases aggregate information on finance arrangements with an entity’s suppliers is sufficient to meet the disclosure needs of financial statement readers.

No significant impacts arose from these amendments, either in terms of amounts or financial statement disclosures.
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IFRS accounting standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) but not yet in effect

As of the reporting date of this document the competent bodies of the European Union have not yet completed the approval process required for the adoption of amendments and of the principles described below.

- 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.

- On 9 April 2024 the IASB published the new standard IFRS 18 "*Presentation and disclosure in financial statements*," which will replace IAS 1 "Presentation of financial statements”, with the aim of improving the communication methods used by companies in their financial statements. The main changes brought by the new standard include the introduction of partial categories and totals defined in the income statement, the introduction of requirements to improve aggregation and disaggregation, the introduction of notes to the disclosure on management defined performance measures (MPM) and targeted improvements of the statement of cash flows, amending IAS 7. The standard will take effect for financial years starting 1 January 2027 and early application is allowed.
- On 18 July 2024, the IASB published “A*nnual Improvements to IFRS Accounting Standards-Volume 11*” containing amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The IASB annual improvements are limited to amendments intended to clarify the formulation of an IFRS and to

correct undesired consequences associated with divergences between the requirements set in different standards. The amendments contained in these Annual Improvements include:

- IFRS 1 First time adoption of International Financial Reporting Standards, in relation to whether or not hedging instruments are recognised by first time adopters when switching to the IFRS;
- IFRS 7 Financial instruments - Disclosures, for supplemental information with reference to the following points: - Profit or loss in case of derecognition - - Supplemental information on fair value differences and the transaction price of an asset Supplemental information on credit risk;
- IFRS 9 Financial instruments, in relation to: - Derecognition of lease liabilities - Transaction price;
- IFRS 10 Consolidated financial statements - Determination of a “de facto agent”, acting on the account of another investor, for the purposes of control over an investee;
- IAS 7 Statement of cash flows - Cost method.

The Group will adopt these new standards, amendments and interpretations, on the basis of the envisaged application date, and will assess the relative impacts, when they have been approved by the European Union.

7.2 Analysis of the breakdown of the main items of the consolidated balance sheet at 31 December 2024

1. Property, plant and equipment

The structure of the item 31 December 2024 and changes during the year are highlighted in the following tables:

Historic cost	31-Dec-23	Additions	Reclassification	Foreign exch.	(Decreases)	31-Dec-24
Land and buildings	2,500,748	13,195	-	159,662	-	2,673,605
Photovoltaic System and other minor	1,358,782	113,475	207,361	-	-	1,679,618
Lightweight construction	124,925	77,914	-	-	-	202,839
Plants and machinery	13,865,652	789,742	130,956	232,496	(1,631,455)	13,387,391
Industrial equipment	8,546,699	435,788	325,508	4,968	(525)	9,312,439
Various equipment	1,656,383	135,063	20,558	(3,364)	(85,351)	1,723,290
Fixed assets in progress	190,601	650,737	(684,384)	336	-	157,291
Total	**28,243,791**	**2,215,915**	**0**	**394,098**	**(1,717,331)**	**29,136,473**

Accumulated depreciation	31-Dec-23	Depreciation	Reclassification	Foreign exch.	(Decreases)	31-Dec-24
Land and buildings	1,645,403	51,677	-	106,774	-	1,803,855
Photovoltaic System and other minor	969,737	76,638	-	-	-	1,046,375
Lightweight construction	92,259	14,472	-	-	-	106,731
Plants and machinery	12,248,465	445,341	- 7,981	222,048	(1,611,207)	11,296,665
Industrial equipment	7,958,108	355,943	7,981	231	(83)	8,322,181
Various equipment	1,457,063	69,412	-	2,252	(63,558)	1,465,168
Fixed assets in progress	-	-	-	-	-	-
			-	-	-	
Total	**24,371,036**	**1,013,484**	**-**	**331,305**	**(1,674,848)**	**24,040,976**

Net value	31-Dec-23	Increases	Reclassification	Foreign exch.	Depreciation	(Decreases)	31-Dec-24
Land and buildings	856,311	13,195	-	52,888	(51,677)	-	870,716
Photovoltaic System and other minor	389,044	113,475	207,361	-	(76,638)	-	633,242
Lightweight construction	31,923	77,914	-	-	(14,472)	-	95,365
Plants and machinery	1,616,743 -	841,713	138,937	10,447	(445,341)	1,611,207	2,090,281
Industrial equipment	588,590	435,263	317,527	4,737	(355,943)	83	990,257
Various equipment	199,318	49,713	20,558	(5,616)	(69,412)	63,558	258,119
Fixed assets in progress	190,603	650,737	(684,384)	336	-	-	157,293
	-	-	-	-	-	-	-
Total	**3,872,531**	**498,584**	**0**	**62,793**	**(1,013,484)**	**1,674,848**	**5,095,272**

"Various equipment" includes furniture and office machines, vehicles, equipment and internal means of transport.

The most significant acquisitions that took place in 2024 refer to the addition of production machinery and equipment at the Vallina plant in Reggio Emilia and in Dongguan (China). Decreases during the period instead refer, for the most part, to the disposal of certain machinery by the subsidiary Eminence Speakers LLC with respect to a production stage that, under the Group's production model, has been outsourced to achieve greater production efficiency.

For the sake of completeness, recall that in 2023 investments of € 1,265 thousand were made, mainly to supplement the machinery and systems at the production plants in Vallina (Bagno a Ripoli, Florence) and in Reggio Emilia. Also recall that an additional € 1,040 thousand in increases in 2023 referred to the business combination that resulted in the acquisition of Eminence Speakers.

2. Rights of use

The Group recognised rights of use assets and liabilities for leases in the same amount, discounting the value of lease fees falling due. At 31 December 2024, the Group had rights of use for € 6,692 thousand (€ 6,477 thousand at 31 December 2023), broken down as follows:

- Rights of use for properties of € 6,683 thousand, relative to medium/long-term property lease contracts;
- Rights of use for equipment of € 9 thousand, relative to medium/long-term lease contracts for industrial, electronic and IT equipment;

The change during the year is associated with the renewal of two real estate leases, for the properties in which the Parent Company carries out its operations, partially offset by amortisation/depreciation during the period.

The duration of the lease is calculated by considering the lease period that cannot be cancelled, together with the periods covered by an option to extend the agreement if there is reasonable certainty that this will be exercised, or any period covered by an option to terminate the lease contract, if there is reasonable certainty that this will not be exercised. The Group assesses whether there is reasonable certainty to it exercising the option to extend or terminate, taking into consideration all significant factors that create an economic incentive relating to these decisions.

3. Goodwill

A breakdown of this item at 31 December 2024 is highlighted in the following table:

Goodwill	**31-Dec-24**	**31-Dec-23**
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" is attributable to:

- the consolidation of the equity investment in B&C Speakers NA LLC, for € 1,394 thousand;
- 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 entered in the financial statements of the subsidiaries at the date of acquisition.
As highlighted in the explanation about accounting standards, goodwill is subjected annually—or more frequently if 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. The recoverability of goodwill is tested at least once a year (on 31 December) even in the absence of evidence of impairment.
Consequently, on 31 December 2024 the impairment test was carried out on:

- the net carrying amount allocated to the CGU B&C USA, including goodwill and other assets and liabilities referred to the US subsidiary *B&C Speakers NA LLC*.; These values were identified by the directors as being part of the single CGU, since the assets and liabilities of the Company are entirely dedicated to a single sector of activity, i.e. the sale of "top quality professional loudspeakers";
- the net carrying amount allocated to the CGU Eighteen Sound, which includes goodwill and other assets and liabilities referred to the subsidiary Eighteen Sound S.r.l.; these values were identified by the directors as being part of a single CGU since the assets and liabilities of the two subsidiaries are entirely dedicated to a single sector of activity identifiable as the production and sale of "top quality professional loudspeakers".

For the sake of completeness, note that no issues associated with climate have been identified that could have a significant impact on the hypotheses underlying the assessment of the recoverability of the asset in question.
These impairment tests were approved by the Parent Company Board of Directors on 04 March 2025.

CGU Eighteen Sound

The estimate of expected financial flows for the CGU in question was defined on the basis of the relative multiple-year plan. When preparing this, the trends in the reference market in which the CGU operates during January 2025 were taken into consideration, in combination with the portfolio of orders already acquired by the Group and external sources such as sector studies.
The basic assumptions used by the Group to determine future cash flows, and the resulting recoverable amount (value in use) for the Eighteen Sound CGU refer to:

- a hypothesis of provisional cash flows taken from the five-year Plan of Eighteen Sound for the period 2025–2029, approved by the Sole Director of the subsidiary and the Parent's Company Board of Directors on 7 February 2025;
- the discount rate (WACC);
- in addition, a growth rate (g rate) was also estimated for the explicit period.

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
Eighteen Sound	2024	5%	9.60%	2.0%
	2023	5%	10.82%	2.0%

The WACC was determined in the same manner as the previous year, and increased to reflect the current uncertainty on the market.
The growth rate of the Terminal Value (g rate) is specific to the CGU reflecting the growth potential of the reference area. Once again in this case, no changes were made in the logic for determining the rate compared to the past.
The analysis did not bring any impairment losses light. Therefore, no impairment loss has been reflected in the data at 31 December 2024.

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. Furthermore, it is noted that on reaching the current expected cash flow values generated by the CGU the WACC is 22% lower than the net carrying value subject to an impairment test.

Finally, based also on the recommendations provided by ESMA in its Public Statement, "European common enforcement priorities for 2024 annual financial reports," and in the CONSOB call to attention, in addition to the basic scenario commented on above, an additional scenario was prepared in which, although there were no indications of the same, a 14% reduction in revenues is envisaged, from 2026 until the final year of the plan (negative CAGR of 14%). Despite these significant penalising factors, the value in use of the CGU in question is higher than the carrying amount due to the considerations set out above.
Also in this scenario, the current value of forecast cash flows generated by the CGU exceeds the net carrying amount subjected to impairment tests.

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. In the current market environment, the various factors used in the preparation of the estimates may be reviewed; the Group will monitor constantly these factors and the existence of impairment.

B&C USA CGU

The estimate of expected financial flows for the CGU in question was defined on the basis of the relative multiple-year plan. When preparing this, the trends in the reference market in which the CGU operates during January 2025 were taken into consideration, in combination with the portfolio of orders already acquired by the Group and external sources such as sector studies.
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 hypothesis of provisional cash flows taken from 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;
- the discount rate (WACC) was determined in the same manner as the previous year;
- 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. Once again in this case, no changes were made in the logic for determining the rate compared to the past.

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	2024	5%	10.49%	2.1%
	2023	1%	9.98%	1.6%

The WACC was determined in the same manner as the previous year, and increased to reflect the current uncertainty on the market.
The growth rate of the Terminal Value (g rate) is specific to the CGU reflecting the growth potential of the reference area. Once again in this case, no changes were made in the logic for determining the rate compared to the past.
The analysis did not bring any impairment losses light. Therefore, no impairment loss has been reflected in the data at 31 December 2024.

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. Furthermore, it is noted that on reaching the current expected cash flow values generated by the CGU the WACC is 19% lower than the net carrying value subject to an impairment test.

Finally, based also on the recommendations provided by ESMA in its Public Statement, “European common enforcement priorities for 2024 annual financial reports,” and in the CONSOB call to attention, in addition to the basic scenario commented on above, an additional scenario was prepared in which, although there were no indications of the same, a 10% reduction in revenues is envisaged, from 2026 until the final year of the plan (negative CAGR of 10%). Despite these significant penalising factors, the value in use of the CGU in question is higher than the carrying amount due to the considerations set out above.
Also in this scenario, the current value of forecast cash flows generated by the CGU exceeds the net carrying amount subjected to impairment tests.

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. In the current market environment, the various factors used in the preparation of the estimates may be reviewed; the Group will monitor constantly these factors and the existence of impairment.

4. Other intangible assets

The structure of the item 31 December 2024 and changes during the year are highlighted in the following table:

Intangible assets	31-dic-23	Reclassification	Increases	Foreign Exch.	Amortization	31-dic-24
Patent rights	354,513	62,799	80,130	-	160,405	337,037
Development costs	31,360	-	-	-	20,934	10,426
Intangible assets in progress	61,970	- 62,799	274,727	-	-	273,898
Total	**447,843**	**-**	**354,857**	**-**	**181,339**	**621,360**

"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. Equity investments in associates

This item does not include any elements at 31 December 2024, nor did it at 31 December 2023.

6. Deferred tax assets

As at 31 December 2024, this item includes net receivables for deferred tax assets of € 1,050 thousand (€ 906 thousand as at 31 December 2023), relating to temporary deductible differences that pertain to the Group and that were created following entry of costs not entirely deductible in the year.

The table below illustrates the composition and changes that occurred during the financial year:

Deferred tax assets	31-Dec-23	Increase	Use	31-Dec-24
Ammortization difference IFRS/TUIR	70,655	10,132	(8,956)	71,830
Management remuneration	82,568	14,941	(85,608)	11,902
Consolidation entries	466,389	152,960	0	619,349
USA provisions	36,347	-	2,050.47	38,397
Fiscal losses	0	-	0	0
Other	1,332,431	1,251,651	(1,081,537)	1,502,545
Total deferred tax assets	***1,988,390***	***1,429,684***	***(1,174,050)***	***2,244,024***
Deferred tax liabilities	**31-Dec-23**	**Increase**	**Use**	**31-Dec-24**
Other	(1,081,421)	(1,189,671)	1,077,663	(1,193,428)
Total deferred tax liabilities	***(1,081,421)***	***(1,189,671)***	***1,077,663***	***(1,193,428)***
Net total	**906,969**	**240,013**	**(96,387)**	**1,050,595**

The item "other" included under deferred tax assets and deferred tax liabilities mainly includes the tax effect on rights of use and relative liabilities in line with IFRS 16 for subsidiaries.

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

7. Other non-current assets

At 31 December 2024 this item is as follows:

Other non current assets	31-Dec-24	31-Dec-23	Change	% Change
Insurance poilcies	552,231	508,348	43,883	9%
Guarantee deposits	59,678	59,678	0	0%
Ires refund receivables	6,700	6,700	0	0%
Others	3,590	4,835	(1,245)	-26%
Total non current assets	**622,199**	**579,561**	**42,638**	**7%**

The item "Insurance policies" refers to receivables accrued in respect of the insurance companies “Milan Insurance” and “La Fondiaria Assicurazioni” in relation to the capitalisation, guaranteed capital policies stipulated in order to guarantee suitable financial cover of the directors’ severance pay.

The value of the assets relating to insurance policies recorded in the financial statements has been measured according to the value of the premiums paid to the equivalent provisions made.

The table below summarises changes made to receivables for insurance policies during the year:

Changes in insurance policies	31-Dec-23	Increases	(Decreases)	31-Dec-24
Insurance policies	508,348	43,883	0	552,231
Total	**508,348**	**43,883**	**0**	**552,231**

The increase during the year is due to new payments made by the Company during the year, reflecting the value of the allocation made to the Provision *“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 reflects the amount receivable for guarantee deposits issued based on contracts for the leasing of the Group's manufacturing and administrative offices.

8. Inventories

Warehouse inventories are calculated according to the FIFO method and structured as follows on 31 December 2024:

Inventories	31-Dec-24	31-Dec-23	Change	% Change
Row materials and consumables	9,600,299	8,752,207	848,092	10%
Work in progress and semi-finished	16,948,332	16,266,376	681,956	4%
Finished goods	6,154,940	5,421,051	733,889	14%
Gross Total	**32,703,571**	**30,439,634**	**2,263,937**	**7%**
Provision for inventory writedowns	(2,750,736)	(2,815,929)	65,193	-2%
Net Total	**29,952,836**	**27,623,705**	**2,329,131**	**8%**

The value of inventories is recognised at cost, calculated according to FIFO method net of provision for inventory writedowns; at 31 December 2024, this totalled € 2,750 thousand.

The gross value of inventories appears to have increased overall by € 2,263 thousand with respect to the final figure at 31 December 2023. This increase was mainly due to the increase in the inventories of the Chinese subsidiary which, at 31 December 2023, had just begun operations.

The provision for obsolescence (with 20% attributable to the category of internally produced and purchased semi-finished products, 29% to finished products and 51% to raw and ancillary materials and consumables) was estimated following analysis carried out with respect to the recoverability of inventory values.
The table below shows changes in the provision for inventory writedowns:

Change in provision for inventory writedowns	31-Dec-23	Increase	Use	Foreign Exch.	31-Dec-24
Provision for inventory writedowns	2,815,929	266,563	(460,073)	128,316	2,750,735
Total	**2,815,929**	**266,563**	**(460,073)**	**128,316**	**2,750,735**

Use during the year refers to the scrapping of components which can no longer be used in the production process.
For more details about the changes in inventories, one should refer to the note commenting on the income statement item “Cost of sales”.

9. Trade receivables

Trade receivables relate to normal sales made to domestic and foreign customers and can be broken down as follows on 31 December 2024:

Trade receivables	31-Dec-24	31-Dec-23	Change	% Change
Trade receivables	20,587,272	18,725,573	1,861,699	10%
(Provision for doubtful accounts)	(459,210)	(575,748)	116,538	-20%
Total	**20,128,062**	**18,149,825**	**1,978,237**	**11%**

The gross value of trade receivables increased by € 1,861 thousand compared with 31 December 2023, due to the increased sale volumes achieved, mainly thanks to the Chinese subsidiary becoming fully operational. The concentration of the increase in sales volumes in the second half of the year led to the trend outlined above.

The table below shows the changes in the provision for doubtful accounts.

Change in provision for doubtful accounts	31-Dec-23	Increase	Use	Foreign Exch.	31-Dec-24
Provision for doubtful accounts	575,748	25,890	(123,172)	(19,256)	459,210
Total	**575,748**	**25,890**	**(123,172)**	**(19,256)**	**459,210**

The provision made during the year reflects the risk of non-payment.

10. Current tax assets

The assets in question amount to € 1,531 thousand at 31 December 2024 (€ 190 thousand at 31 December 2023) and represent the net tax credit for the Parent Company and the subsidiaries B&C USA and B&C Brasile. The payable for current taxes of the other subsidiaries exceeds advances paid during the year and is therefore shown under the appropriate item in the liabilities.
The tax credit includes the effect of tax benefits obtained following the renewal of the Patent Box ruling request filed with the Revenues Agency (which occurred during the first half of 2024 with reference to tax period 2020 and the following four tax periods), with a positive impact of € 4,207 thousand on the income statement for the year.

11. Other current assets

As at 31 December 2024, "Other current assets" are as follows:

Other current assets	31-Dec-24	31-Dec-23	Change	% Change
Receivables towards supplier	125,539	352,318	(226,779)	-64%
Securities	7,283,091	6,978,641	304,450	4%
Other tax receivables	1,513,245	2,785,378	(1,272,132)	-46%
Other minor receivables	379,939	382,148	(2,209)	-1%
Total other receivables	**9,301,814**	**10,498,485**	**(1,196,670)**	-11%
Trade shows	126,957	77,490	49,467	64%
Assistance and assurance fees	389,695	338,754	50,940	15%
Specialist contract	34,599	30,905	3,694	12%
Other	85,149	223,272	(138,123)	-
Total prepaid expenses and accrued income	**636,400**	**670,421**	**(34,022)**	**-5%**
Total current assets	**9,938,214**	**11,168,906**	**(1,230,692)**	**-11%**

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 (€ 504 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.

Tax assets refer to the VAT credits and withholding taxes during 2024.

Under the category "prepayments and accrued income", the item "sundry" includes the fair value of IRS hedging contracts in place at 31 December 2024 for € 35 thousand.

12. Cash and cash equivalents

Cash and cash equivalents are listed in the table below:

Cash and cash equivalents	31-Dec-24	31-Dec-23	Change	% Change
Bank and postal deposit	9,309,246	14,608,347	(5,299,101)	-36%
Cash	4,381	4,501	(120)	-3%
Total cash and cash eqivalents	**9,313,627**	**14,612,848**	**(5,299,222)**	**-36%**

The decrease in cash and cash equivalents is the consequence of the absorption of liquidity caused by the payment of the dividend in May, the repayment of the current portion of existing loans and the payment of the current portion of financing.

The table below shows the composition of the balance of net final cash and cash equivalents at 31 December 2024 and at 31 December 2023 set out in the "Cash flow statement".

For further details concerning the increase in cash and cash equivalents, one should refer to the consolidated statement of cash flow.

13. Shareholders' equity and its components

Share capital

The Group's share capital as at 31 December 2024 amounted to € 1,091 thousand (€ 1,099 thousand at 31 December 2023) net of treasury shares held. The original share capital of the Parent Company is equal to € 1,100,000 and is composed of 11,000,000 ordinary shares with a unit value of € 0.10 each. All capital is fully paid up.

As a result of the continuation of the Buy-Back plan, on 31 December 2024 B&C Speakers S.p.A. held a total 93,040 treasury shares equal to 0.85% of the share capital, bought at an average value of € 16,01 per share.

The following table shows the changes that occurred, in 2024, in the number of shares outstanding:

Reconciliation of the number of outstanding shares	**Outstanding shares (n.)**
December 31, 2023	**10,996,432**
Treasury shares purchased	(115,764)
Treasury Shares sold	26,292
December 31, 2024	**10,906,960**

Other reserves

This item, equalling € 4,113 thousand at 31 December 2024, comprises the legal reserve for € 379 thousand, the extraordinary reserve for € 44 thousand, the reserve for unrealised capital gains on currency exchange for € 54 thousand and the share premium reserve for € 3,635 thousand.

Foreign Exchange reserve

This item equalling € 728 thousand at 31 December 2024 includes the exchange differences arising from the conversion of the financial statements in foreign currencies. This reserve increased by Euro 363 thousand due to the recognition of other comprehensive gains relating to the conversion of financial statements in 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.

TFR discounting reserve

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

Result of the period

This item comprises the net profit for the period of € 18,150 thousand and other period profits/(losses) relative to the actuarial losses component deriving from the actuarial measurement of severance indemnity for € 9 thousand. 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					
December 31, 2023					
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:					
Actuarial gain/(losses) on DBO (net of tax)		(12)	(12)		(12)
Total	**-**	**(12)**	**(12)**	**-**	**(12)**
Other comprehensive income/(losses) for the year that will be reclassified in income statement:					
Exchange differences on translating foreign operations	(77)		(77)	-	(77)
Total	(77)	-	(77)	-	(77)
Other comprehensive income/(losses) for the year:	**(77)**	**(12)**	**(89)**	**-**	**(89)**
December 31, 2024					
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:					
Actuarial gain/(losses) on DBO (net of tax)		(9)	(9)		(9)
Total	-	(9)	(9)	-	(9)
Other comprehensive income/(losses) for the year that will be reclassified in income statement:					
Exchange differences on translating foreign operations	363		363	-	363
Total	363	-	363	-	363
Other comprehensive income/(losses) for the year:	**363**	**(9)**	**354**	**-**	**354**

	December 31, 2024			December 31, 2023		
	Gross value	Fiscal effect	Net value	Gross value	Fiscal effect	Net value
Euro thousand						
Actuarial gain/(losses) on DBO	(12)	3	(9)	(15)	3	(12)
Exchange differences on translating foreign operations	363		363	(77)		(77)
Other comprehensive income/(losses)	**351**	**3**	**354**	**(92)**	**3**	**(89)**

Dividends paid

At its meeting on 29 April 2024, the Shareholders' Meeting approved the Board of Directors' proposal to distribute a dividend of € 0.70 for each ordinary share outstanding at the ex-dividend date, for a total of € 7,680 thousand.

Earnings per share

As indicated in IAS 33, basic earnings per share have been calculated for 2024 at € 1.62 per share (€ 1.28 per share in 2023). This indicator was calculated by dividing the profit attributable to shareholders of the Parent Company (€ 17,797 thousand in 2024) by the weighted average of ordinary shares outstanding during the period (10,967,191 shares in 2024). There were no significant dilution factors.

14. Long-term borrowings

As at 31 December 2024, medium/long-term financial debt is as follows:

Long term borrowings	31-dic-24	31-dic-23	Variazione	Variazione %
Loan BNL 6169054	208,331	1,041,667	(833,335)	-80%
Loan BNL 6177935	1,785,714	0	1,785,714	
Loan Intesa 0IC1076967680	287,348	860,406	(573,058)	-67%
Loan Banca Intesa guaranteed	0	360,135	(360,135)	-100%
Loan BNL guaranteed	0	357,143	(357,143)	-100%
Loan Intesa 0IC1011858979	0	357,850	(357,850)	-100%
Loan Intesa 0IC1021541583	1,239,908	1,940,176	(700,268)	-36%
Loan Simest 18 Sound	35,854			
Loan Simest - PP33867	240,000	360,000	(120,000)	-33%
Loan Simest - FM46888	0	19,642	(19,642)	-100%
Loan Simest - FM47037	0	6,325	(6,325)	-100%
Loan Simest - EC50949	0	33,683	(33,683)	-100%
Loan BNL 6173021	23,083	115,416	(92,332)	-80%
Total long term borrowings	**3,820,239**	**5,452,443**	**(1,575,725)**	**-29%**

The table below outlines the changes in borrowings in 2024 for both the current and non-current portions:

Change in borrowings	31-Dec-23	Refunds	New borrowings	Reclassification current portion	31-dic-24
Non current portion					
Bank borrowings	5,452,443	0	2,536,022	(4,168,225)	3,820,240
Total non current borrowings	**5,452,443**	**0**	**2,536,022**	**(4,168,225)**	**3,820,240**
Curent portion					
Bank borrowings	7,438,616	(7,438,617)	-	4,168,225	4,168,224
Total current borrowings	**7,438,616**	**(7,438,617)**	**-**	**4,168,225**	**4,168,224**
Totale current and non current	**12,891,059**	**(7,438,617)**	**2,536,022**	**-**	**7,988,464**

The tables below show the salient information on the conditions of the existing loans and the hedging Interest Rate Swap Contract:

Loan details	Loan BNL 6173021	Loan 0IC1021541583	Loan Banca Intesa garantito	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.
Originl amount	277,000	2,500,000	2,500,000	2,500,000
Contract date	17-Feb-23	30-Aug-23	17-Jun-20	10-Apr-24
Due date	17-Feb-26	30-Aug-27	17-Jun-25	10-Apr-28
N. installments	12	42	10	14
N. advanced installments	-	6	3	2
Periodicity	quarterly	monthly	half yearly	quarterly
Interest rate	Euribor 3M (base 360) with zero floor + spread 1%	Euribor 1M (base 360) with zero floor + spread 0,95%	Euribor 6M + spread 0,7%	Euribor 3M + spread 0,85%
Current Portion	92,332	700,268	360,135	714,286
Non current portion	23,083	1,239,908	-	1,785,714

Loan details	Loan BNL garantito	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.
Originl amount	2,500,000	2,500,000	2,500,000	2,000,000
Contract date	22-Jun-20	19-May-21	22-Mar-22	25-Feb-22
Due date	16-Jun-25	19-May-25	22-Mar-26	25-Feb-26
N. installments	7	7	12	8
N. advanced installments	3	1	4	-
Periodicity	half yearly	half yearly	quarterly	half yearly
Interest rate	Euribor 6M + spread 0,7%	Euribor 6M + spread 0,65%	Euribor 3M + spread 0,85%	Euribor 6M + spread 0,90%
Current Portion	357,143	357,850	833,333	573,060
Non current portion	-	-	208,331	287,348

Loan details	Loan Simest - 18 sound	Loan Simest - PP33867	Loan Simest - FM46888	Loan Simest - FM47037
Lender	Sace Simest	Sace Simest	Sace Simest	Sace Simest
Originl amount	36,021	480,000	93,418	25,300
Contract date	03-Dec-24	31-Mar-21	30-Sep-21	30-Sep-21
Due date	03-Jun-30	31-Dec-27	15-Oct-25	15-Oct-25
N. installments	12	8	6	6
N. advanced installments	1	5	2	2
Periodicity	half yearly	half yearly	half yearly	half yearly
Interest rate	0.55%	0.55%	0.55%	0.55%
Current Portion	167	120,000	19,642	6,325
Non current portion	35,854	240,000	-	-

Loan details	Loan Simest - EC50949
Lender	Sace Simest
Originl amount	101,587
Contract date	12-May-22
Due date	12-Nov-25
N. installments	6
N. advanced installments	2
Periodicity	half yearly
Interest rate	0.55%
Current Portion	33,683
Non current portion	-

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 relative to the Group.
Note that, in relation to loan 0IC1021541583 from Intesa S. Paolo 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. To that end, note that 0.36% of the Parent Company's annual turnover (equal to € 248 thousand) was allocated to increase employee welfare, with a ceiling.

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 Group has no outstanding loans with a maturity exceeding 5 years.

Derivative instruments details	Banca Intesa (guaranteed)	BNL (guaranteed)
Counterpart	Intesa S.Paolo S.p.A.	BNL Group
Type of contract	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedging of interest variability risk associated with the Banca Intesa loan	Hedging of interest variability risk associated with the BNl Group loan
Original amount	2,500,000	2,500,000
Periodicity	Half-yearly	Half-yearly
Bank Interest Rate	Euribor 6 months	Euribor 6 months
Company Interest Rate	0.09%	0.05%
Contract date	17 June 2020	22 June 2020
Due date	17 December 2024	16 December 2024
Mark to market amount at June 30, 2022	4,914	4,828

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, 2022	9,979	15,536

Note that the company does not apply hedge accounting and the changes in fair value of the aforementioned derivatives are charged to the income statement.

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

At 31 December 2024, financial liabilities for rights of use, calculated by discounting the value of lease fees due, amounted to € 6,938 million, of which € 5,557 million classified among non-current liabilities and € 1,381 million classified among current liabilities.

The change with respect to 31 December 2023 is connected to the net effect of the payment of instalments coming due during the year and the increase in financial liabilities associated with rights of use relative to the renewal of certain property leases for the structures in which the Parent Company carries out its operations.

Non-current liabilities include financial liabilities with maturity dates exceeding five years for € 1,494 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.

16. Provisions for personnel and similar

The item includes the liability accrued in relation to the Provision for Severance Indemnities for the Italian companies (€ 305 thousand) as well as the liability accrued with reference to the Directors’ Severance Pay (€ 555 thousand). The decrease in the item with respect to 31 December 2023 is mainly due to the full reimbursement of the employee benefits fund for the subsidiary Eminence Speakers LLC.

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.
The current value of liabilities for Severance Indemnities is € 305 thousand.
This fund is entered net of any paid advances and of liquidations delivered upon resignation occurred during the year in review; during the year it changed as follows:

Provision for severance indemnities	31-Dec-23	Provision (interest & service cost)	(Use)	Actuarial gain/(loss)	31-Dec-24
Provision for severance indemnities	313,623	21,829	(38,931)	8,178	304,699
Total provision for severance indemnities	**313,623**	**21,829**	**(38,931)**	**8,178**	**304,699**

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

Technical parameters	31-Dec-24
Technical annual discounting rate	3.38%
Annual inflation rate	2.00%
Tasso annuo incremento TFR	3.00%

With regard to the evaluation of the discount rate, in line with the previous year, the reference used was the IBoxx Eurozone Corporate AA index of December 2024 with a duration from 7 to 10 years for Parent Company staff and over 10 years for the Reggio subsidiary (in line with the average duration of the evaluated group).

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 31-dec-2024
Turnover rate +1%	305,538
Turnover rate -1%	303,951
Inflation rate + 0,25%	308,490
Inflation rate - 0,25%	301,242
Discount rate + 25%	299,687
Discount rate - 25%	310,136

Estimated future payments

Year	Amount
1	38,674
2	32,689
3	32,532
4	32,189
5	31,692

Service Cost and Duration	
Service Cost	0.00
Duration	7.56

Finally, for the purpose of reporting on severance indemnity for directors, a provision was made for each Director for the amount accrued during the period according to the existing agreement; the value of the provision is equal to the value of the corresponding policies entered as assets and described in Note 7.
This provision has changed as follows during the year:

TFM	31-dic-23	Accantonamenti	(Utilizzi)	31-dic-24
Trattamento di fine mandato	511,013	43,833	0	554,846
Totale TFM	**511,013**	**43,833**	**0**	**554,846**

The change with respect to 31 December 2022 is due to the amount accruing during the year.

17. Provisions for risks and charges

The item, equal to € 44 thousand at 31 December 2024 (€ 43 thousand at 31 December 2023), contains the fund to cope with the risk of warranty support for products marketed by the Group.

18. Short-term borrowings and net financial position

As at 31 December 2024, short-term financial debt is as follows:

Short term borrowings	31-Dec-24	31-Dec-23	Change	Change %
Loan 0IC1021541583	700,268	559,824	140,444	25%
Loan BNL 6177935	714,286	0	714,286	
Loan Banca Intesa garantito	360,135	717,267	(357,132)	-50%
Loan BNL garantito	357,143	714,286	(357,143)	-50%
Loan Intesa 0IC1011858979	357,850	714,992	(357,142)	-50%
Loan Intesa 0IR1017977389	0	1,056,047	(1,056,047)	-100%
Loan BNL flussi	0	1,000,000	(1,000,000)	-100%
Loan Intesa 0IC1076967680	573,060	570,883	2,177	0%
Loan BNL 6169054	833,333	833,333	0	0%
Loan BNL flussi	0	1,000,000	(1,000,000)	-100%
Loan BNL 6173021	92,332	92,333	(1)	
Loan Simest - 18 Sound	167			
Loan Simest - PP33867	120,000	120,000	0	
Loan Simest - FM46888	19,642	19,642	()	
Loan Simest - FM47037	6,325	6,325	0	
Loan Simest - EC50949	33,683	33,683	()	
Short-term borrowings	**4,168,224**	**7,438,616**	**(3,270,392)**	**-44%**
Bank overdrafts	**2,594,732**	**2,708,450**	**(113,718)**	**-4%**
Total	**6,762,957**	**10,147,066**	**(3,384,109)**	**-33%**

For details on the conditions of outstanding loans, one should refer to Note 14.

As required by CONSOB Communication of 28 July 2006 and in accordance with the CESR recommendation of 10 February 2005 "Recommendations for the standardised implementation of the regulation of the European Commission on financial statements" updated on the basis of the 2021 ESMA guidelines, the net financial position of the Group at 31 December 2024 is detailed below:

(values in Euro thousands)	31 december 2024 (a)	31 december 2023 (a)	Change
A. Cash	9,314	14,613	-36%
C. Other current financial assets	7,283	6,979	4%
D. Cash and cash equivalent (A+C)	**16,597**	**21,592**	**-23%**
E. Current financial indebtness	(2,595)	(2,708)	
F. Current portion of non current borrowings	(5,549)	(8,855)	-37%
G. Current borrowingse (E+F)	**(8,144)**	**(11,563)**	**-30%**
H. Current net financial indebtness (G+D)	**8,453**	**10,028**	**-16%**
I. Non current financial indebtness	(9,377)	(10,681)	-12%
L. Non current financial indebtness	**(9,377)**	**(10,681)**	**-12%**
M. Total financial indebteness (H+L)	**(924)**	**(653)**	**42%**

(a) Information taken and/or calculated from the financial statements prepared in compliance with IFRS 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.

Below is a statement of reconciliation between the cash and cash equivalents at end of the period highlighted in the consolidated cash flow statement and the net financial position shown above.

	31-Dec-24	31-Dec-23
Cash and cash equivalents at end of the period	**6,719**	**11,904**
Current portion of non current borrowings	(4,168)	(7,439)
Non current borrowings	(3,820)	(5,452)
Securities held for trading	(1,381)	(1,416)
Other financial current borrowings	(5,557)	(5,229)
Other financial non current borrowings	7,283	6,979
Total net financial position	**(924)**	**(653)**

For a better understanding of the dynamics underlying changes in the Net Financial Position, one should refer to the consolidated statement of cash flow.

19. Trade payables

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

Trade payables	**31-Dec-24**	**31-Dec-23**	**Change**	**% Change**
Trade payables	9,981,831	10,823,737	(841,906)	-8%
Total trade payables	**9,981,831**	**10,823,737**	**(841,906)**	**-8%**

The decrease in trade payables is due to lower volumes of purchases made, in particular in the last quarter of the year, as the level of inventories was already appropriate to the level of consumption expected.

20. Current tax liabilities

At 31 December 2024, this item came to € 104 thousand (€ 1,011 thousand at 31 December 2023) and includes current tax liabilities net of advances paid by the Chinese subsidiary and Eighteen Sound S.r.l.

21. Other current liabilities

The item is made up of:

Other current liabilities	31-Dec-24	31-Dec-23	Change	% Change
Due to social security funds	688,904	517,414	171,490	33%
Unused vacation time and holidays	966,812	955,867	10,945	1%
Due to personnel	642,219	801,861	(159,643)	-20%
Other fiscal liabilities	361,528	280,026	81,502	29%
Other liabilities	898,936	922,615	(23,679)	-3%
Total other current liabilities	**3,558,399**	**3,477,783**	**80,615**	2%

"Amounts due to social security entities" includes the amounts owed to welfare institutions, mainly consisting of amounts owed to INPS.
"Unused vacation time and holidays" includes the deferred costs for holidays remaining on 31 December 2023.
"Amounts due to personnel" refers to payables for salaries and wages still to be paid on the reporting date.

22. Commitments, guarantees and pending disputes

As at 31 December 2024, as also at 31 December 2023, there are no records of any guarantees given to third parties.
With regard to disputes, there are proceedings pending with a former director of one of the Group's subsidiaries. The dispute is in the appeal stage. At the reporting date of these financial statements, the assessment undertaken with the assistance of external lawyers appointed by the Group deemed the risk of losing the dispute as possible.

7.4 Analysis of the breakdown of the main items of the consolidated income statement for 2024

23. Revenue

Group revenues reached € 100.3 million, up by 6.8% with respect to the figure in 2023. Part of this increase (€ 13 million) was achieved by the new subsidiaries Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd. which for the first time were able to contribute to economic results for the entire year.

Geographical Area	2024	%	2023	%	Change	% Change
Latin America	8,158,911	8%	8,116,000	9%	42,911	1%

Europe	48,425,584	48%	43,720,047	47%	4,705,537	11%
Italy	6,368,235	6%	6,054,252	6%	313,983	5%
North America	20,753,771	21%	18,312,350	19%	2,441,421	13%
Middle East & Africa	782,069	1%	1,362,702	1%	(580,633)	-43%
Asia & Pacific	15,880,300	16%	16,452,978	17%	(572,678)	-3%
Total revenues	**100,368,870**	**100%**	**94,018,328**	**100%**	**6,350,542**	**7%**

The increase in turnover was mainly concentrated on the European and North American markets, while the Asian area suffered from the impact of the decline in Chinese demand.

The item can only be broken down in reference to the geographical area for the sales, as the market segment of the Group is identified exclusively in the manufacture and sale of “top quality professional loudspeakers”.

In 2024 two customers generated turnover exceeding 10% of the total:

1st customer – 29%
2nd customer – 16%
3rd customer – 4%

All revenues are associated with obligations of action carried out a given time.

For a more detailed analysis of period revenue trends, one should refer to the relevant section within the Report on Operations.

24. Cost of sales

The item is made up of:

Cost of sales	2023	2022	Change	% Change
Purchases of raw materials and finished products	(14,852,193)	(9,540,479)	(5,311,714)	56%
Purchases of WIP	(22,591,452)	(25,301,554)	2,710,102	-11%
External manufacturing costs	(5,588,276)	(5,737,213)	148,937	-3%
Accessories and consumables costs	(2,265,225)	(2,294,402)	29,177	-1%
Packaging costs	(839,865)	(1,008,238)	168,373	-17%
Other purchasing costs	(48,185)	(62,501)	14,316	-23%
Change in WIP inventories	695,990	173,307	522,683	302%
Change in finished products inventories	(2,115,670)	(251,329)	(1,864,341)	742%
Change in raw materials and consumables inventories	1,806,209	(1,719,157)	3,525,366	-205%
Totale purchases and external manufactring costs	**(45,798,667)**	**(45,741,566)**	**(57,101)**	**0%**
Salaries	(8,213,572)	(5,576,218)	(2,637,354)	47%
Social security charges	(1,875,932)	(1,502,748)	(373,184)	25%
Severance for indemnities	(446,684)	(352,856)	(93,828)	27%
Other personnel costs	(2,574,984)	(3,146,810)	571,826	-18%
Total direct labour	**(13,111,172)**	**(10,578,633)**	**(2,532,539)**	**24%**
Freight and forwarding	(3,418,980)	(2,235,433)	(1,183,547)	53%
Royalties	(594,646)	(427,168)	(167,478)	39%
Other costs	(371,527)	(304,104)	(67,423)	22%

Total direct costs	**(4,385,153)**	**(2,966,705)**	**(1,418,447)**	**48%**
Total COGS	**(63,294,992)**	**(59,286,904)**	**(4,008,087)**	**7%**

The percentage impact of cost of sales at year-end 2024 was in line with 2023. This trend is due to: (i) a recovery of margins on the variable part of the cost of sales, due to normalisation of raw materials costs, which allowed an improvement of 2.9 margin points compared to the first half of the previous year, (ii) a drop of 1.8 percentage points as a result of the increased cost of personnel following the integration of the two new subsidiaries, and (iii) an increase in the impact of customs duties and transport costs, which led to a loss of margin of about 1.1 percentage points.

The generalised increase seen in almost all of the above cost categories should be seen in relation to the effects of the consolidation of the two recently acquired subsidiaries which, for the first time, contributed to the economic results for the entirety of financial year 2024.

External manufacturing costs refers to manufacturing services provided by Corporate suppliers on certain process steps, i.e. turning and coating, which are not carried out in-house.
One should note that purchases of raw materials are mainly materials of ferrous origin used in the production process and the cost of which can be influenced by trends in the cost of the raw materials; purchases of semi-finished products are instead related to processing components that are directly installed in the product being processed. Purchases of other goods relate to purchases of office machinery, small equipment for production and the warehouse and to the purchase of samples and equipment intended for the Sound Architecture division.

25. Other revenues and income

The item other revenues amounted to € 313 thousand in 2024 (€ 501 thousand in 2023).

In the amount of € 66 thousand, the item refers to grants received to finance an instrumental sensor project for the production plants. This also included the contributions from GSE S.p.A. (Energy Services Manager) for € 44 thousand in relation to the use of photovoltaic panels, contributions received from Fondimpresa and Fondirigenti for personnel training for € 5 thousand, grants for the digital transition for € 16 thousand, grants for the SUSMAGPRO project to create a circular economy for magnets containing rare earth minerals for € 35 thousand, as well as contingent assets in minor amounts.
The remainder refers to intercompany re-invoicing for € 303 thousand and recovery of expenses.

26. Indirect Personnel

The item is made up of:

Cost of indirect labour	**2024**	**2023**	**Change**	**% Change**
Retribution	(5,391,492)	(4,296,782)	(1,094,710)	25%
Social charges	(890,300)	(821,415)	(68,886)	8%
Severance indemnity	(198,636)	(186,797)	(11,839)	6%
Total cost of indirect labour	**(6,480,428)**	**(5,304,994)**	**(1,175,434)**	**22%**

The increase in the costs for indirect personnel compared to 2023 should be seen in relation to the combined effects of the consolidation of the recently acquired subsidiaries which, for the first time, contributed to the economic results for the entirety of 2024, and the insertion of certain new professional positions, in particular in the commercial sector.

27. Commercial expenses

The item is made up of:

Commercial expenses	2024	2023	Change	% Change
Commercial consulting services	(384,071)	(299,495)	(84,576)	28%
Advertising	(247,103)	(237,224)	(9,880)	4%
Travelling expenses	(431,126)	(418,604)	(12,522)	3%
Other	(194,500)	(55,310)	(139,190)	252%
Totale spese commerciali	**(1,256,800)**	**(1,010,633)**	**(246,167)**	**24%**

Commercial expenses saw no significant changes with respect to 2023.

28. Administrative and General expenses

The item is made up of:

General and administrative expenses	2024	2023	Change	Change %
Manteinance & utilities	(2,162,473)	(1,752,955)	(409,519)	23%
Professional services	(1,878,011)	(2,186,962)	308,951	-14%
Corporate bodies fees	(766,327)	(837,067)	70,740	-8%
Other suplies	(316,242)	(231,260)	(84,983)	37%
Insurance	(619,049)	(245,717)	(373,332)	152%
Taxes	(174,947)	(160,825)	(14,122)	9%
Canteen	(99,103)	(57,808)	(41,295)	71%
Stock Exchange expenses	(341,806)	(236,334)	(105,472)	45%
Executive retirement indemnities	(43,833)	(42,648)	(1,185)	3%
Rental fees	(565,623)	(428,600)	(137,023)	32%
Other	(903,844)	(935,496)	31,652	-3%
Total general and administrative expenses	**(7,871,258)**	**(7,115,671)**	**(755,588)**	**11%**

Maintenance and utilities costs refer mainly to software assistance for about € 597 thousand, to costs for utilities for € 740 thousand, to maintenance of capital assets and properties for € 418 thousand and to cleaning services for € 230 thousand.

The item "Professional services" includes technical, administrative and legal consulting services received in 2024. The decrease in the item is in good part due to the lack of the external consulting costs associated with the business combination finalised in 2023. The increase in the other items should be seen in relation to the effects of the consolidation of the two recently acquired subsidiaries which, for the first time, contributed to the economic results for the entirety of financial year 2024.
Stock exchange expenses include management costs related to Borsa Italiana S.p.A. and CONSOB.

29. Amortisation, depreciation and writebacks on trade and other receivables

The item is made up of:

Amortization, depreciation, provisions and writedowns	2024	2023	Change	% Change
Amortization of intangibles assets	(181,340)	(151,179)	(30,161)	20%
Depreciation of tangible assets	(996,850)	(806,973)	(189,876)	24%
Depreciation of right of use	(1,526,013)	(1,218,019)	(307,994)	25%
Total amortizations and depreciations	**(2,704,202)**	**(2,176,171)**	**(528,031)**	**24%**
Total provisions and writedowns	**(27,362)**	**(93,599)**	**66,237**	**-71%**

The depreciation of property, plant and equipment and amortisation of intangible assets and rights of use were essentially in line with the corresponding six-month period the previous year.

The item referring to writedowns refers to the provisioning to reflect the risk of non-payment of certain receivables primarily in Italy.

30. Financial income and expenses

Financial expense amounted to € 1,461 thousand (€ 1,675 thousand in 2023) consisting of € 452 thousand for exchange losses realised (€ 587 thousand in 2023), € 144 thousand for presumed exchange losses (€ 182 thousand in 2023), € 490 thousand for interest on loans and current account overdrafts (€ 607 thousand in 2023), € 217 thousand for interest calculated on financial liabilities related to IFRS16 lease accounting (€ 107 thousand in 2023), € 128 thousand due to the change in fair value of IRS contract (€ 107 thousand in 2023) and other minor expenses for the remainder.

Financial income amounted to € 1,580 thousand (€ 1,189 thousand in 2022) consisting of € 572 thousand for exchange gains realised (€ 444 thousand in 2022), € 341 thousand for presumed exchange gains at the end of the year (€ 96 thousand in 2023), € 504 thousand for presumed profit from fair value measurement of securities held for liquidity purposes (a loss of € 385 thousand in 2023) and other minor amounts for the remainder.

31. Taxes

The item is made up of:

Current and deferred taxes	2024	2023	Change	% Change
IRES	(3,559,882)	(4,510,366)	950,484	-21%
IRAP	(703,558)	(904,569)	201,011	-22%
Taxes on foreign associates	(290,609)	(110,618)	(179,991)	163%
Totale current taxes	**(4,554,048)**	**(5,525,552)**	**1,151,495**	**-21%**
Sanification fiscal benefit	**207,174**	**308,330**	**(101,156)**	**-33%**
Previous year taxes	**2,953,890**	**-**	**2,953,890.00**	**0%**
Deferred tax expenses/(income)	23,993	164,486	(140,493)	-85%
Total income taxes	**(1,368,991)**	**(5,052,736)**	**3,683,745**	**-73%**

Current taxes include the tax expense that originated during the year in application.
The item "taxes from previous years (Patent Box) refers to the effects of the tax benefits relative to years 2020 - 2023, following the renewal of the Patent Box ruling request filed with the Revenues Agency, which occurred during the half in question with reference to tax period 2020 and the following four tax periods. Note that the Patent Box benefit for FY 2024 is equal to € 1,254 thousand, recognised under the item for current taxes. The overall effect on the income statement for the year was, therefore, equal to € 4,207 thousand. The tax burden for the period, net of the above effect, was € 5,577 thousand, representing 29.1% of before-tax profit (26.5% in 2023).

The Item "deferred/prepaid tax" mainly includes the effect the consolidated entries relating to the cancellation of the internal inventory margin.

The reconciliation between the tax expense entered in the financial statements and the theoretical tax expense determined on the basis of the theoretical tax rates applicable is shown in the following table:

Euro thousand	31-Dec-24	31-Dec-23
EBT	**19,166**	**19,047**
Tax rate	*24.0%*	*24.0%*
Theorical tax expenses	**4,600**	**4,571**
Variations		
- IRAP deductions	(118)	(283)
Other Variations (net)	(384)	(144)
Taxable income	**18,664**	**18,619**
Tax expenses	4,479	4,469
IRAP	704	905
Prior years tax expenses	(4,030)	0
Sanification fiscal benefits and R&D	(207)	(308)
Deferred tax	(24)	(164)
Difference between foreign fiscal rate and Italian fiscal rate	447	152
Total tax expenses	**1,369**	**5,052**

Prepaid tax assets were recognised by critically measuring the existence of conditions for the future recoverability of these assets based on the updated strategic plans.

32. Transactions deriving from non-recurring operations

Pursuant to CONSOB Communication of 28 July 2006, one should note that in 2024 the Group did not incur costs in connection with non-recurrent operations.

33. Transactions deriving from atypical and/or unusual operations

Pursuant to CONSOB Communication of 28 July 2006, note that in 2024 the Group did not sustain costs in any atypical and/or unusual transactions, as defined in the Communication.

34. Information on financial risks

The Company's business is exposed to 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 hence is exposed to exchange risks originating in the trends of exchange rates for foreign currencies, mainly the US and Canadian dollars. Due to this exchange risk which manifests in future transactions, the Group does not carry out specific hedging activities other than attempting to balance sales and purchasing flows over the long term, above all those made in dollars.

In 2024, the Group continued to make significant purchases abroad, particularly in Asia; the value of purchases made in foreign currencies is summarised as follows:

- Purchases in US Dollars for 27.8 million with a corresponding value in euro (calculated according to the average exchange rate for the year) equal to € 25.7 million;
- Purchases in RMB equal to 26.7 million whose corresponding value in euros (calculated according to the average exchange rate for the year) is equal to Euro 3.4 million;
- Purchases in CAD Dollars for 0.5 million with a corresponding value in euro (calculated according to the average exchange rate for the year) equal to € 0.3 million;

In 2024, the Group instead generated turnover from customers in foreign currency; in particular, in the item "Revenue", those in foreign currencies are summarised below:

- Sales in USD for 35.8 million with a corresponding value in euro (calculated according to the average exchange rate for the year) equal to € 33,1 million;
- Sales in RMB equal to 45.2 million whose corresponding value in Euros (calculated according to the average exchange rate for the year) is equal to Euro 5.8 million;
- Sales in BRL for 6.7 million with a corresponding value in euro (calculated according to the average exchange rate for the year) equal to € 1.2 million;

These figures show that purchases in foreign currency account for approximately 39% of total purchases (28% in 2023), while sales in foreign currency account for 40% of the Group's turnover (26% in 2023).
The coverage level (expressed as the ratio between purchases in foreign currency and sales in foreign currency) was equal to around 129% during 2024 (113% in 2023). Hence, it can be stated that the Group has achieved a good hedging level with respect to its transactions in foreign currency.
Considering that which is set out above, an increase/decrease of 3% in the euro would generate potential gains of Euro 227 thousand and losses of € 214 thousand, respectively.

On the Balance sheet, the equivalent in euros of trade receivables entered in US dollars on 31 December 2024 amounted to Euro 8.7 million (the total value on 31 December 2023 was Euro 6.3 million), while the equivalent value of trade payables in US dollars on 31 December 2024 amounted to Euro 2.8 million (the total value on 31 December 2023 amounted to Euro 3.6 million). The value in Euros of trade receivables in RMB amounted to € 0.5 million at 31 December 2024 (the total value at 31 December 2023 was negligible), while the value of trade payables in RMB in Euros at 31 December 2024 was € 2.1 million (the total value at 31 December 2023 was also negligible). The value in Euros of trade receivables in Real was € 0.7 million at 31 December 2024 (the total value at 31 December 2023 was negligible), while the value in Euros of trade payables in Real at 31 December 2024 was € 0.9 million (the total value at 31 December 2023 was negligible). Trade Receivables and Payables in other currencies are negligible.
Considering that which is set out above, an increase/decrease of 3% in the euro would generate potential gains of Euro 182 thousand and losses of € 171 thousand, respectively.

We must stress that the Group provided its suppliers with a constant and significant cash flow to pay for supplies, the consequence of which was the limited currency exposure at the end of the period.
Based on the above data, the impact of tax receivables in currency reaches approximately 49% of the overall trade value, while the impact of trade payables in currency accounts for 51% of the total value of corporate debt.

The balance sheet assets in a currency other than the euro were adequate to the exact exchange rate on 31 December 2024, with the associated costs and profits entered in the income statement.

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 financial statements. This cannot be excluded however in the future.

Interest rate risk

The Group has no outstanding financial assets or liabilities capable of significantly affecting its profitability. Despite the Group not being significantly affected by changes in interest rates, 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) agreements. For additional information, reference is made to Note 14.

Liquidity risk

At 31 December 2024, the Group had a negative Net Financial Position of € 0.9 million (€ 0.6 million at 31 December 2023). This is the result of a current positive NFP of about € 8.4 million (€ 10 million at 31 December 2023) and non-current net financial debt of € 9.3 million (€ 10.7 million at 31 December 2023). For the characteristics of the loans in question, reference should be made to Note 14.
The Group believes that its short and medium-term credit lines and current cash and cash equivalents, 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 31 December 2022, 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	7,283,091	-	-
Interest Rate Swap	-	35,257	
Total	**7,283,091**	**35,257**	-

Financial liabilities			
Interest Rate Swap	-	-	-
Total	-	-	-

One should note that, with respect to 31 December 2023, 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. Management and control

The issuer and its subsidiaries are, pursuant to Art. 2497 *et seq*. of the Italian Civil Code, under the management and control of the parent company ***Research & Development International S.r.l.***, with registered offices in Florence, at Viale dei Mille 60, tax code 02342270481, Share Capital € 90,000.
The parent company Research & Development International S.r.l. owns 52.73% of the shares of B&C Speakers S.p.A., equal to 5,800,529 shares.
The table below provides highlights from Research & Development International S.r.l.'s most recent set of approved financial statements (31 December 2023 compared to the approved financial statements at 31 December 2022):

Highlights R&D International S.r.l. (€ Thousand)	**31 december 2023**	**31 december 2022**
Total assets	26,348	23,803
Equity	20,052	16,536
Net income	5,381	1,111

For a proper and complete understanding of the financial and equity position of Research and Development International S.r.l. at 31 December 2022, as well as the profit or loss achieved by the company in the year ended on that date, one should refer to the reading of the financial statements which, accompanied by the independent auditors' report, is available in the form and in the manner provided by law.

More information about relations with the parent company is given in the next paragraph.

37. Transactions with related parties, parent companies and subsidiaries of the latter

The following table summarises related party transactions in 2024, as well as providing information on the relations with them, including what is required by CONSOB Communication of 28 July 2006.
Note in particular the transactions implemented with the parent company ***Research & Development International S.r.l.***

Economic transactions

Financial expenses	Total balance	Research & Development Intl. Srl	Total related parties	Incidence
2024	(1,461,116)	(64,755)	(64,755)	4%
2023	(1,674,546)	(80,297)	(80,297)	5%

The financial expenses incurred in respect of Research & Development International S.r.l. relate to the interest expense accrued on financial liabilities for rights of use, following the adoption of IFRS 16.

Equity transactions

Other non current receivables	Total balance	Research & Development Intl. Srl	Total related parties	Incidence
31 December 2024	622,199	6,700	6,700	1%
31 December 2023	579,561	6,700	6,700	1%

Trade payables	Total balance	Research & Development Intl. Srl	Total related parties	Incidence
31 December 2024	(9,981,831)	(100,134)	(100,134)	1%
31 December 2023	(10,823,737)	(88,737)	(88,737)	1%

Long-term lease liabilities	Total balance	Research & Development Intl. Srl	Total related parties	Incidence
31 December 2024	(5,557,150)	(2,140,714)	(2,140,714)	39%
31 December 2023	(5,228,386)	(2,452,012)	(2,452,012)	47%

Short-term lease liabilities	Total balance	Research & Development Intl. Srl	Total related parties	Incidence
31 December 2024	(1,380,620)	(871,159)	(871,159)	63%
31 December 2023	(1,416,216)	(921,670)	(921,670)	65%

The creditor position relative to Research & Development International S.r.l. existing at 31 December 2024, is related to the credit for an IRAP rebate which arose in 2012 following the rebate application made by the Company for the financial years in which the Group companies availed themselves of tax consolidation.
The debit positions in relation to Research & Development International S.r.l. at 31 December 2024 relate to the financial liabilities arising from the recognition of rental contracts based on IFRS 16.

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

38. Disclosure regarding public subsidies, contributions and other economic advantages received (pursuant to Italian Law 124/2017, Article 1.125).

Pursuant to the above law, during 2024 the Group received:

- Contributions from GSE S.p.A. (Energy services manager) for € 44 thousand in relation to the use of photovoltaic panels.
- Contributions for a production sensor project for € 35 thousand.
- Contributions for the digital transition for € 15 thousand.
- Tax credit for research and development activities for € 80 thousand.
- Tax credit for training 4.0 for € 41 thousand.
- Tax credit for instrumental assets for € 54 thousand.
- Contributions received for personnel training for € 15 thousand.

39. Events subsequent to the closure of FY 2024

It is noted that after 31 December 2024 and up until the date when these financial statements were approved, no events occurred that could have significant consequences for the financial and economic results represented.

40. Publication authorisation

The Board of Directors of B&C Speakers S.p.A. approved this document on 19 March 2025 and it was published on 31 March 2025 after receiving authorisation from the Chief Executive Officer.

8 Further information

8.1 Report of equity investments as required by CONSOB (Communication no. DEM/6064293 of 28 July 2006)

Denominazione e sede sociale	Currency	Equity	Result	Equity	% ownership	Value (in euro thousands)
Eighteen Sound S.r.l. (Reggio Emilia, Italia)*						
31 december 2023	Euro thousands	5,630	2,367	10,531	100%	6,583
31 december 2024	Euro thousands	5,630	2,334	12,866	100%	6,583
B&C Speakers NA L.L.C. (Pompton Plains NJ, USA) *						
31 december 2023	USD thousands	30	112	1,999	100%	1,450
31 december 2024	USD thousands	30 -	172	1,752	100%	1,450
B&C Speakers Brasil LTDA (Porto Alegre, Brasile)*						
31 december 2023	Real thousands	1,721	659	2,786	100%	117
31 december 2024	Real thousands	1,721	46	2,832	100%	117
Emnence Speakers NA LLC (Lousville KY, USA) *						
31 december 2023	USD thousands	96	(354)	2,358	100%	2,438
31 december 2024	USD thousands	96	(683)	1,675	100%	2,438
B&C China Electronics (Cina) *						
31 december 2023	Remimbi thousands	9,183	152	9,335	100%	1,190,000
31 december 2024	Remimbi thousands	14,692	3,533	18,377	100%	1,900,000

* All the Companies are directly held by the Parent Company.

8.2 Fees paid to Directors, Auditors, General Managers and Executives with strategic responsibilities (thousands of euro) (Art 78, CONSOB Reg. no. 11971/99).

Amounts are expressed in thousands of Euro.

Name	2024 nomination	Period in charge	Expiry date*	Remuneration**	Non monetary benefits	Bonus and other	Other remuneration	Total
Lorenzo Coppini	Director	01/01/2024-31/12/2024	2026	219	-	24	-	243
Alessandro Pancani	Director	01/01/2024-31/12/2024	2026	225	-	25	-	250
Francesco Spapperi	Director	01/01/2024-31/12/2024	2026	20	-	13	-	33
Valerie Sun	Independent Director	01/01/2024-31/12/2024	2026	29	-	-	-	29
Roberta Pecci	Chairman	01/01/2024-31/12/2024	2026	20	-	-	-	20
Raffaele Cappiello	Independent Director	01/01/2024-31/12/2024	2026	19	-	-	-	19
Marta Bavasso	Independent Director	29/04/2024-31/12/2024	2026	23	-	-	-	23
Riccardo Foglia Taverna	Chairman of Board of Auditors	01/01/2024-31/12/2024	2026	21	-	-	-	21
Giovanni Mongelli	Regular Auditor	01/01/2024-31/12/2024	2026	12	-	-	-	12
Sara Nuzzaci	Regular Auditor	01/01/2024-31/12/2024	2026	12	-	-	-	12

* Year in which the shareholders' meeting is held to approve the financial statements at which time the office expires.

** € thousands

8.3 Information in accordance with Art. 149-*duodecies* of the CONSOB Issuers' Regulations.

The statement below, prepared in accordance with Art. 149-duodecies of the CONSOB Issuers' Regulation, highlights the fees of FY 2024 for auditing services and for services other than auditing provided by the same independent auditing firm.

Service	Company	Client	Notes	Fees 2024
Statutory audit	PricewhaterhouseCoopers S.p.A.	Parent Cp. - B&C Speakers S.p.A.	A	125,108
		Associated companies	B	12,822
Servizi di attestazione	PricewhaterhouseCoopers S.p.A.	Parent Cp. - B&C Speakers S.p.A.	C	30,000
		Associated companies	D	5,000
Other Services	PricewhaterhouseCoopers S.p.A.	Parent Cp. - B&C Speakers S.p.A.		40,000
		Associated companies		-
Total				**212,930**

A: Fees for the Statutory Audit of the consolidated financial statements and the separate financial statements of B&C Speakers SpA, for the limited auditing of the condensed consolidated financial interim report of the Group and the periodic checks.

B: Fees for the auditing of the accounts for Eighteen Sound Srl and for periodic audits.

C: Fees for limited auditing of the B&C Speakers SpA Sustainability Report, auditing of the research and development credit schedule and auditing of training cost schedules.

D: Fees for the auditing of the accounts for the research and development credit schedule.

9 Certification of the consolidated financial statements pursuant to Art. 154-*bis* of Italian Legislative Decree 58/98

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

   – that the financial statements reflect the business and structure and

   – that the administrative and accounting procedures for the formation of consolidated financial statements for year 2024 have been effectively applied.

2. The undersigned also certify that:

   2.1. the consolidated financial statements:

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

   b) correspond to the information in the accounting ledgers;

   c) provide a true and accurate representation of the issuer's economic, financial and equity position and that of the group of businesses included in the consolidation.

   2.2. The Report on Operations includes a reliable analysis of performance and management results as well as the position of the Issuer and consolidated companies together with descriptions of the main risks and uncertainties to which they are exposed.

Bagno a Ripoli (FI), 19 March 2025

Lorenzo Coppini   Francesco Spapperi

10 Report of the Independent Auditors to the Consolidated Financial Statements of the B&C Speakers Group at 31 December 2024

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Shareholders of
B&C Speakers SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the B&C Speakers Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of B&C Speakers SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali – Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Goodwill *Paragraph 7.2, note 3 "Goodwill" to the consolidated financial statements as of 31 December 2024* Goodwill was recognised in the consolidated financial statements as of 31 December 2024, amounting to Euro 2,318 thousand, equal to 2.7% of the Group assets. Such item is referable for Euro 1,394 thousand to the "B&C USA" cash generating unit and for Euro 924 thousand to the "Eighteen Sound" cash generating unit. Evaluating the recoverability of goodwill in accordance with "*IAS 36 - Impairment of Assets*", required management to make estimates to determine the value in use, with particular reference to the methods for the determination of the expected future cash flows, the calculation of the discount rate and of the steady growth rate of financial flows beyond the time period of the B&C USA and Eighteen Sound Business Plans. Within our audit process, we paid special attention to the evaluation process of goodwill performed by management, considering the significance of such item and the estimates implied in the evaluation performed by the directors. In this regard, the directors deemed it proper to also perform sensitivity analyses, which consider lower profitability levels compared to those identified in the Plans approved by the directors of the parent company.	We understood and assessed the procedures adopted by management in order to verify whether these procedures complied with "*IAS 36 - Impairment of Assets*", verifying the reasonableness of the assumptions used by the directors for the determination of the value in use, including the assumptions used to estimate the cash flows expected for the relevant time period and resulting from the 2025-2029 B&C USA and Eighteen Sound Business Plans. We also controlled the mathematical accuracy of the calculations made by management. We analysed the calculation methods of the discount rate and of the steady growth rate of financial flows beyond the time period of the B&C USA and Eighteen Sound Business Plans approved by the directors of the parent company on 7 February 2025, and the impairment tests carried out by management and approved by the directors of the parent company on 4 March 2025. Moreover, we analysed the alternative scenarios prepared by the directors (sensitivity analysis). Finally, we conducted our own sensitivity analyses as regards the key assumptions adopted by the directors in verifying the existence of an impairment loss of goodwill. We carried out such activities with the support of PwC network experts on valuation. Our audit included the analysis of the notes to the consolidated financial statements in order to evaluate the accuracy and completeness of the disclosures therein.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International

Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate B&C Speakers SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

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required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 24 April 2015, the shareholders of B&C Speakers SpA n general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of B&C Speakers SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements as of 31 December 2024 have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Due to certain technical limitations, some information included in the explanatory notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of B&C Speakers SpA are responsible for preparing a report on operations and a report on corporate governance and ownership structure of the B&C Speakers Group as of 31 December 2024, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the consolidated financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the consolidated financial statements of the B&C Speakers Group as of 31 December 2024.

Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Florence, 28 March 2025

PricewaterhouseCoopers SpA

Signed by

Federico Bitossi
(Partner)

This independent auditor's 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. We have not examined the translation of the financial statements referred to in this report.

Financial statements and explanatory not of the Parent Compa

As of 31 December 20

11 Financial statements of the Parent Company B&C Speakers S.p.A. at 31 December 2024

11.1 STATEMENT OF FINANCIAL POSITION AT 31 December 2024

(Values in Euro)		*Notes*	31 December 2024	31 December 2023
ASSETS				
Non current assets				
Tangible assets		*1*	2,543,233	1,677,634
Right of use		*3*	2,891,456	3,247,357
Other intangible assets		*3*	483,830	296,297
Investments in controlled associates		*4*	12,487,011	11,777,011
Investments in non controlled associates		*5*	0	-
Deferred tax assets		*6*	61,759	173,101
Other non current assets		*7*	3,083,482	571,874
	related parties	*37*	*2,474,425*	*6,700*
Total non current assets			**21,550,771**	**17,743,274**
Currents assets				
Inventory		*8*	17,802,404	17,419,693
Trade receivables		*9*	17,335,466	15,293,367
	related parties	*37*	*5,333,238*	*3,411,583*
Tax assets		*10*	1,290,085	0
Other current assets		*11*	10,037,098	11,478,435
	related parties	*37*	*890,163*	1,680,695
Cash and cash equivalents		*12*	4,045,104	8,491,134
Total current assets			**50,510,157**	**52,682,629**
Total assets			**72,060,927**	**70,425,903**

(Valori in Euro)			31 December 2024	31 December 2023
Liabilities				
Equity				
Share capital		*13*	1,090,507	1,099,613
Other reserves		*13*	4,113,868	5,589,750
Ris.IAS FTA		*13*	11,764	11,764
Riserve di risultato		*13*	42,719,744	33,989,887
Total equity			**47,935,883**	**40,691,013**
Non current equity				
Long-term borrowings		*14*	3,761,302	5,337,027
Long-term lease liabilities		*15*	2,146,091	2,461,746.02
	related parties	*37*	*2,140,714*	*2,452,011.87*
Severance Indemnities		*16*	719,838	684,821
Provisions for risk and charges		*17*	21,928	21,928
Total non current liabilities			**6,649,159**	**8,505,522**
Current liabilities				
Short-term borrowings		*18*	6,670,457	9,054,732
Short-term lease liabilities		*15*	875,515	928,278.98
	related parties	*37*	*871,159*	*921,670.18*
Trade liabilities		*10*	7,791,663	8,318,435
	related parties	*37*	*218,561*	*209,566*
Tax liabilities		*20*	0	591,898.86
Other current liabilities		*21*	2,138,249	2,336,022
Total current liabilities			**17,475,884**	**21,229,367**
Total Liabilities			**72,060,927**	**70,425,903**

11.2 COMPREHENSIVE INCOME STATEMENT FOR FY 2024

(Values in Euro)

			2024	**2023**
Revenues		*23*	68,552,223	71,379,111
	related parties	*37*	*8,617,994*	7,899,867
Cost of sales		*24*	(42,671,654)	(45,318,058)
	related parties	*37*	*(327,122)*	(589,029)
Other revenues		*25*	527,445	337,059
	related parties	*37*	*303,682*	24,000
Cost of indirect labour		*26*	(2,677,114)	(2,736,296)
Commercial expenses		*27*	(854,448)	(754,366)
General and administrative expenses		*28*	(4,746,553)	(4,893,832)
Depreciation of tangible assets		*29*	(1,431,996)	(1,376,136)
Amortization of intangible assets		*29*	(102,446)	(108,170)
Writedowns		*29*	-	- 77,302.00
Earning before interest and taxes (Ebit)			**16,595,457**	**16,452,010**
Writedowns of investment in associates		*4*	0	-
Financial costs		*31*	(1,001,087)	(1,254,763)
	related parties	*37*	*(64,755)*	*(80,297)*
Financial income		*30*	1,210,198	1,029,688
	related parties	*37*	*69,955*	*19,000.00*
Earning before taxes (Ebt)			**16,804,568**	**16,226,935**
Income taxes		*31*	(392,158)	(4,344,447)
Profit for the year (A)			**16,412,411**	**11,882,488**
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:				
Actuarial gain/(losses) on DBO (net of tax)		*12*	(1,693)	(5,332)
Total other comprehensive income/(losses) for the year (B)			**(1,693)**	**(5,332)**
Total profit for the year (A) + (B)			**16,410,718**	**11,877,155**

11.3 STATEMENT OF CASH FLOW FOR FY 2024

Statement of cash flows	Full year 2024	2023	
A- Net current bank balances at the beginning of the period	**5,782,685**	**3,370,257**	
B- Cash flow from operating activities			
Profit/loss for the period (Including third parties Profit/loss)	16,410,718	11,877,155	
Income tax expense	392,158	4,344,447	
Amortization of intangibles assets	102,446	108,170	
Depreciation of tangible assets	1,431,996	1,376,136	
Sale of property, plant and equipment	0	0	
Writedowns of investment in associates	0	0	
Finance cost	1,001,087	1,254,763	
Interest income	(1,210,198)	(1,029,688)	
Net change in provisions for risk and charges and other provision relating to personell	43,833	42,648	
Change in provigion for leaving indemnities	(8,815)	(7,175)	
Investment in associates writedown	0	0	
(increase) decrease in current trade and other current receivables	(1,487,411)	4,584,796	**Note 1**
(increase) decrease in deferred tax assets and liabilities	111,342	(35,593)	
(increase) decrease in inventory	(382,711)	(55,667)	
Increase (decrease) in current trade and other payables	417,631	(3,935,208)	**Note 2**
Net cash from/(used in) operating activities	**16,822,076**	**18,524,786**	
Paid interest costs	(740,224)	(876,000)	
Collected interest income	606,411	554,000	
Taxes paid	(2,321,751)	(3,688,771)	
Total (B)	**14,366,512**	**14,514,014**	
C- Cash flow from investing activities			
(Investments) in non current tangible assets	(1,374,535)	(651,928)	
Proceeds for sale of non current tangible assets	0	0	
Net (investments) in non current intangible assets	(289,980)	(42,078)	
Net (investments) in investment in associates	(710,000)	(3,627,687)	
Net (investments) in non current securities	(2,511,608)	(42,648)	
(Investments) in current securities	0	(1,489,316)	
Proceeds from sale of current securities	200,000	3,101,520	
Total (C)	**(4,686,123)**	**(2,752,136)**	
D- Cash flow from financing activities			
(Outflow) from financial investment	(6,346,283)	(7,468,750)	
Inflow from financial investment	2,500,000	3,500,000	
(Outflow) from repayment of lease liabilities	(1,000,572)	(993,000)	**Note 3**
Purchase of treasury shares	(1,484,987)	2,115,037	
Dividend paid to shareholders	(7,680,861)	(6,502,737)	
Total (D)	**(14,012,703)**	**(9,349,450)**	
E- Cash flow for the period (B+C+D)	**(4,332,313)**	**2,412,428**	
F- Cash and cash equivalents at end of the period	**1,450,372**	**5,782,685**	

Note 1: the generation of liquidity determined by the change in trade receivables and other current receivables includes the absorption of liquidity due to transactions with the subsidiary B&C China Electronics for approximately € 1,684 thousand, the generation of liquidity due to transactions with the subsidiary B&C Usa NA LLC for approximately € 149 thousand, the absorption of liquidity due to the transaction with the subsidiary B&C Brasil LTDA for approximately € 385 thousand and the generation of liquidity due to transactions with the subsidiary Eighteen Sound S.r.l. for € 12 thousand.

Note 2: the absorption of liquidity determined by the change in amounts due to suppliers and others includes liquidity generated through transactions with the parent company R&D International S.r.l. for about € 11 thousand, absorption of liquidity due to transactions with the subsidiary Eighteen Sound S.r.l. for € 46 thousand and liquidity generated through transactions with the subsidiary Eminence Speakers LLC for around € 44 thousand.

Note 3: the absorption of liquidity determined by the repayment of rights of use liabilities includes absorption of liquidity attributable to transactions with the parent R&D International S.r.l. for € 361 thousand.

11.4 STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY B&C SPEAKERS S.p.A.

	Share Capital	Legal Reserve	Share premium reserve	Extraordinary reserve	Exchange rate reserve	Retained earnings	TOTAL EQUITY
Euro thousand							
Balance January 1, 2023	**1,084**	**379**	**3,012**	**44**	**54**	**28,628**	**33,202**
Result of the period						**11,882**	**11,882**
Other comprehensive income/expenses						**(5)**	**(5)**
Totale other comprehensive income/expenses	**-**	**-**	**-**			**11,877**	**11,877**
Shareholders							
Allocation of previous year result					-	-	**-**
Dividend distribution						**(6,503)**	**(6,503)**
Treasury shares allocation	16		2,099			-	**2,115**
Balance December 31, 2023	**1,100**	**379**	**5,112**	**44**	**54**	**34,002**	**40,691**

	Share Capital	Legal Reserve	Share premium reserve	Extraordinary reserve	Exchange rate reserve	Retained earnings	TOTAL EQUITY
Euro thousand							
Balance January 1, 2024	**1,100**	**379**	**5,112**	**44**	**54**	**34,002**	**40,691**
Result of the period						**16,412**	**16,412**
Other comprehensive income/expenses						**(2)**	**(2)**
Totale other comprehensive income/expenses	**-**	**-**	**-**			**16,411**	**16,411**
Shareholders							
Allocation of previous year result					-	-	**-**
Dividend distribution						**(7,681)**	**(7,681)**
Treasury shares allocation	(9)		(1,476)			-	**(1,485)**
Balance December 31, 2024	**1,091**	**379**	**3,636**	**44**	**54**	**42,732**	**47,936**

12. Explanatory notes to the financial statements at 31 December 2023

12.1. Accounting policies

The financial statements of B&C Speakers S.p.A. (hereinafter the "Company" or "Parent Company") for the year ending on 31 December 2024 are the separate financial statements of the Parent company. They have been prepared in accordance with the International Accounting and Financial Reporting Standards ("IAS/IFRS") in force at 31 December 2024, as issued by the International Accounting Standards Board ("IASB") and approved 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"). Moreover, in accordance with the measures taken to implement Art. 9 of Italian Legislative Decree no. 38/2005, the Board also considered the guidelines set by: CONSOB Resolution no. 15519 of 27 July 2006, establishing "Drafting principles for financial statements", CONSOB Resolution no. 15520 of 27 July 2006 establishing the "Amendments and supplements to the Issuers' Regulation adopted under Resolution no. 11971/99", CONSOB Communication no. 6064293 of 28 July 2006 on "Required corporate disclosure pursuant to Art. 114.5, Italian Legislative Decree no. 58/98" and Communication DEM/7042270 of 10 May 2007.

These financial statements are prepared on the basis of historic cost and considering the business as a going concern. The Group has in fact determined that, despite the challenging economic and financial environment, there are no significant uncertainties (as defined by para. 25 of IAS 1) on business continuity, since the volume of business, as well as the portfolio of current orders, of the Company and the Group give no indications of business continuity risks.

These financial statements were audited by PricewaterhouseCoopers S.p.A.

Update on the macroeconomic situation

With reference to armed conflicts in course, note that the 2024 results 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 Company has only seen marginal indirect effects from the Russia/Ukraine conflict in terms of higher costs. In particular, as the Company's activities are not particularly energy intensive, the increase in energy costs was extremely contained in 2024. Therefore, the overall effect on margins is in any case quite limited.

With reference to the likely imposition of duties by the current US administration, based on information currently available management has not identified any imminent threats which in the short term could have significant impacts on business.

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 December 2024, Management does not see any significant uncertainties regarding the existence of the prerequisites for business continuity, as the Company has the ability to meet its obligations and continue operating as a functioning entity for the foreseeable future.

Content and form of the financial statements

The financial statements comprise the Balance sheet, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flow and these Explanatory Notes.

With the reference to the form of the consolidated financial statements, the Company has chosen to submit the following statements:

Statement of Financial Situation

The Statement of financial position is presented with separate indication of assets, liabilities and shareholders' equity.

In turn, the assets and liabilities are recorded in the financial statements for the financial year on the basis of whether they are classified as current or non-current.

Statement of Comprehensive Income

The income statement is classified according to destination. The following aggregates are highlighted: (i) EBIT, which includes all components of income and cost, net of depreciation, amortisation, write-downs and other provisions (ii) EBT, which includes EBT net of tax on income and finally (iii) net income for the period. The Comprehensive Income Statement is presented with a breakdown of Other comprehensive profits and losses that distinguishes between gains and losses that will be reclassified in the income statement and gains and losses that will not be reclassified in the income statement.

Statement of cash flow

The statement of cash flow is broken down according to areas of cash flow formation. The statement of cash flows adopted by the Company was drawn up using the indirect method. Cash and cash equivalents included in the statement of cash flow include the balance sheet figures of this item on the reference date. Foreign currencies were converted at the average exchange rate for the year. Income and expenses relating to interest rates, dividends received and income tax are included in the cash flows generated by operational management.

Statement of changes in equity

The statement of changes in equity is included, as required by the international accounting standards, with the separate highlighting of the result for the year and of all income, revenues, expenses and charges that is not recorded on the income statement, but rather charged directly to equity, in accordance with specific IAS/IFRS.

Measurement criteria

The most significant measurement criteria adopted for the preparation of financial statements at 31 December 2022 are set out below.

Other intangible assets

An intangible asset purchased or manufactured in-house is entered entirely among assets only if it is identifiable, controllable and predictable that it will generate future economic benefits and its cost can be reliably determined.
These assets are entered at their cost of purchase or production and depreciated in constant shares along the estimated life, if they have a finite useful life.
Intangible assets with a finite life are entered at their cost of purchase or production, net of accumulated amortisation and impairment. Amortisation is measured to the period of their expected life and begins when the asset is available for use.
Development costs can be capitalised, provided the cost can be reliably determined and that it can be demonstrated that the activity is able to generate future economic benefits.
Research costs are charged to the Income Statement in the period in which they are incurred.

Fixed assets in progress are stated at cost based on contractual progress reports defined with the supplier and are depreciated from the period in which they come into operation.

Below is a summary of the amortisation periods of the various items of the intangible assets:

Category	Ammortization period
Patent rights	3 - 5 years
Development costs	3 - 5 years

Property, plant and equipment

Property, plant and equipment are entered at their cost of purchase or internal production, inclusive of accessory, direct and indirect costs for the share reasonably attributable to the asset.

The depreciation rates applied for each category of assets are:

Category	% depreciation
Photovoltaic asset and other minor	12.5% - 5%
Lightweight construction	10%
Plants and machinery	10%
Melting equipment	40%
Various equipment	25%
Cars	25%
Vehicles	20%
Internal transport	20%
Office furniture	12%
PC and office machines	20%

For assets of new acquisition, the specified rates were applied substantially on the basis of the date on which the goods are ready for use.

The rates applied are the actual period during which these goods will be usable to the company.

Ordinary maintenance costs are directly charged in full to the income statement. The costs for maintenance that allow an improvement in the performance are entered at the greater value of the assets to which they relate and depreciated along the residual life of the asset.

Gains and losses arising from transfers or disposals of assets are determined as the difference between the revenues from sales and the net carrying amount of the asset and are charged to the income statement.

Leases (for the lessee)

The Company recognises rights of use from the start of the lease, corresponding to the date when the underlying asset becomes available for use, on all lease contracts in which the Group is the lessee, except for short-term leases (i.e. lease contracts for 12 months or less and that do not contain a purchase option) and those for modest amounts (i.e. for a unit value of less than € 5,000).

The rentals for short-term contracts and those with a low value are recognised as costs in the income statement at equal rates across the duration of the lease.

Rights of use are valued at cost, less accumulated amortisations and impairment losses, and adjusted following the re-measurement of the lease liability. The amount assigned to the rights of use correspond to the amount of the recognised lease liability, in addition to the direct costs incurred and rentals regulated at the start of the contract or beforehand, the reinstatement costs, less any lease incentives received. The discounted amount for the aforementioned liabilities determined in this way increases the underlying asset's rights of use, with a counter entry for a specific provision. Unless the Company is reasonably certain that it will acquire ownership of the leased asset at the end of the lease term, rights of use are amortised at equal rates based on the estimate useful life or duration of the contract, if lower.

The duration of the lease is calculated by considering the lease period that cannot be cancelled, together with the periods covered by an option to extend the agreement if there is reasonable certainty that this will be exercised, or any period covered by an option to terminate the lease contract, if there is reasonable certainty that this will not be exercised. The Company assesses whether there is reasonable certainty to it exercising the option to extend or terminate, taking into consideration all significant factors that create an economic incentive relating to these decisions.

Financial lease liabilities are recognised at the date the agreement begins for an amount equalling the current rental to be paid during the term of the contract, discounted using marginal interest rates (incremental

borrowing rate - IBR), when the interest rate implicit in the lease contract cannot be easily determined. Variable lease payments are recognised in the income statement as a cost relevant to the period.
IFRS 16 requires management to make estimates and assumptions that could impact on the rights of use value and the financial lease liabilities, including the determination of: contracts in the scope of the new rules for measuring assets/liabilities based on the financial method; contract conditions; the interest rate used to discount future lease expenses.

Leases (for the lessor)

Lease contracts involving the Company as the lessor are classified as operating leases or financial leases.
A lease is classified as a financial lease if it essentially transfers all the risks and benefits associated with ownership of the underlying asset. A lease is classified as an operating lease if it essentially does not transfer all the risks and benefits resulting from ownership of the underlying asset.
With regard to financial leases, from the effective date, the Company recognises the assets held by a financial lease in the statement of financial position and denotes them as a credit for an equal value under net leased assets. The net lease investment is valued using the interest rate implicit in the lease.
With regard to operating leases, the Company recognises the payments owing for the operating lease as income at equal rates, or based on another systematic criterion.
Costs incurred to realise the lease income include amortisations.

Investments

Equity investments in subsidiaries and associates are recorded at cost, adjusted for impairment.

The positive difference emerging at the time of purchase between the acquisition cost and the share of equity to current values of the investee pertaining the company are therefore included in the carrying amount of the investment.
Investments are audited each year, or if necessary more frequently, to evaluate their loss in value. If there is evidence that such investments have suffered a loss of value, this is recognised in the income statement as devaluation. If any minority interest of the losses of the investee should exceed the carrying value of the investment and the company is obliged or intends to be held accountable, it proceeds to zero the value of participation and the share of further losses is entered as a fund under liabilities. If, on a later date, the loss of value should be lesser or reduced, it is recognised in the Income statement as a write-back, within the limits of the cost.

Impairment

As at the closing date, the Company reviews the carrying amount of its tangible and intangible assets and holdings to determine if there is any indication that these assets may have reduced in value (impairment test). If there is any such indication, an estimate is prepared of the total amount recoverable amount for these assets, in order to determine the correct write-down in value. When the recoverable amount of an asset cannot be individually estimated, the Company estimates the recoverable value of the cash-generating unit to which the asset belongs.
Intangible assets with indefinite useful life (goodwill) are taxed annually based on a test to determine if there is any loss in value regardless of the existence, or otherwise of indicators for the reduction of their value.
The recoverable amount is the greater of the “fair value” net of the cost of sale and the value in use. In calculating the value in use, the future estimated cash flows are discounted to their present value using a pre-tax rate that reflects current market assessments of the value of money and the risks specific to the asset. If the recoverable amount of an asset or a cash-generating unit is estimated to be less than its carrying amount, it is reduced to the lesser recoverable value. A loss is recognised immediately in the Income statement.
When there is no longer any reason to maintain the impairment, the carrying amount of the asset or cash-generating unit, with the exception of goodwill, is increased to the new value deriving from the estimate of its recoverable amount; this shall not, however, exceed the net carrying amount of that asset had it not been written down as impairment loss. Recovery of value is charged to the Income statement.

Non-current assets held for sale

Non-current assets (and available asset groups) classified as held for sale are valued at the lower of their previous value of entry and the market value less the cost of sale.

Non-current assets (and available asset groups) are classified as held for sale when their carrying amount is expected to be recovered through a disposal, instead of using them in the operational activities of the company. This condition is only met when sale is considered to be highly likely and the asset (or group of assets) is available for immediate sale in its current condition. To this end, management must be committed to the sale, which should be completed within twelve months of classification in this entry.

Inventories

Inventories are entered at the lower of the purchase or production cost and the realisable value, as can be deduced from market trends on the reporting date. The cost includes all ancillary expenses, net of trade discounts and, for finished products or work-in-progress, the production cost includes raw materials, direct labour and other costs directly attributable to production in addition to converging the indirect production costs that are reasonably attributable to production work in conditions of normal use of the production capacity.
The purchase cost was calculated using the FIFO method.
The market value as regards raw materials and works in progress is represented by the presumed net realisable value of the corresponding finished products less costs for completion; as for finished products, it is represented by the presumed net realisable value (list prices less cost of sale and distribution).
Any lower valuation established on the basis of market trends is deleted in subsequent years if the reasons that led to it no longer exists.

Inventories that are obsolete, slow-moving and/or surplus to normal requirements are devalued in relation to their possible future use or realisation by means of an inventory depreciation provision.

Financial assets

The classification and measurement of all financial assets including those in incorporated derivatives, is done considering the model used to manage the financial asset, as well as the contractual characteristics of the cash flows obtainable through the asset. Based on the characteristics of the instrument and the business model adopted to manage it, there are three categories:
(i) financial assets measured at amortised cost; (ii) financial assets measured at fair value through other comprehensive income (hereafter, also FVTOCI); (iii) financial assets measured at fair value through profit and loss.
A financial asset is measured using the amortised cost method if both of the following conditions are met:

- the business model for the financial asset consists in holding the same with the sole aim of collecting the relative cash flows; and
- the financial asset generates, at contractually established dates, cash flows consisting solely of returns from the financial asset itself.

Under the amortised cost method, the initial recognition value is subsequently adjusted to take repayments of capital into account, as well as any writedowns and amortisation of the difference between the repayment value and initial recognition value.
Amortisation is recognised on the basis of the effective internal interest rate which represents the rate that makes current expected cash flows and the initial recognition value equal, when initially recognised.
Receivables and other financial assets measured at amortised cost are shown in the balance sheet net of the relative provision for writedowns.
Financial assets represent debt instruments for which the business model offers the possibility both to collect contractual cash flows and to obtain capital gains from sale (hold to collect and sell) are measured at fair value through other comprehensive income (FVTOCI).
In this case changes in the fair value of the instrument are recognised under shareholders' equity, among other components of comprehensive income. The total amount of fair value changes recognised to the shareholders' equity reserve which holds other components of comprehensive income is subject to reversal in the income statement when the instrument is derecognised. Interest income calculated using the effective interest rate, exchange differences and writedowns is recognised in the income statement.
A financial asset is not measured at amortised cost or at FVTOCI is measured at fair value through profit and loss (FVTPL).

Trade receivables and other receivables

Trade receivables and other receivables are recognised initially at fair value and subsequently measured in accordance with the amortized cost method, net of the provision for doubtful accounts.

The Company measures possible impairments/writedowns on trade receivables by adopting an expected loss logic, replacing the IAS 39 framework which typically made use of an incurred loss logic. For trade receivables the Group uses a simplified approach, which does not require the recognition of periodic changes in credit risk, but instead the recognition of expected credit loss (ECL) calculated over the lifetime of the receivable (lifetime ECL). In particular, the policy implemented by the Group classifies trade receivables into categories on the basis of days overdue, determining provisions on the basis of historic credit loss experience, adjusted to take into account specific forecasting aspects relative to the creditors and economic situation.

Trade receivables are entirely written down if there is no reasonable expectation of collection, or in the case of no longer active trading partners.

The carrying amount of an asset is reduced through the use of a provision for writedowns and the amount of the loss is recognised in the income statement.

When the collection of receivables is deferred beyond standard conditions offered to customers, the receivable is discounted.

Cash and cash equivalents

Cash and cash equivalents include cash, bank current accounts and deposits redeemable on demand and other short-term financial investments that are highly liquid and therefore readily convertible to cash; their value may change significantly. The item does not include bank overdrafts that are repayable on sight.

Financial liabilities

Financial liabilities include financial payables, including payables for advances on the granting of loans, as well as other financial liabilities, including derivatives and liabilities relative to assets recognised as part of financial leasing contracts.

These also include trade payables and other payables.

Financial liabilities are recognised at fair value net of accessory charges. After initial recognition, these liabilities are reported with the amortised cost criteria, calculated using the effective interest method. If a financial liability is renegotiated but cannot be classified as "repayment of the original debt", the difference between i) the carrying amount of the liability prior to the change and ii) the current value of the adjusted payable cash flows, discounted at the original rate (IRR), is recognised in the income statement.

Loans are classified as current liabilities unless the Company has the absolute right to defer the extinction of such a liability for at least 12 months after the balance sheet date.

Provisions for risks and charges

The Company enters risks and expenses when it has a legal or implied obligation toward third parties and it is likely that it will have to use resources to fulfil said obligation, when a reliable estimate can be made of the amount of the obligation itself.

Changes in estimates are accounted for in the income statement in the year of their competence.

When their impact is significant, the provisions are calculated discounted of any estimate future cash flows at a discount rate gross of tax, so as to reflect current market assessments of the present value of money and the risks specific to the liability.

Provisions for personnel and similar

The liabilities relating to benefits due to employees and paid on or after the cessation of the employment contract for plans with defined benefits is determined, separately for each plan, on the basis of actuarial assumptions by estimating the amount of future benefits accrued by employees at the reference date (known as the "Projected unit credit method"). The liability entered in the financial statements net of any assets servicing the plan, is recognised on an accruals basis over the maturation period of the entitlement. The liability assessment is carried out by independent actuaries.

The cost components of the defined benefits are recognised as follows:

- costs relating to the performance of the service are recognised in the income statement under personnel costs;

- net financial charges on liabilities or assets in defined benefits are recognised in the income statement as Financial income/(charges), and are determined by multiplying the value of the net liabilities/(assets) by the rate used to discount the bonds, taking into account contributions payments and benefits accrued during the period;
- components of the net liability re-measurement, consisting of actuarial gains and losses, the return on assets (excluding interest income recognised in the income statement) and any variation within the limit of the asset, are recognised immediately in Other profits (losses). These components must not be reclassified in the income statement in a subsequent period.

The evaluation of the Severance pay for Directors was performed by seeing that the annual provision corresponds to the amount accrued and simultaneously paid into the insurance policy.

Deferred tax assets and liabilities

Deferred taxes are determined based on the temporary taxable differences between the value of assets and liabilities and their value for tax purposes. Deferred tax assets are accounted for only to the extent that it is probable that there will be taxable income against which use this surplus. The carrying amount of deferred tax assets is revised annually and reduced to the extent that it is no longer probable that the company will generate taxable income to allow all or part of the recovery of the assets.
Deferred taxes are determined based on tax rates that are expected to be applied during the period in which such deferrals will be entered, as opposed to the currently applicable rate or pending approval. Deferred taxes are attributed directly to the income statement, with the exception of those relating to items entered as equity, in which case the related deferred taxes are also attributed to equity.
Deferred tax assets and liabilities are offset when there is a legal right to compensate for current assets and liabilities and when referring to tax due to the same agency and the Company intends to liquidate the assets and current tax liabilities on a net value basis.

Foreign currency conversion criteria

Receivables and payables originally entered in foreign currencies are converted into euro at the exchange rate applicable on the date of their transaction. Differences in exchange rates between collection and payment of debts in a foreign currency are entered in the income statement.
Revenues and income, costs and expenses relating to transactions in foreign currencies are entered at the exchange rate applicable on the transaction date.
At the end of the year, the value of monetary assets and liabilities in a foreign currency are converted using the spot rate on the reporting date and any related gains and losses are recognised in the income statement. If the conversion produces a net profit, this value constitutes a reserve not distributable to its realisation.

Revenue entry

The Company recognises revenues after identifying the contracts with its customers and the relative performances to be satisfied (transfer of goods and/or services), determining the payment it has the right to in exchange for satisfying the performances, as well as identifying the method by which the performances are achieved (at a given time vs. over a period of time).
In particular, the Company recognises revenues only when the following requirements are met (requirements of identifying the contract with a customer):

a) the parties to the contract have approved the contract (in writing, orally or with respect to other habitual commercial practices) and have committed to fulfilling their respective obligations; hence there is an agreement between the parties which creates rights and obligations which can be acted upon, regardless of the form in which the agreement is manifested;

b) the Company can identify the rights of each party with regards to the goods or services to be transferred;

c) the Company can identify the conditions of payment for the goods or services to be transferred;

d) the contract has commercial substance; and

e) it is probable that the Company will receive the payment it has a right to in exchange for the goods or services to be transferred to the customer.

If the above requirements are not met, the relative revenues are recognised when: (i the Company has already transferred control over the assets and/or provided services to the customer and all, or almost all of the payment promised by the customer has been received and cannot be refunded; or (ii) the contract has been dissolved and the payment which the Company has received from the customer is not refundable.
If the above requirements are met, the Group applies the recognition rules described below.

Revenues for the sale of products (acoustic transducers) are recognised when control of the good involved in the transaction is transferred to the buyer, or when the buyer acquires full capacity to determine the use of the good, as well as to obtain substantially all the benefits.
Revenues are recognised net of discounts including, but not limited to, sales incentive programs and customer bonuses, as well as taxes directly associated with the sale of the goods. Revenues from the provision of services are recognised when they are delivered with reference to a progress report.

Costs

The costs are charged to the income statement when their existence is certain and when the amount can be objectively determined and when it is possible to verify that the company has substantially incurred such costs on an accrual basis.

Financial income

Financial income is recognised on an accrual basis. They include interest income from funds invested, exchange gains and income deriving from financial instruments, when not offset as part of hedging transactions. Interest income is entered into the income statement when it accrues, considering its effective yield.

Financial charges

Financial charges are recognized on an accrual basis and include interest expense on financial debts calculated using the effective interest method and losses on exchange rate differences.

The share of interest expense from instalments on financial leasing operations is charged to the income statement using the effective interest method.
Financial charges, incurred against investments in assets for which there is normally a determined period of time before making the asset ready for use, are capitalised and amortised over the useful life of the class of assets to which they relate.

Dividends

Dividends entered in the income statement are recorded on an accrual basis, i.e. when due to distribution of the investee, the shareholder’s right to receive the payment accrues.

Contributions

Contributions are booked if there is reasonable certainty of the Company complying with the conditions required to accrue the relevant right to receive such, in addition to reasonable certainty that said contributions will indeed be received.
“Contributions for plant investments” are recorded on the income statement according to the useful life of the asset against which they are disbursed.

“Contributions for operating expenses” are credited to the income statement in relation to costs against which they are disbursed.

Income tax

Taxes for the year represent the sum of current and deferred tax.

Taxes were divided between current taxes, calculated on the taxable income, and deferred tax assets (tax assets and/or liabilities) with respect to the taxable income of the subsequent years.

They are included in the separate financial statements, based on the estimate taxable income determined in accordance with the national laws applicable on the closing date of the statement, taking account of

applicable exemptions and tax credits. Income tax is entered in the income statement, with the exception of those regarding items directly debited or credited to equity, in which cases the tax effect is entered directly under equity.
They are entered under “Current tax liabilities” net of any advances and withholdings applied. Taxes due in the event of a distribution of the reserves in suspension of the tax are not set aside because of their non-distribution.
Any advance payments in excess of the tax load for the year are classified as “Current tax assets”.

Treasury shares

Treasury shares are deducted from shareholders’ equity. The original cost of treasury shares and income arising from subsequent sales are recorded as changes in shareholders’ equity, with no impact on the income statement.

Use of estimates

The preparation of financial statements and related Notes in application of the IFRS requires the Management to make estimates and assumptions that have effect on the values of assets and liabilities, as well as on the information relating to potential assets and liabilities as at the reporting date. Final results may differ from these estimates. The estimates are used to evaluate assets subjected to impairment testing, as well as to calculate provisions for risks on loans, for obsolete inventories, depreciation, asset amortisation, employee benefits, taxes, restructuring funds and other provisions and funds. The estimates and assumptions are regularly reviewed and the effects of each change are reflected immediately in the income statement.

Below there is a summary of the critical processes of assessment and the key assumptions used by the Company in the process of implementing IFRS and which are likely to have significant effects on the values recorded in the Financial Statements or for which there is a risk that significant value differences may arise compared to the carrying amount of assets and liabilities in the future.

Recoverable value of non-current assets

Non-current assets include tangible fixed assets, other intangible assets, equity investments and other non-current assets. The Company periodically reviews the carrying amount of non-current assets held and used and of assets that need to be disposed of, whenever events and circumstances require such a review. This analysis is carried out for equity investments at least once a year and whenever events and circumstances warrant. The recoverability of the carrying amount of equity investments is generally analysed using cash flow estimates that are expected from the use or sale of assets and the appropriate discount rates for calculating their current value. When the carrying amount of a non-current asset has undergone an impairment loss, the Group enters a write-down equal to the excess between the carrying amount of the asset and its recoverable amount through use or sale thereof, calculated by reference to the cash flows inherent in the most recent business plans.

Recoverability of deferred tax assets

The Company has deferred tax assets for temporary deductible differences and theoretical tax benefits from losses that could be carried forward. In determining the estimated recoverable amount, the Company took the results of the business plan into account.

Pension plans and other post-employment benefits

The provisions for employee benefits and net financial charges are assessed using an actuarial method that requires the use of estimates and assumptions for the determination of the net value of the obligation. The actuarial method considers financial parameters such as, for example, the discount rate and payroll growth rates and considers the probable occurrence of potential future events through the use of demographic parameters such as mortality rates and the resignations or retirement of employees.

Provision for doubtful accounts

The provision for doubtful accounts reflects the management’s estimate on expected losses related to the portfolio of receivables. The Group applies the simplified approach established under IFRS 9 and records expected losses on all trade receivables based on the residual duration, determining provisions based on historic experience with credit losses, adjusted to take into account specific aspects relative to the creditors and the economic situation (expected credit loss - ECL).

Provision for inventory writedowns

The provision for inventory writedowns reflects the management's estimate of the Company's expected losses, calculated on the basis of past experience. Abnormal trends in market prices could lead to future inventory write-downs.

Funds for Product Warranty

At the time of selling a product, the Company sets aside funds relating to the estimated costs for product warranty. The estimate for this fund is calculated on the basis of historical information regarding the nature, frequency and average cost of works on guarantee.

Contingent liabilities

The Company ascertains a liability regarding pending disputes and lawsuits, when it considers it is likely there will be a financial outlay and when the amount of losses arising from it can be reasonably estimated. In the event that a financial outlay becomes possible but the amount cannot be determined, that fact is reported in the notes to the financial statements. The Company monitors the status of any pending lawsuits and seeks advice from its legal advisers and experts in legal and tax matters.

Depreciation and amortisation

The cost of fixed assets is depreciated on a straight line basis over their estimated useful lives. The economic useful life of the Group's fixed assets is determined by the Directors at the time of purchase; it is based on past experience gained over years in the business and knowledge about any technological innovations which could lead to the asset becoming obsolete and no longer economically viable.
The Company assesses technological advances in the sector on a regular basis in order to update the remaining useful life. This periodic update could involve a change in the depreciation period and therefore also in the amount of depreciation in future business years.

Income tax

In order to determine the Company's tax liabilities, the Management has to use certain forms of assessment regarding transactions whose tax implications are not certain on the date the balance sheet is closed. The company acknowledges the liabilities which might arise from future inspections by the tax authorities according to the estimate of tax that will be due. If the outcome of any of the aforesaid inspections were to differ from that estimated by management, it could have some significant effects on current and deferred taxes.

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 expenses given by IFRS 8, the Company pursues business in a single sector ("acoustic transducers") and consequently executive reporting pertains to this area of business alone.

New accounting standards, amendments and interpretations applied as from 1 January 2024

The following accounting standards, amendments and interpretations were applied by the Group from the first time as from 1 January 2024:

– On 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 31 October 2022 published the amendment, “Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants”. These amendments are intended to clarify how to classify payables and other short or long-term liabilities. Additionally, the amendments improve the information that entities must provide when their right to defer the payment of a liability for at least twelve months is subject to compliance with certain parameters (i.e. covenants).

– On 22 September 2022 the IASB issued “*Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)*” with amendments that clarify how the seller of an asset, who subsequently becomes the lessor of the same asset, should measure the sale and leaseback transactions under IFRS 15. The Board established that the lessor/seller measures the liabilities deriving from the leaseback so as to not recognise any profit or loss associated with the right to continue to utilise the asset.
– On 25 May 2023 the IASB published "*Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)*", an amendment to be applied in the presence of agreements that include financing for suppliers, to require the financing entity to provide further qualitative and quantitative information with respect to existing obligations. This information has to do with the features of the agreements, their book value, impacts on the entity's cash flows, etc. Additionally, the IASB has decided that in most cases aggregate information on finance arrangements with an entity’s suppliers is sufficient to meet the disclosure needs of financial statement readers.

No significant impacts arose from these amendments, either in terms of amounts or financial statement disclosures.

IFRS accounting standards, amendments and interpretations issued by the International Accounting Standards Board (IASB) but not yet in effect

As of the reporting date of this document the competent bodies of the European Union have not yet completed the approval process required for the adoption of amendments and of the principles described below.

– 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.

– On 9 April 2024 the IASB published the new standard IFRS 18 *"Presentation and disclosure in financial statements*," which will replace IAS 1 "Presentation of financial statements”, with the aim of improving the communication methods used by companies in their financial statements. The main changes brought by the new standard include the introduction of partial categories and totals defined in the income statement, the introduction of requirements to improve aggregation and disaggregation, the introduction of notes to the disclosure on management defined performance measures (MPM) and targeted improvements of the statement of cash flows, amending IAS 7. The standard will take effect for financial years starting 1 January 2027 and early application is allowed.

– On 18 July 2024, the IASB published "*Annual Improvements to IFRS Accounting Standards-Volume 11*" containing amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. The IASB annual improvements are limited to amendments intended to clarify the formulation of an IFRS and to correct undesired consequences associated with divergences between the requirements set in different standards. The amendments contained in these Annual Improvements include:

  - IFRS 1 First time adoption of International Financial Reporting Standards, in relation to whether or not hedging instruments are recognised by first time adopters when switching to the IFRS;
  - IFRS 7 Financial instruments - Disclosures, for supplemental information with reference to the following points: - Profit or loss in case of derecognition - - Supplemental information on fair value differences and the transaction price of an asset Supplemental information on credit risk;
  - IFRS 9 Financial instruments, in relation to: - Derecognition of lease liabilities - Transaction price;
  - IFRS 10 Consolidated financial statements - Determination of a "de facto agent", acting on the account of another investor, for the purposes of control over an investee;
  - IAS 7 Statement of cash flows - Cost method.

The Company is assessing the potential impacts and will adopt these new standards, amendments and interpretations, based on the established date of application, when they are endorsed by the European Union.

12.2 Analysis of the breakdown of the main items of the Parent Company's statement of financial position at 31 December 2024

1. Property, plant and equipment

The structure of the item 31 December 2024 and changes during the year are highlighted in the following tables:

Costo storico	**31-dic-23**	**Incrementi**	**Riclassifiche**	**(Alienazioni)**	**31-dic-24**
Terreni e fabbricati	-	-	-	-	-
Impianto fotovoltaico e altri minori	1,062,558	64,709	207,361	-	1,334,628
Costruzioni leggere	30,879	-	-	-	30,879
Impianti e Macchinari	5,383,653	403,671	174,387	-	5,961,710
Attrezzature Industriali e Commerciali	5,866,407	299,576	116,382	-	6,282,365
Altri beni	1,081,146	31,016	20,558	(39,870)	1,092,851
Immobilizzazioni in corso	74,565	577,006	(518,689)	-	132,881
Totale costo storico	**13,499,207**	**1,375,978**	**0**	**(39,870)**	**14,835,315**

Fondo Ammortamento	**31-dic-23**	**Quote di Amm.**	**Riclassifiche**	**(Alienazioni)**	**31-dic-24**
Terreni e fabbricati		-	-	-	-
Impianto fotovoltaico e altri minori	701,900	60,001	-	-	761,901
Costruzioni leggere	28,720	1,807	-	-	30,527
Impianti e Macchinari	4,705,055	140,764	-	-	4,845,819
Attrezzature Industriali e Commerciali	5,419,326	265,959	-	-	5,685,285
Altri beni	966,571	40,406	-	(38,426)	968,551
Immobilizzazioni in corso	-				-
Totale fondi ammortamento	**11,821,571**	**508,937**	**-**	**(38,426)**	**12,292,083**

Valore Netto	31-dic-23	Incrementi netti	Riclassifiche	(Ammortamenti)	Storno fondo amm.ti	31-dic-24
Terreni e fabbricati	-	-	-	-	-	-
Impianto fotovoltaico e altri minori	360,658	64,709	207,361	(60,001)	-	572,728
Costruzioni leggere	2,159	-	-	(1,807)	-	352
Impianti e Macchinari	678,598	403,671	174,387	(140,764)	-	1,115,891
Attrezzature Industriali e Commerciali	447,081	299,576	116,382	(265,959)	-	597,080
Altri beni	114,576	(8,854)	20,558	(40,406)	38,426	124,299
Immobilizzazioni in corso	74,565	577,006	(518,689)	-	-	132,881
Totale valore netto	**1,677,636**	**1,336,108**	**-**	**(508,937)**	**38,426**	**2,543,232**

"Various equipment" includes furniture and office machines, vehicles, equipment and internal means of transport.

The most significant acquisitions that took place in 2024 refer to the integration of production machinery and equipment at the Vallina (Bagnoli a Ripoli - Florence) plants, as well as the remodelling of the offices at the production plant.

For the sake of completeness, recall that in 2023 investments of € 655 thousand were made, mainly to supplement the machinery and systems at the production plants in Vallina (Bagno a Ripoli, Florence).

2. Rights of use

The Company recognised rights of use assets and liabilities for leases in the same amount, discounting the value of lease fees falling due. At 31 December 2023, the Company had rights of use for € 2,891 thousand (€ 3,247 thousand at 31 December 2023), broken down as follows:

- Rights of use for properties of € 2,890 thousand, relative to medium/long-term property lease contracts;
- Rights of use for equipment of € 1 thousand, relative to medium/long-term lease contracts for industrial, electronic and IT equipment;

The change over the period is attributable to the depreciation for the period and renewal of a rental contract. The duration of the lease is calculated by considering the lease period that cannot be cancelled, together with the periods covered by an option to extend the agreement if there is reasonable certainty that this will be exercised, or any period covered by an option to terminate the lease contract, if there is reasonable certainty that this will not be exercised. The Company assesses whether there is reasonable certainty to it exercising the option to extend or terminate, taking into consideration all significant factors that create an economic incentive relating to these decisions.

3. Other intangible assets

The structure of the item 31 December 2024 and changes during the year are highlighted in the following table:

Intangible assets	31-dic-23	Reclassification	Increases	Other	Amortization	31-dic-24
Patent rights	234,267	62,799	14,290	-	81,512	229,844
Development costs	31,360		-		20,934	10,426
Intangible assets in progress	30,670	(62,799)	275,690	-	0	243,561
Total	**296,297**	**-**	**289,980**	**-**	**102,446**	**483,830**

"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 to develop a new type of loudspeaker.

4. Equity investments in subsidiaries

Equity investments in subsidiaries as at 31 December 2024 came to € 12,487 thousand (€ 11,777 thousand at 31 December 2023). A breakdown of this item is highlighted in the following table:

Investment in subsidiaries	% holding 31-Dec-24	Balance 31-Dec-24	% holding 31-Dec-23	Balance 31-Dec-23	Change	% Change
Investment in Eighteen Sound S.r.l.	100%	6,582,989	100%	6,582,989	-	0%
Investment in B&C Speakers Usa NA LLC	100%	1,449,786	100%	1,449,786	-	0%
Investment in B&C Brasil	100%	116,550	100%	116,550	-	0%
Investment in Eminence Kentuky NA LLC	100%	2,437,687		2,437,687	-	0%
Investment in B&C China Electronics	100%	1,900,000		1,190,000	710,000	60%
Total investment in subsidiaries		**12,487,012**		**11,777,012**	**710,000**	**6%**

The increase during the year refers to the capital increase carried out for the Chinese subsidiary, for € 710 thousand.

The directors have identified all the subsidiaries as cash-generating units (CGU), insofar as the assets and liabilities are devoted entirely to the single business sector that can be identified as the production and sale of "top quality professional loudspeakers".

As described below, the cost values for the equity investments in the subsidiaries Eighteen Sound S.r.l. and B&C Speakers NA LLC were subjected to impairment tests (recognised as goodwill in the consolidated financial statements), as well as for Eminence Speakers LLC. No indicators of a loss in value were identified for the other subsidiaries.

In application of the accounting method provided by IAS 36, the Company has verified the recoverability of the values entered by comparing the carrying amount with the recoverable value (value in use). This recoverable amount is the present value of future cash flows that are expected to be generated from the continuous use of the goods and the terminal value attributable to the Company.

For the sake of completeness, note that no issues associated with climate have been identified that could have a significant impact on the hypotheses underlying the assessment of the recoverability of the asset in question. These impairment tests conducted on the aforementioned investments were approved by the Company Board of Directors on 04 March 2025.

Eighteen Sound Srl

The estimate of expected financial flows for the CGU in question was defined on the basis of the relative multiple-year plan. When preparing this, the trends in the reference market in which the CGU operates during January 2025 were taken into consideration, in combination with the portfolio of orders already acquired by the subsidiary and external sources such as sector studies.
The basic assumptions used by the Company for the determination of future cash flows, and the resulting recoverable amount (value in use) for the Eighteen Sound CGU refer to:

- a hypothesis of provisional cash flows taken from the five-year Plan of Eighteen Sound for the period 2025–2029, approved by the Sole Director of the subsidiary and the Parent's Company Board of Directors on 7 February 2025;
- the discount rate (WACC);
- in addition, a growth rate (g rate) was also estimated for the explicit period.

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**
Eighteen Sound	2024	5%	9.60%	2.0%
	2023	5%	10.82%	2.0%

The WACC was determined in the same manner as the previous year, and increased to reflect the current uncertainty on the market.
The growth rate of the Terminal Value (g rate) is specific to the CGU reflecting the growth potential of the reference area. Once again in this case, no changes were made in the logic for determining the rate compared to the past.
The analysis did not bring any impairment losses light. Therefore, no impairment loss has been reflected in the data at 31 December 2024.

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 Company 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. Furthermore, it is noted that on reaching the current expected cash flow values generated by the CGU the WACC is 22% lower than the net carrying value subject to an impairment test.

Finally, based also on the recommendations provided by ESMA in its Public Statement, “European common enforcement priorities for 2024 annual financial reports,” and in the CONSOB call to attention, in addition to the basic scenario commented on above, an additional scenario was prepared in which, although there were no indications of the same, a 14% reduction in revenues is envisaged, from 2026 until the final year of the plan (negative CAGR of 14%). Despite these significant penalising factors, the value in use of the CGU in question is higher than the carrying amount due to the considerations set out above.
Also in this scenario, the current value of forecast cash flows generated by the CGU exceeds the net carrying amount subjected to impairment tests.

Given that the recoverable amount was determined on the basis of estimates, the Company cannot guarantee that there will be no impairment of investments in future periods. In the current market environment, the various factors used in the preparation of the estimates may be reviewed; the Company will constantly monitor these factors and the existence of impairment.

B&C Speakers NA LLC

The estimate of expected financial flows for the CGU in question was defined on the basis of the relative multiple-year plan. When preparing this, the trends in the reference market in which the CGU operates during January 2025 were taken into consideration, in combination with the portfolio of orders already acquired, and external sources such as sector studies.

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 hypothesis of provisional cash flows taken from 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;
- the discount rate (WACC) was determined in the same manner as the previous year;
- 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. Once again in this case, no changes were made in the logic for determining the rate compared to the past.

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	2024	5%	10.49%	2.1%
	2023	1%	9.98%	1.6%

The WACC was determined in the same manner as the previous year.
The growth rate of the Terminal Value (g rate) is specific to the CGU reflecting the growth potential of the reference area. Once again in this case, no changes were made in the logic for determining the rate compared to the past.
The analysis did not bring any impairment losses light. Therefore, no impairment loss has been reflected in the data at 31 December 2024.

Furthermore, based on the information contained in joint document no. 2 of 6 February 2009 issued by the Bank of Italy, Consob and Isvap, the Parent Company 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. Furthermore, it is noted that on reaching the current expected cash flow values generated by the CGU the WACC is 19% lower than the net carrying value subject to an impairment test.

Finally, based also on the recommendations provided by ESMA in its Public Statement, "European common enforcement priorities for 2024 annual financial reports," and in the CONSOB call to attention, in addition to the basic scenario commented on above, an additional scenario was prepared in which, although there were no indications of the same, a 10% reduction in revenues is envisaged, from 2026 until the final year of the plan (negative CAGR of 10%). Despite these significant penalising factors, the value in use of the CGU in question is higher than the carrying amount due to the considerations set out above.
Also in this scenario, the current value of forecast cash flows generated by the CGU exceeds the net carrying amount subjected to impairment tests.

Given that the recoverable amount was determined on the basis of estimates, the Company cannot guarantee that there will be no impairment of investments in future periods. In the current market environment, the various factors used in the preparation of the estimates may be reviewed; the Group will monitor constantly these factors and the existence of impairment.

Eminence Speakers LLC

The estimate of expected financial flows for the CGU in question was defined on the basis of the relative multiple-year plan. When preparing this, the trends in the reference market in which the CGU operates during January 2025 were taken into consideration, in combination with the portfolio of orders already acquired, as well as external sources such as sector studies and additional initiatives launched by the subsidiary and the Group for business development.

The basic assumptions used to determine future cash flows, and the resulting recoverable amount (value in use) for the CGU refer to:

- a hypothesis of provisional cash flows taken from 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;
- the discount rate (WACC) was determined in the same manner as the previous year;
- 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. Once again in this case, no changes were made in the logic for determining the rate compared to the past.

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).

Principali parametri finanziari alla base dell'impairment test		CAGR ricavi	WACC	g
EMINENCE	2024	13 %	10,49 %	2,1 '

The WACC was determined in the same manner as the previous year.
The growth rate of the Terminal Value (g rate) is specific to the CGU reflecting the growth potential of the reference area. Once again in this case, no changes were made in the logic for determining the rate compared to the past.
The analysis did not bring any impairment losses light. Therefore, no impairment loss has been reflected in the data at 31 December 2024.

Furthermore, based on the information contained in joint document no. 2 of 6 February 2009 issued by the Bank of Italy, Consob and Isvap, the Parent Company 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. Furthermore, it is noted that on reaching the current expected cash flow values generated by the CGU the WACC is 14% lower than the net carrying value subject to an impairment test.

Finally, based also on the recommendations provided by ESMA in its Public Statement, "European common enforcement priorities for 2024 annual financial reports," and in the CONSOB call to attention, in addition to the basic scenario commented on above, an additional scenario was prepared in which, although there were no indications of the same, a trend for revenues is utilised which results in a CAGR in 2026 through to the final year of the plan equal to 9%. Despite this additional aspect, due to the factors outlined above the value in use of the CGU in question is higher than the carrying amount.
Also in this scenario, the current value of forecast cash flows generated by the CGU exceeds the net carrying amount subjected to impairment tests.

Given that the recoverable amount was determined on the basis of estimates, the Company cannot guarantee that there will be no impairment of investments in future periods. In the current market environment, the various factors used in the preparation of the estimates may be reviewed; the Company will constantly monitor these factors and the existence of impairment.

5. Equity investments in associates

This item does not include any elements at 31 December 2024, nor did it at 31 December 2023.

6. Deferred tax assets

At 31 December 2024, this item includes net receivables for deferred tax assets of € 62 thousand (€ 173 thousand at 31 December 2023), relating to temporary deductible differences that pertain to the Company and that were generated following the recognition of costs that were not entirely deductible during the year. The table below illustrates the composition and changes that occurred during the financial year:

Deferred tax assets	31-Dec-23	Increase	Use	31-Dec-24
Ammortization difference IFRS/TUIR	70,655	10,132	(8,956)	71,830
Management remuneration	82,569	14,941	(85,608)	11,902
Other	64,991	170,392	(55,742)	179,642
Total deferred tax assets	***218,215***	***195,465***	***(150,306)***	***263,374***
Deferred tax liabilities	**31-Dec-23**	**Increase**	**Use**	**31-Dec-24**
Other	(45,114)	(201,616)	45,114	(201,615)
Total deferred tax liabilities	***(45,114)***	***(201,616)***	***45,114***	***(201,615)***
Net total	**173,101**	**(6,150)**	**(105,192)**	**61,759**

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

7. Other non-current assets

At 31 December 2024 this item is as follows:

Other non current assets	31-Dec-24	31-Dec-23	Change	% Change
Insurance policies	552,231	508,348	43,883	9%
Guarantee deposits	56,826	56,826	-	0%
Financial non current recevible	2,467,725	-	2,467,725	
Ires refund receivables	6,700	6,700	-	0%
Total non current assets	**3,083,482**	**571,874**	**2,511,608**	**439%**

At 31 December 2024, the item Insurance refers to receivables accrued in respect of the insurance companies “Milano Assicurazioni” and “Unipol Sai Assicurazioni” in relation to the guaranteed capital capitalisation policies agreed in order to provide suitable financial cover of the directors’ severance pay.
The value of the assets relating to insurance policies recorded in the financial statements has been measured according to the value of the premiums paid to the equivalent provisions made.

The table below summarises changes made to receivables for insurance policies during the year:

Changes in insurance policies	31-Dec-23	Increases	(Decreases)	31-Dec-24
Insurance policies	508,348	43,883	0	552,231
Total	**508,348**	**43,883**	**0**	**552,231**

The increase during the year is due to new payments made by the Company during the year, reflecting the value of the allocation made to the Provision *“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" reflects the amount receivable for guarantee deposits issued based on contracts for the lease of a building located in Bagno a Ripoli, Loc. Vallina Via Poggio Moro no. 1.

The item "non-current financial receivable" reflects the balance of the loan granted to the subsidiary Eminence Speakers LLC in 2024, in multiple tranches. This loan is to be repaid in a single instalment and has a duration of 48 months. The annual interest rate is 3.5%.

8. Inventories

Warehouse inventories are calculated according to the FIFO method and structured as follows on 31 December 2024:

Inventories	31-Dec-24	31-Dec-23	Change	% Change
Row materials and consumables	1,610,443	1,326,153	284,290	21%
Work in progress and semi-finished	15,696,345	15,254,906	441,439	3%
Finished goods	1,173,734	1,433,686	(259,952)	-18%
Gross Total	**18,480,522**	**18,014,745**	**465,777**	**3%**
Provision for inventory writedowns	(678,118)	(595,052)	(83,066)	14%
Net Total	**17,802,404**	**17,419,693**	**382,711**	**2%**

The value of inventories is recognised at cost, calculated according to FIFO method net of provision for inventory writedowns; at 31 December 2024, this totalled € 678 thousand.
Warehouse inventories are substantially in line with those at 31 December 2023.
The provision for obsolescence (with 71% attributable to the category of internally produced and purchased semi-finished products, 21% to finished products and 8% to raw and ancillary materials and consumables) was estimated following analysis carried out with respect to the recoverability of suspended inventory values.
The table below shows changes in the provision for inventory writedowns:

Change in provision for inventory writedowns	31-Dec-23	Increase	Use	31-Dec-24
Provision for inventory writedowns	595,052	111,000	(27,934)	678,118
Total	**595,052**	**111,000**	**(27,934)**	**678,118**

Use during the year refers to the scrapping of components which can no longer be used in the production process.
For more details about the changes in inventories, one should refer to the note commenting on the income statement item "Cost of sales".

9. Trade receivables

Trade receivables relate to normal sales made to domestic and foreign customers and can be broken down as follows on 31 December 2024:

Trade receivables	31-Dec-24	31-Dec-23	Change	% Change
Trade receivables	17,579,305	15,537,205	2,042,099	13%
(Provision for doubtful accounts)	(243,839)	(243,839)	-	0%
Total	**17,335,466**	**15,293,367**	**2,042,099**	**13%**

The gross value of trade receivables increased by € 2,042 thousand compared with 31 December 2023, mainly due to activities to distribute the Parent Company's products by the Chinese subsidiary which became fully operational during 2024.

Trade receivables include loans to related parties as described in Note 37.

The table below shows changes in the provision for doubtful accounts.

Change in provision for doubtful accounts	31-Dec-23	Increase	Use	31-Dec-24
Provision for doubtful accounts	243,839	-	-	243,839
Total	**243,839**	-	-	**243,839**

The value of trade receivables from customers, not represented by Bank Receipts, amounted to € 13,616 thousand. In the table below we report the ageing of receivables as of 31 December 2024:

	Total amount	Not overdue	Overdue 0-60 days	Overdue 61-90 days	Overdue over 90 days
Balance at 31 December 2024	16,026,354	13,616,001	1,647,768	237,187.01	525,397
Incidence	100%	85%	10%	1%	3%

10. Current tax assets

The assets in question came to € 1,290 thousand at 31 December 2024 (zero at 31 December 2023), and represent the Parent Company's net tax credit which, in addition to the balance of current taxes for the year, also includes the effect of tax benefits obtained following the renewal of the Patent Box ruling request filed with the Revenues Agency (which occurred during the first half with reference to tax period 2020 and the following four tax periods), with a positive impact of € 4,207 thousand on the income statement for the year.

11. Other current assets

As at 31 December 2024, "Other current assets" are as follows:

Other current assets	31-Dec-24	31-Dec-23	Change	% Change
Receivables towards suppliers	10,515	126,489	(115,974)	-92%
Securities	7,283,091	6,978,641	304,450	4%
Financial receivable	890,163	1,680,786	(790,623)	-47%
Other tax receivables	1,245,490	1,988,982	(743,491)	-37%
Other Receivables	56,692	234,059	(177,368)	-76%
Total other receivables	**9,485,951**	**11,008,957**	**(1,523,006)**	-14%
Commercial fairs	126,957	77,490	49,467	64%
Assistance and assurance fees	317,461	261,734	55,726	21%
Specialist contracts	34,599.24	30,904.82	3,694	12%
Other	72,131	99,348.55	(27,218)	-27%
Total prepaid expenses and accrued income	**551,147**	**469,478**	**81,670**	17%
Total current assets	**10,037,098**	**11,478,435**	**(1,441,337)**	**-13%**

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 (€ 504 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.

Tax assets refer to the VAT credits and withholding taxes during 2024.

Under the category "prepayments and accrued income", the item "sundry" includes the fair value of IRS hedging contracts in place at 31 December 2024 for € 35 thousand.

The item "Financial receivables from subsidiaries" refers to an interest-bearing loan granted to the subsidiary Eighteen Sound S.r.l. to give it the necessary cash elasticity.

12. Cash and cash equivalents

Cash and cash equivalents are listed in the table below:

The decrease in cash and cash equivalents is the consequence of the combined effects of, on one hand, the absorption of liquidity caused by the payment of the dividend in May, the repayment of the current portion of existing loans and the payment of the current portion of financing and, on the other hand, cash generated through operations.
The table below shows the composition of the balance of net final cash and cash equivalents at 31 December 2024 and at 31 December 2023 set out in the "Cash flow statement".

Cash and cash equivalents	**31-Dec-24**	**31-Dec-23**	**Change**	**% Change**
Bank and postal deposit	4,044,437	8,490,883	(4,446,446)	-52%
Cash	667	251	416	166%
Total cash and cash eqivalents	**4,045,104**	**8,491,134**	**(4,446,030)**	**-52%**

For further details concerning the increase in cash and cash equivalents, one should refer to the statement of cash flow.

13. Shareholders' equity and its components

Share capital

The Company's share capital as at 31 December 2024 amounted to € 1,091 thousand (€ 1,099 thousand at 31 December 2023) net of treasury shares held. The original share capital of B&C Speakers is equal to € 1,100,000and is composed of 11,000,000 ordinary shares with a unit value of € 0.10 each. All capital is fully paid up.
As a result of the continuation of the Buy-Back plan, on 31 December 2024 B&C Speakers S.p.A. held a total 93,040 treasury shares equal to 0.85% of the share capital, bought at an average value of Euro 16.01 per share.
The following table shows the changes that occurred, in 2024, in the number of shares outstanding:

Reconciliation of the number of outstanding shares	**Outstanding shares (n.)**
December 31, 2023	**10,996,432**
Treasury shares purchased	(115,764)
Treasury Shares sold	26,292
December 31, 2024	**10,906,960**

The next table shows a breakdown of the items in equity according to their possibility of use:

Equity items by possible use and distributable portion *(Euro thousand)*	Amount	Possible use	Distributable portion
Share capital	**1,091**		
Legal reserve	*379*	*B*	
Extraordinary reserve	*44*	*A, B, C*	*44*
Share premium reserve	*3,636*	*A, B, C*	*3,636*
Exchange rate reserve	*54*	*A, B*	*54*
Total other reserves	**4,113**		
FTA Reserve	12	*A, B*	12
Retained earnings	26,457	*A, B, C*	26,457
DBO Reserve	(149)	*A, B*	-
Result of the period	16,412	*A, B, C*	16,412
Total retained earnings	**42,732**		
Total	**47,936**		
Non-distributable portion	**1,375**		
Distributable portion	**46,562**		

A: for capital increase; **B**: to cover losses; **C**: for distribution to shareholders.

The quota available was determined by taking into account the minimum constraints in forming the legal reserve.

Other reserves

This item, equalling € 4,114 thousand at 31 December 2024, comprises the legal reserve for € 379 thousand, the extraordinary reserve for € 44 thousand, the reserve for unrealised capital gains on currency exchange for € 54 thousand and the share premium reserve for € 3,636 thousand.

More specifically, the share premium reserve increased by € 1,476 thousand compared to 31 December 2023, following entry of the result of treasury shares traded in the year.

First Time Adoption Reserve

This item, equalling € 12,000 at 31 December 2024, concerns the impact resulting from the adoption of international accounting standards starting from the financial statements of 31 December 2006; in particular, this amount represents the net value of adjustments determined by the application of IFRS to equity on 1 January 2006, the date of transition to international accounting standards.

Retained earnings reserves

This item includes the following reserves:

Retained earnings

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

TFR discounting reserve

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

Result of the period

This item comprises the net period result for € 16,411,000 and other period profits/(losses) for a negative value of € 2,000 relative to the actuarial losses 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:

		Retained earnings	Total other comprehensive income/(losses)
Euro Thousand			
December 31, 2024			
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:			
Actuarial gain/(losses) on DBO (net of tax)		(2)	(2)
Total	-	**(2)**	**(2)**
Total other comprehensive income/(losses) for the year:	-	**(2)**	**(2)**
December 31, 2023			
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:			
Actuarial gain/(losses) on DBO (net of tax)		(5)	(5)
Total	-	**(5)**	**(5)**
Total other comprehensive income/(losses) for the year:	-	**(5)**	**(5)**

	December 31, 2024			December 31, 2023		
	Gross value	Fiscal effect	Net value	Gross value	Fiscal effect	Net value
Euro thousand						
Actuarial gain/(losses) on DBO	(3)	1	(2)	(7)	2	(5)
Total other comprehensive income/(losses)	**(3)**	**1**	**(2)**	**(7)**	**2**	**(5)**

14. Long-term borrowings

As at 31 December 2024, medium/long-term financial debt is as follows:

Long term borrowings	31-dic-24	31-dic-23	Variazione	Variazione %
Loan BNL 6169054	208,331	1,041,667	(833,335)	-80%
Loan BNL 6177935	1,785,714	0	1,785,714	
Loan Intesa 0IC1076967680	287,348	860,406	(573,058)	-67%
Loan Banca Intesa guaranteed	0	360,135	(360,135)	-100%
Loan BNL guaranteed	0	357,143	(357,143)	-100%
Loan Intesa 0IC1011858979	0	357,850	(357,850)	-100%
Loan Intesa 0IC1021541583	1,239,908	1,940,176	(700,268)	-36%
Loan Simest - PP33867	240,000	360,000	(120,000)	-33%
Loan Simest - FM46888	0	19,642	(19,642)	-100%
Loan Simest - FM47037	0	6,325	(6,325)	-100%
Loan Simest - EC50949	0	33,683	(33,683)	-100%
Total long term borrowings	**3,761,302**	**5,337,027**	**(1,542,042)**	**-29%**

The table below outlines the changes in borrowings in 2024 for both the current and non-current portions:

Change in borrowings	31-Dec-23	Refunds	New borrowings	Reclassification current portion	31-dic-24
Non current portion					
Bank borrowings	5,337,027	-	2,500,000	(4,075,725)	3,761,302
Total non current borrowings	**5,337,027**	**-**	**2,500,000**	**(4,075,725)**	**3,761,302**
Curent portion					
Bank borrowings	6,346,283	(6,346,283)	-	4,075,725	4,075,725
Total current borrowings	**6,346,283**	**(6,346,283)**	**-**	**4,075,725**	**4,075,725**
Totale current and non current	**11,683,310**	**(6,346,283)**	**2,500,000**	**-**	**7,837,027**

The tables below show the salient information on the conditions of the existing loans and the hedging Interest Rate Swap Contract:

Loan details	Loan 0IC1021541583	Loan Banca Intesa garantito	Loan BNL 6177935
Lender	Intesa S. Paolo S.p.A.	Intesa S. Paolo S.p.A.	Banca Nazionale del Lavoro S.p.A.
Originl amount	2,500,000	2,500,000	2,500,000
Contract date	30-Aug-23	17-Jun-20	10-Apr-24
Due date	30-Aug-27	17-Jun-25	10-Apr-28
N. installments	42	10	14
N. advanced installments	6	3	2
Periodicity	monthly	half yearly	quarterly
Interest rate	Euribor 1M (base 360) with zero floor + spread 0,95%	Euribor 6M + spread 0,7%	Euribor 3M + spread 0,85%
Current Portion	700,268	360,135	714,286
Non current portion	1,239,908	-	1,785,714

Loan details	Loan BNL garantito	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.
Originl amount	2,500,000	2,500,000	2,500,000	2,000,000
Contract date	22-Jun-20	19-May-21	22-Mar-22	25-Feb-22
Due date	16-Jun-25	19-May-25	22-Mar-26	25-Feb-26
N. installments	7	7	12	8
N. advanced installments	3	1	4	-
Periodicity	half yearly	half yearly	quarterly	half yearly
Interest rate	Euribor 6M + spread 0,7%	Euribor 6M + spread 0,65%	Euribor 3M + spread 0,85%	Euribor 6M + spread 0,90%
Current Portion	357,143	357,850	833,333	573,060
Non current portion	-	-	208,331	287,348

Loan details	Loan Simest - PP33867	Loan Simest - FM46888	Loan Simest - FM47037	Loan Simest - EC50949
Lender	Sace Simest	Sace Simest	Sace Simest	Sace Simest
Originl amount	480,000	93,418	25,300	101,587
Contract date	31-Mar-21	30-Sep-21	30-Sep-21	12-May-22
Due date	31-Dec-27	15-Oct-25	15-Oct-25	12-Nov-25
N. installments	8	6	6	6
N. advanced installments	5	2	2	2
Periodicity	half yearly	half yearly	half yearly	half yearly
Interest rate	0.55%	0.55%	0.55%	0.55%
Current Portion	120,000	19,642	6,325	33,683
Non current portion	240,000	-	-	-

These loans are not subject to covenants nor do they involve any negative pledges relative to the Company.

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.

Note that, in relation to loan 0IC1021541583 from Intesa S. Paolo S.p.A., the Company can obtain a reduction in the interest rate applied, if a specific portion of turnover is destined for welfare programmes. To that end, note that 0.36% of annual turnover (equal to € 248 thousand) was allocated to increase employee welfare, with a ceiling.

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 company has no outstanding loans with a maturity exceeding 5 years.

Derivative instruments details	Banca Intesa (guaranteed)	BNL (guaranteed)
Counterpart	Intesa S.Paolo S.p.A.	BNL Group
Type of contract	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedging of interest variability risk associated with the Banca Intesa loan	Hedging of interest variability risk associated with the BNl Group loan
Original amount	2,500,000	2,500,000
Periodicity	Half-yearly	Half-yearly
Bank Interest Rate	Euribor 6 months	Euribor 6 months
Company Interest Rate	0.09%	0.05%
Contract date	17 June 2020	22 June 2020
Due date	17 December 2024	16 December 2024
Mark to market amount at June 30, 2022	4,914	4,828

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, 2022	9,979	15,536

Note that the company does not apply hedge accounting and the changes in fair value of the aforementioned derivatives are charged to the income statement. Changes in the fair value of the aforementioned derivative are charged to the income statement.

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

At 31 December 2024, financial liabilities for rights of use, calculated by discounting the value of lease fees due, amounted to € 3,022 thousand, of which € 2,146 thousand classified under non-current liabilities and € 0.9 million classified under current liabilities.

The change with respect to 31 December 2023 is connected to the net effect of the payment of instalments coming due during the year and the increase in financial liabilities associated with rights of use relative to the renewal of certain property leases for the structures in which the Company carries out its operations.

Non-current liabilities include financial liabilities with maturity dates exceeding five years for € 147 thousand. The marginal interest rates defined by the Company 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.

16. Provisions for personnel and similar

The item includes liability accrued in relation to employee severance indemnity and liability accrued against the severance indemnity instead due to Directors at end of office.
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.
The current value of liabilities for Severance Indemnities is € 165 thousand.

This fund is entered net of any paid advances and of liquidations delivered upon resignation occurred during the year in review; during the year it changed as follows:

Provision for severance indemnities	**31-Dec-23**	**Provision (interest & service cost)**	**(Use)**	**Actuarial gain/(loss)**	**31-Dec-24**
Provision for severance indemnities	173,807	5,594	(11,696)	(2,713)	164,992
Total provision for severance indemnities	**173,807**	**5,594**	**(11,696)**	**(2,713)**	**164,992**

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

Technical parameters

	31-Dec-24
Technical annual discounting rate	3.38%
Annual inflation rate	2.00%
Tasso annuo incremento TFR	3.00%

With regard to the evaluation of the discount rate, in line with the previous year, the reference used was the IBoxx Eurozone Corporate AA index of December 2023 with a duration from 7 to 10 years (in line with the average duration of the evaluated group).

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 31-dec-2024
Turnover rate +1%	165,130
Turnover rate -1%	163,899
Inflation rate + 0,25%	166,313
Inflation rate - 0,25%	162,786
Discount rate + 25%	161,787
Discount rate - 25%	167,364

Estimated future payments

Year	Amount
1	16,255
2	15,193
3	14,208
4	13,283
5	12,416

Service Cost and Duration

Service Cost	0.00
Duration	7.56

For the purposes of recognising the directors' severance pay, a provision was made for each Director for the amount accrued during the period according to the existing agreement. The value of the provision is equal to the value of the corresponding policies, recognised under the assets and described in Note 7.
This provision has changed as follows during the year:

Executive retirement provision (TFM)	31-Dec-23	Provision	(Use)	31-Dec-24
Executive retirement provision (TFM)	511,013	43,833	-	554,846
Total TFM	**511,013**	**43,833**	**-**	**554,846**

The change with respect to 31 December 2023 is due to the amount accruing during the year.

17. Provisions for risks and charges

The item, equal to € 22,000 at 31 December 2022 (unchanged compared to 31 December 2023), contains the fund to cope with the risk of warranty support for products marketed by the company. The estimated value of this fund, based on the historic trend of costs sustained for guarantees, did not lead to any additional allocation.

18. Short-term borrowings and net financial position

The item is made up of:

Short term borrowings	31-Dec-24	31-Dec-23	Change	Change %
Loan 0IC1021541583	700,268	559,824	140,444	25%
Loan BNL 6177935	714,286	-	714,286	
Loan Banca Intesa garantito	360,135	717,267	(357,132)	-50%
Loan BNL garantito	357,143	714,286	(357,143)	-50%
Loan Intesa 0IC1011858979	357,850	714,992	(357,142)	-50%
Loan Intesa 0IR1017977389	-	1,056,047	(1,056,047)	-100%
Loan BNL flussi	-	1,000,000	(1,000,000)	-100%
Loan Intesa 0IC1076967680	573,060	570,883	2,177	0%
Loan BNL 6169054	833,333	833,333	0	0%
Loan Simest - PP33867	120,000	120,000	0	0%
Loan Simest - FM46888	19,642	19,642	()	0%
Loan Simest - FM47037	6,325	6,325	0	0%
Loan Simest - EC50949	33,683	33,683	()	0%
Short-term borrowings	**4,075,725**	**6,346,283**	**(2,270,558)**	**-36%**
Bank overdrafts	**2,594,732**	**2,708,449**	**(113,717)**	-4%
Total	**6,670,457**	**9,054,732**	**(2,384,274)**	**-26%**

For details on the conditions of outstanding loans, one should refer to Note 14.

As required by CONSOB Communication of 28 July 2006 and in accordance with the CESR recommendation of 10 February 2005 "Recommendations for the standardised implementation of the regulation of the European Commission on financial statements" updated on the basis of the 2021 ESMA guidelines, the net financial position of the Company at 31 December 2024 is detailed below:

(values in Euro thousands)	31 december 2024 (a)	31 december 2023 (a)	Change
A. Cash	4,045	8,491	-52%
C. Other current financial assets	7,283	6,979	4%
D. Cash and cash equivalent (A+C)	**11,328**	**15,470**	**-27%**
E. Current financial indebtness	(2,595)	(2,708)	-4%
F. Current portion of non current borrowings	(4,951)	(7,275)	-32%
G. Current borrowingse (E+F)	**(7,546)**	**(9,983)**	**-24%**
H. Current net financial indebtness (G+D)	**3,782**	**5,487**	**-31%**
I. Non current financial indebtness	(5,907)	(7,799)	-24%
L. Non current financial indebtness	**(5,907)**	**(7,799)**	**-24%**
M. Total financial indebteness (H+L)	**(2,125)**	**(2,312)**	**-8%**

(a) Information taken and/or calculated from the financial statements prepared in compliance with IFRS adopted by the European Union.

Below is a statement of reconciliation between the net final cash and cash equivalents highlighted in the statement of cash flow and the net financial position shown above.

	31-Dec-24	31-Dec-23
Cash and cash equivalents at end of the period	**1,450**	**5,783**
Current portion of non current borrowings	(4,076)	(6,346)
Non current borrowings	(3,761)	(5,337)
Securities held for trading	(876)	(928)
Other financial current borrowings	(2,146)	(2,462)
Other financial non current borrowings	7,283	6,979
Total net financial position	**(2,125)**	**(2,312)**

For a better understanding of the dynamics underlying changes in the Net Financial Position, one should refer to the statement of cash flow.

19. Trade payables

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

Trade payables	31-Dec-24	31-Dec-23	Change	% Change
Trade payables	7,791,663	8,318,435	(526,772)	-6%
Total trade payables	**7,791,663**	**8,318,435**	**(526,772)**	**-6%**

The decrease in trade payables is due to lower volumes of purchases made, in particular in the last quarter of the year, as the level of inventories was already appropriate to the level of consumption expected.

20. Current tax liabilities

At 31 December 2024, the item came to zero (€ 591 thousand at 31 December 2023), as the net balance for current taxes was positive at 31 December 2024 and consequently recognised under current tax assets.

21. Other current liabilities

The item is made up of:

Other current liabilities	31-Dec-24	31-Dec-23	Change	% Change
Due to social security funds	567,280	407,715	159,565	39%
Unused vacation time and holidays	647,385	617,212	30,173	5%
Due to personnel	362,939	548,976	(186,037)	-34%
Other fiscal liabilities	265,623	196,378	69,245	35%
Other liabilities	295,015	565,742	(270,727)	-48%
Total current liabilities	**2,138,241**	**2,336,022**	**(197,781)**	-8%

"Amounts due to social security entities" includes the amounts owed to welfare institutions, mainly consisting of amounts owed to INPS.

"Unused vacation time and holidays" includes the deferred costs for holidays remaining on 31 December 2024.

"Amounts due to personnel" refers to payables for salaries and wages still to be paid on the reporting date.

The item "Other liabilities" includes payables to directors for € 130 thousand (including MBO).

22. Commitments and guarantees

As at 31 December 2024, as also at 31 December 2023, there are no records of any guarantees given to third parties.

12.3 Structural analysis of main items of the parent company's income statement for FY 2024

23. Revenue

The Company's revenue reached € 68.5 million, down 4% with respect to the figure in 2023.

Geographical Area	2024	%	2023	%	Change	% Change
Latin America	3,579,868	5%	4,537,598	6%	(957,730)	-21%
Europe	39,657,798	58%	35,410,490	50%	4,247,308	12%
Italy	7,757,458	11%	7,567,570	11%	189,888	3%
North America	7,466,207	11%	9,356,084	13%	(1,889,877)	-20%
Middle East & Africa	516,753	1%	1,033,944	1%	(517,190)	-50%
Asia & Pacific	9,574,139	14%	13,473,426	19%	(3,899,287)	-29%
Total revenues	**68,552,223**	**100%**	**71,379,111**	**100%**	**(2,826,888)**	**-4%**

This trend was, in particular, the consequence of decreased revenues, mainly in the Americas and, to a lesser extent, in Asia.

The item can only be broken down in reference to the geographical area for the sales, as the market segment of the Company is identified exclusively in the manufacture and sale of "top quality professional loudspeakers".

In 2024 three customers generated turnover exceeding 10% of the total:

1st customer – 29%

2nd customer – 16%

3rd customer – 4%

All revenues are associated with obligations of action carried out a given time.

For a more detailed analysis of revenues during the year, one should refer to the relevant section of the Report on Operations.

24. Cost of sales

The item is composed as follows according to the nature of the charges:

Cost of sales	2024	2023	Change	% Change
Purchases of raw materials and finished products	(2,881,408)	(2,975,573)	94,165	-3%
Purchases of WIP	(22,158,534)	(25,095,661)	2,937,127	-12%
External manufacturing costs	(4,255,190)	(4,586,461)	331,271	-7%
Accessories and consumables costs	(2,173,520)	(2,202,513)	28,994	-1%
Packaging costs	(626,430)	(777,450)	151,020	-19%
Other purchasing costs	(48,185)	(62,501)	14,316	-23%
Change in WIP inventories	404,335	199,077	205,258	103%
Change in finished products inventories	(305,914)	(285,481)	(20,433)	7%
Change in raw materials and consumables inventories	284,290	142,071	142,219	100%
Totale purchases and external manufactring costs	**(31,760,556)**	**(35,644,492)**	**3,883,936**	**-11%**
Salaries	(5,142,234)	(4,140,944)	(1,001,289)	24%
Social security charges	(1,568,483)	(1,249,852)	(318,631)	25%
Severance for indemnities	(375,988)	(296,620)	(79,368)	27%
Other personnel costs	(1,891,462)	(2,352,969)	461,507	-20%
Total direct labour	**(8,978,166)**	**(8,040,385)**	**(937,781)**	**12%**
Freight and forwarding	(1,596,004)	(1,294,637)	(301,367)	23%
Royalties	(105,767)	(88,134)	(17,632)	20%
Other costs	(231,161)	(250,410)	19,249	-8%
Total direct costs	**(1,932,932)**	**(1,633,181)**	**(299,750)**	**18%**
Total COGS	**(42,671,654)**	**(45,318,058)**	**2,646,405**	**-6%**

The cost of sales in 2024 fell by € 2,646 with respect to the same figure in 2023, as a consequence of the reduction in the Company's turnover. In terms of impact on revenues, an improvement was seen, going from 63.5% the previous year, to 62.2% in 2024. This trend is due to: (i) a recovery of margins on the variable part of the cost of sales, due to normalisation of raw materials costs, which allowed an improvement of 3.6 margin points compared to the first half of the previous year, (ii) a drop of 1.8 percentage points as a result of the increased cost of personnel following the integration of the two new subsidiaries, and (iii) an increase in the impact of customs duties and transport costs, which led to a loss of margin of about 0.5 percentage points. The cost of sales fell due to higher production volumes, leading to a decrease in its impact on revenues which went from 64.3% to 63.5%. The decrease in the impact of the cost of sales is essentially due to the gradual normalisation, over the course of the year, of the prices of the main production components and the elimination of transport pressures which have returned this cost category to pre-pandemic levels. In this light, the important contribution provided by the efficiency of the direct work force should not be forgotten, while maintained the same level of impact on revenues as in the previous year.

External manufacturing costs refers to manufacturing services provided by Corporate suppliers on certain process steps, i.e. turning and coating, which are not carried out in-house.
One should note that purchases of raw materials are mainly materials of ferrous origin used in the production process and the cost of which can be influenced by trends in the cost of the raw materials; purchases of semi-finished products are instead related to processing components that are directly installed in the product being processed. Purchases of other goods relate to purchases of office machinery, small equipment for production and the warehouse and to the purchase of samples and equipment intended for the Sound Architecture division.
Direct labour costs increased by € 0,9 million, due to the increase in personnel, including temporary staff.

25. Other revenues and income

The item other revenues amounted to € 527 thousand in 2024 (€ 337 thousand in 2023).

In the amount of € 66 thousand, the item refers to grants received to finance an instrumental sensor project for the production plants. This also included the contributions from GSE S.p.A. (Gestore servizi energetici) for

€ 44 thousand in relation to the use of photovoltaic panels, contributions received from Fondimpresa and Fondirigenti for personnel training for € 5 thousand, grants for the SUSMAGPRO project to create a circular economy for magnets containing rare earth minerals for € 35 thousand, as well as contingent assets in minor amounts.
The remainder refers to intercompany re-invoicing for € 303 thousand and recovery of expenses and premiums from suppliers.

26. Indirect Personnel

The item is made up of:

Cost of indirect labour	2024	2023	Change	% Change
Retribution	(1,937,791)	(2,044,917)	107,126	-5%
Social charges	(609,303)	(568,336)	(40,966)	7%
Severance indemnity	(130,021)	(123,042)	(6,978)	6%
Total cost of indirect labour	**(2,677,114)**	**(2,736,296)**	**59,181**	**-2%**

Indirect personnel costs remained substantially in line with the previous year.

27. Commercial expenses

The item is made up of:

Commercial expenses	2024	2023	Change	% Change
Commercial consulting services	(373,325)	(299,495)	(73,830)	25%
Advertising	(237,110)	(216,170)	(20,941)	10%
Travelling expenses	(244,012)	(238,701)	(5,312)	2%
Total commercial expenses	**(854,448)**	**(754,366)**	**(100,082)**	**13%**

Commercial expenses increased compared to 2023 due to a greater use of commercial consulting.

28. Administrative and General expenses

The item is made up of:

General and administrative expenses	2024	2023	Change	Change %
Manteinance & utilities	(1,366,816)	(1,154,932)	(211,884)	18%
Professional services	(1,195,956)	(1,544,503)	348,547	-23%
Corporate bodies fees	(727,427)	(791,617)	64,190	-8%
Other suplies	(217,333)	(231,260)	13,927	-6%
Insurance	(159,352)	(120,854)	(38,499)	32%
Taxes	(99,599)	(74,258)	(25,341)	34%
Stock Exchange expenses	(341,806)	(236,334)	(105,472)	45%
Executive retirement indemnities	(43,833)	(42,648)	(1,185)	3%
Rental fees	(389,704)	(344,906)	(44,798)	13%
Other	(204,728)	(352,521)	147,793	-42%
Total general and administrative expenses	**(4,746,553)**	**(4,893,832)**	**147,279**	**-3%**

Maintenance and utilities costs refer mainly to software assistance for about € 523 thousand, to costs for utilities for € 360 thousand, to maintenance of capital assets and properties for € 288 thousand and to cleaning services for € 194 thousand.

The item "Professional services" includes technical, administrative and legal consulting services received in 2024. The decrease in the item is in good part due to the lack of the external consulting costs associated with the business combination finalised in 2023.
Stock exchange expenses include management costs related to Borsa Italiana S.p.A. and CONSOB.

29. Amortisation, depreciation and writebacks on trade and other receivables

The item is made up of:

Amortization, depreciation, provisions and writedowns	2024	2023	Change	% Change
Amortization of intangibles assets	(102,446)	(108,170)	5,724	-5%
Depreciation of tangible assets	(508,937)	(454,736)	(54,201)	12%
Depreciation of right of use	(923,059)	(921,400)	(1,659)	0%
Total amortizations and depreciations	**(1,534,442)**	**(1,484,306)**	**(50,136)**	**3%**
Total provisions and writedowns	-	-	-	-

The depreciation/amortisation of fixed assets and rights of use is substantially in line with the previous year.

30. Financial income and expenses

Financial expense amounted to € 1,001 thousand (€ 1,254 thousand in 2023) consisting of € 291 thousand for exchange losses realised (€ 367 thousand in 2023), € 67 thousand for presumed exchange losses (€ 127 thousand in 2023), € 409 thousand for interest on loans and current account overdrafts (€ 479 thousand in 2023), € 65 thousand for interest calculated on financial liabilities related to IFRS16 lease accounting (€ 80 thousand in 2023), € 128 thousand due to the change in fair value of IRS contract (€ 175 thousand in 2023) and other minor expenses for the remainder.

Financial income amounted to € 1,210 thousand (€ 1,029 thousand in 2023) consisting of € 303 thousand for exchange gains realised (€ 279 thousand in 2022), € 199 thousand for presumed exchange gains at the end of the year (€ 89 thousand in 2023), € 504 thousand for presumed profit from fair value measurement of securities held for liquidity purposes (€ 385 thousand in 2023) and other minor amounts for the remainder.

31. Taxes

The item is made up of:

Current and deferred taxes	2024	2023	Change	% Change
IRES	(2,853,071)	(3,862,954)	1,009,883	-26%
IRAP	(555,576)	(772,506)	216,930	-28%
Totale current taxes	**(3,408,646)**	**(4,635,459)**	**1,226,813**	**-26%**
Fixed assets and R&D fiscal benefit	**174,583**	**257,441.85**	**(82,859)**	**-32%**
Prior Years currente taxes (Patent Box)	**2,953,890**	-	-	
Deferred tax expenses/(income)	(111,984)	33,570	(145,553)	-434%
Total income taxes	**(392,157)**	**(4,344,448)**	**3,952,290**	**-91%**

Current taxes include the tax expense that originated during the year in application. The item “taxes from previous years (Patent Box) refers to the effects of the tax benefits relative to years 2020 - 2023, following the renewal of the Patent Box ruling request filed with the Revenues Agency, which occurred during the half in question with reference to tax period 2020 and the following four tax periods. Note that the Patent Box

benefit for FY 2024 is equal to € 1,254 thousand, recognised under the item for current taxes. The overall effect on the income statement for the year was, therefore, equal to € 4,207 thousand. The tax burden for the period, net of the above effect, was € 4,600 thousand, representing 27.4% of before-tax profit (26.8% in 2023).
The Item "deferred/prepaid tax" mainly includes the effect the consolidated entries relating to the cancellation of the internal inventory margin.
The reconciliation between the tax expense entered in the financial statements and the theoretical tax expense determined on the basis of the theoretical tax rates applicable in Italy is shown in the following table:

Euro thousands	31-Dec-24				31-Dec-23			
	IRES Imponibile	Imposta 24,0%	IRAP Imponibile	Imposta 3,9%	IRES Imponibile	Imposta 24,0%	IRAP Imponibile	Imposta 3,9%
EBT	16,805	4,033	29,118	1,136	16,480	3,955	28,263	1,102
Cash dividends	68	16	-	-	44	10	-	-
Extra ammortization	(97)	(23)	-	-	(282)	(68)	-	-
IRAP deductions	(118)	(28)	-	-	(283)	(68)	-	-
Deductible cost of labour	-	-	(10,304)	(402)	-	-	(8,455)	(330)
Other variations (+)	713.00	171.00	-	-	1,207	290	-	-
Other variations (-)	(1,000)	(240)	-	-	(1,069)	(257)	-	-
Taxable income	16,371.00		18,814		16,096		19,808	
IRAP deductions								
Current taxes		3,929		734		3,863		773
Imposte esercizi precedenti (Patent Box)		(4,208)		-		-		-
Fixed assets and R&D fiscal benefit		(175)		-		(257)		-
Deferred tax expenses/(income)		112.00		-		(34)		-
Totale taxes		(342)		734		3,572		773

Prepaid tax assets were recognised by critically measuring the existence of conditions for the future recoverability of these assets based on the updated strategic plans.

32. Transactions deriving from non-recurring operations

Pursuant to CONSOB Communication of 28 July 2006, one should note that in 2024 the Company did not incur costs in connection with non-recurrent operations.

33. Transactions deriving from atypical and/or unusual operations

Pursuant to CONSOB Communication of 28 July 2006, one should note that in 2024 the Company did not engage in any atypical and/or unusual transactions, as per their definition in the Communication.

34. Information on financial risks

The Company'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 Company 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 company itself.

Currency exchange risks

The Company operates internationally and hence is exposed to exchange risks originating in the trends of exchange rates for foreign currencies, mainly the US and Canadian dollars. Given that exchange risk which manifests in future transactions, the Company does not carry out specific hedging activities other than attempting to, over the long term, balance sales and purchasing flows, above all relative to those made in dollars.

In 2024 the company continued to make significant purchases abroad, particularly in Asia; the value of purchases made in foreign currencies is summarised as follows:

- Purchases in USD equal to 18.5 million whose corresponding value in euros (calculated according to the average exchange rate for the year) is equal to Euro 17.1 million;
- Purchases in CAD Dollars for 0.4 million with a corresponding value in euro (calculated according to the average exchange rate for the year) equal to € 0.3 million;
- Purchases in GBP equal to 0.3 million whose corresponding value in euros (calculated according to the average exchange rate for the year) is equal to Euro 0.4 million;

In 2024, the Company instead generated turnover from customers in a foreign currency; in particular, *Revenues,* in a foreign currency are summarised below:

- Sales in USD equal to 17.4 million whose corresponding value in Euros (calculated according to the average exchange rate for the year) is equal to Euro 16.1 million;
- The turnover in GBP for 2024 is a negligible amount.

These figures show that purchases in foreign currency account for approximately 42% of total purchases (30% in 2023), while sales in foreign currency account for 24% of the Company's turnover (23% in 2023).
The coverage level (expressed as the ratio between purchases in foreign currency and sales in foreign currency) was equal to around 94% in 2023 (91% in 2023). Hence, it can be stated that the Company has a good hedging level with respect to its transactions in foreign currency.
On the basis of the above, a hypothetical 3% increase/decrease in the euro would generate potential gains of € 49 thousand and losses of € 52 thousand, respectively.

On the Balance sheet, the equivalent in Euros of trade receivables entered in US dollars on 31 December 2024 amounted to Euro 5,4 million (the total value on 31 December 2024 was Euro 4.8 million), while the equivalent value of trade payables in US dollars on 31 December 2024 amounted to Euro 1.8 million (the total value on 31 December 2023 amounted to Euro 3 million). Trade Receivables and Payables in other currencies are negligible.
On the basis of the above, a hypothetical 3% increase/decrease in the euro would generate potential gains of € 105 thousand and losses of € 99 thousand, respectively.

We must stress that the Company provided its suppliers with a constant and significant cash flow to pay for supplies, the consequence of which was the limited currency exposure at the end of the period.
Based on the above data, the impact of tax receivables in currency reaches approximately 37% of the overall trade value, while the impact of trade payables in currency accounts for 33% of the total value of corporate debt.

The balance sheet assets in a currency other than the euro were adequate to the exact exchange rate on 31 December 2024, with the associated costs and profits entered in the income statement.

Credit risk

The Company 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 financial statements. This cannot be excluded however in the future.

Interest rate risk

The Group has no outstanding financial assets or liabilities capable of significantly affecting the Company's profitability. Therefore, despite the Company not being significantly affected by changes in interest rates the management 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) agreements. For additional information, reference is made to Note 14.

Liquidity risk

At 31 December 2024, the Company has a negative Net Financial Position of € 2.1 million (€ 2.3 million as at 31 December 2023). It is the result of a current positive NFP of about € 3.7 million (€ 5.5 million at 31 December 2023) and non-current net financial debt of € 5.9 million (€ 7.8 million at 31 December 2023). For the characteristics of existing loans, reference should be made to Note 14.

The Company believes that its short and medium-term credit lines and current cash and cash equivalents, 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 31 December 2022, 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	7,283,091	-	-
Interest Rate Swap	-	35,257	
Total	**7,283,091**	**35,257**	-

Financial liabilities			
Interest Rate Swap	-	-	-
Total	-	-	-

One should note that, with respect to 31 December 2023, there were no movements between the various fair value levels.

The Company evaluates its financial assets and 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. Management and control

The issuer and its subsidiaries are, pursuant to Art. 2497 *et seq*. of the Italian Civil Code, under the management and control of the parent company *Research & Development International S.r.l.*, with registered offices in Florence, at Viale dei Mille 60, tax code 02342270481, Share Capital € 90,000.

The parent company Research & Development International S.r.l. owns 52.73% of the shares of B&C Speakers S.p.A., equal to 5,940,529 shares.

The table below provides highlights from Research & Development International S.r.l.'s most recent set of approved financial statements (31 December 2023):

Highlights R&D International S.r.l. (€ Thousand)	**31 december 2023**	**31 december 2022**
Total assets	26,348	23,803
Equity	20,052	16,536
Net income	5,381	1,111

The above essential data was taken from the financial statements for the year ended 31 December 2020. For a proper and complete understanding of the financial and equity position of Research and Development International S.r.l. at 31 December 2023, as well as the profit or loss achieved by the company in the year ended on that date, one should refer to the reading of the financial statements which, accompanied by the independent auditors' report, is available in the form and in the manner provided by law.

More information about relations with the parent company is given in the next paragraph.

37. Transactions with related parties, parent companies and subsidiaries of the latter

The following table summarises related party transactions in 2021, as well as providing information on the relations with them, including what is required by CONSOB Communication of 28 July 2006.

In particular, note the transactions implemented with the company ***Research & Development International S.r.l.***, a company based in Florence, at Viale dei Mille 60, tax code 02342270481, Share Capital € 90,000 (owner of the parent company B&C Speakers S.p.A.).

In accordance with Art. 2.6.2, section 13 of the Regulation governing the Markets Organised and Managed by Borsa Italiana S.p.A., it is hereby certified that the conditions pursuant to Art. 37 of CONSOB Regulation no. 16191/2007 have been met.

The tables below also take account of relations with the companies directly controlled by B&C Speakers S.p.A., specifically B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eighteen Sound S.r.l., Eminence Speakers LLC and B&C Speakers Electronics Ltd.

Economic transactions

Revenues	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
2024	68,552,223	-	3,073,096	1,624,358	-	3,026,370	894,170	8,617,994	13%
2023	71,379,111	-	3,324,059	-		3,772,236	803,572	7,899,867	11%

Other revenues	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
2024	527,445	-	-	303,682	-	-	-	303,682	58%
2023	337,059	-	24,000	-		-	-	24,000	7%

Cost of goods sold	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
2024	(42,671,654)	-	(327,122)	-	-	-	-	(327,122)	1%
2023	(45,318,058)	-	(589,029)	-	-	-	-	(589,029)	1%

Financial expenses	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
2024	(1,001,087)	(64,755)	-	-		-	-	(64,755)	6%
2023	(1,254,763)	(80,297)	-	-		-	-	(80,297)	6%

Financial income	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
2024	1,210,198	-	8,622	-	61,333	-	-	69,955	6%
2023	1,029,688	-	19,000	-		-	-	19,000	2%

Financial expenses (recognised in accordance with IFRS 16) for "*Research & Development International S.r.l.*" refer to the interest implicit in the financial liabilities for the rental contracts referring to the lease contracts for the Company's office and production facilities.

Financial income with respect to the subsidiaries shown in the table below refer to interest income from infragroup loans disbursed and existing at 31 December 2024, with respect to the subsidiaries Eighteen Sound S.r.l. and Eminence Speakers LLC.

Trade relations refer to Eighteen Sound S.r.l. and the foreign subsidiaries refer to commercial supplies purchased at market value.

Equity transactions

Trade receivables	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers LLC	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
31 december 2024	17,335,466	-	1,416,610	1,684,634	-	1,337,211	894,783	5,333,238	31%
31 december 2023	15,293,367	-	1,429,380	-	-	1,485,969	496,234	3,411,583	22%

Other current assets	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
31 december 2024	10,037,098	-	890,163	-	-	-	-	890,163	9%
31 december 2023	11,478,435	-	1,680,695	-	-	-	-	1,680,695	15%

Other non current assets	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
31 december 2024	3,083,482	6,700	-	-	2,467,725	-	-	2,474,425	80%
31 december 2023	529,226	6,700	-	-		-	-	6,700	1%

Trade payables	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
31 december 2024	(7,791,663)	(100,134)	(74,004)	-	-	(44,423)	-	(218,561)	3%
31 december 2023	(8,318,435)	(88,737)	(120,829)	0	0	-	-	(209,566)	3%

Long-term lease liabilities	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
31 december 2024	(2,146,091)	(2,140,714)	-	-		-	-	(2,140,714)	100%
31 december 2023	(2,461,746)	(2,452,012)	-	-		-	-	(2,452,012)	100%

Short-term lease liabilities	Total balance	Research & Development Intl. Srl	Eighteen Sound S.r.l.	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total related parties	Incidence
31 december 2024	(875,515)	(871,159)	-	-		-	-	(871,159)	100%
31 december 2023	(928,279)	(921,670)	-	-		-	-	(921,670)	99%

The creditor position relative to Research & Development International S.r.l. existing at 31 December 2024, is related to the credit for an IRAP rebate which arose in 2012 following the rebate application made by the Company for the financial years in which the Group companies availed themselves of tax consolidation.
The payable positions in relation to Research & Development International S.r.l. at 31 December 2024 relate to the financial liabilities arising from the recognition of rental contracts under IFRS 16 and existing debt for rent for production plants.

Creditor positions in relation to Eighteen Sound S.r.l. and Eminence Speakers LLC at 31 December 2024 (shown under other current and non-current assets) refer to the interest-bearing shareholders' loan made to the subsidiaries to provide them with the necessary flexibility in terms of cash, respectively for € 860 thousand and € 2,467 thousand. The other creditor positions are relative to commercial receivables for sales of B&C brand products.
The debtor position relative to Eighteen Sound S.r.l. as at 31 December 2023 refers to the provision of processing services for Company products.

The other positions with two foreign subsidiaries refer to the usual commercial services purchased at market value.

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

38. Events subsequent to the closure of FY 2024

It is noted that after 31 December 2024 and up until the date when these financial statements were approved, no events occurred that could have significant consequences for the financial and economic results represented.

39. Disclosure regarding public subsidies, contributions and other economic advantages received (pursuant to Italian Law 124/2017, Article 1.125).

Pursuant to the above law, during 2024 the Company received:

- Contributions from GSE S.p.A. (Energy services manager) for € 44 thousand in relation to the use of photovoltaic panels.
- Contributions for a production sensor project for € 35 thousand.
- Tax credit for research and development activities for € 80 thousand.
- Tax credit for training 4.0 for € 41 thousand.
- Tax credit for instrumental assets for € 54 thousand.
- Contributions received for personnel training for € 15 thousand.

38. Publication authorisation

The Board of Directors of B&C Speakers S.p.A. approved this document on 19 March 2025 and it was published on 28 March 2025 after receiving authorisation from the Chief Executive Officer.

39. Proposal to approve the financial statements and allocation of profit for the period

The Company's Board of Directors, which met on 19 March 2025, proposed allocating the profit for the year as in the financial statements at 31 December 2024 as follows:

- distribution of a dividend of € 1 per ordinary share outstanding at the ex-dividend date, therefore excluding the treasury shares held at that date;
- the remainder to “retained earnings”.

13 Certification of the financial statements pursuant to Art. 154-*bis* of Italian Legislative Decree 58/98

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

   – that the financial statements reflect the business and structure and

   – that the administrative and accounting procedures for the formation of financial statements for year 2024 have been effectively applied.

2. The undersigned also certify that:

   2.1 the financial statements:

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

   b) correspond to the information in the accounting ledgers;

   c) provide a true and accurate representation of the issuer's economic, financial and equity position.

   2.2 The Report on Operations includes a reliable analysis of the progress and results of the management as well as the position of the issuer, together with descriptions of the main risks and uncertainties to which they are exposed.

Bagno a Ripoli (FI), 19 March 2025

Lorenzo Coppini Francesco Spapperi

14 Report of the Independent Auditors to the Separate Financial Statements of B&C Speakers S.p.A. at 31 December 2024

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Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the Shareholders of
B&C Speakers SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of B&C Speakers SpA (the Company), which comprise the statement of financial position as of 31 December 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2024, and of the result of its operations and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Recoverability of the carrying amounts of equity investments in subsidiaries *Paragraph 12.2, note 4 "Equity investments in subsidiaries" to the financial statements as of 31 December 2024* Equity investments in subsidiaries were recognised in the financial statements as of 31 December 2024 in the amount of Euro 12,487 thousand equal to 17.3 % of the Company's assets. Such item includes equity investments in Eighteen Sound Srl for Euro 6,583 thousand, in Eminence Speaker LLC for Euro 2,438 thousand, in B&C Speakers NA LLC for Euro 1,450 thousand, in B&C Speakers (Dongguan) Electronic Co Ltd for Euro 1,900 thousand and in B&C Speakers Brasil Ltda for Euro 117 thousand. Evaluating the recoverability of the amounts recognised in the financial statements required management to make estimates with particular reference to the verification of any impairment loss indicators, as well as to the method to determine expected future cash flows, the calculation of the discount rate and of the steady growth rate of financial flows beyond the time period of the plans of the investee companies, used by the directors to determine the value in use. The results of the tests performed by the directors did not highlight any loss in value. Within our audit process, we paid special attention to the evaluation process of this item performed by management, considering its significance and the estimates implied in the evaluation performed by the directors. In this regard, the directors deemed it proper to also perform sensitivity analyses, which consider lower profitability levels compared to those identified in the Plans approved by the directors of the parent company.	We analysed the changes in this caption during the year 2024 and we understood and assessed the procedures adopted by management in order to verify whether these procedures complied with *"IAS 36 - Impairment of Assets"*. With regard to the impairment testing carried out by the directors, we verified the reasonableness of the assumptions used by the directors to determine the value in use, including those applied to estimate the cash flows expected for the relevant time period and resulting from the Plans of the aforementioned companies. We also controlled the mathematical accuracy of the calculations made by management. We analysed the calculation methods of the discount rate and of the steady growth rate of financial flows beyond the time period of the Plans approved by the directors of the parent company on 7 February 2025, and the impairment tests carried out by management and approved by the directors of the parent company on 4 March 2025. Moreover, we analysed the alternative scenarios prepared by the directors (sensitivity analysis). Finally, we conducted our own sensitivity analyses as regards the key assumptions adopted by the directors in verifying the existence of an impairment loss of equity investments. We carried out such activities with the support of PwC network experts on valuation. Our audit included the analysis of the notes to the financial statements in order to evaluate the accuracy and completeness of the disclosures therein.

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Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;

- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate the related risks, or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No 537/2014

On 24 April 2015 the shareholders of B&C Speakers SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2016 to 31 December 2024.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

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Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of B&C Speakers SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements as of 31 December 2024, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the financial statements as of 31 December 2024 have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinions and statement in accordance with article 14, paragraph 2, letters e), e-bis) and e-ter) of Legislative Decree No. 39/10 and with article 123-bis, paragraph 4, of Legislative Decree No. 58/98

The directors of B&C Speakers SpA are responsible for preparing a report on operations and a report on corporate governance and ownership structure of B&C Speakers SpA as of 31 December 2024, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to:

- express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98;
- issue a statement on material misstatements, if any, in the report on operations and in the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are consistent with the financial statements of B&C Speakers SpA as of 31 December 2024.

Moreover, in our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98 are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e-ter), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Florence, 28 March 2025

PricewaterhouseCoopers SpA

Signed by

Federico Bitossi
(Partner)

This independent auditor's 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. We have not examined the translation of the financial statements referred to in this report.

15 Report by the Board of Statutory Auditors

Report by the Board of Auditors to the Shareholders' Meeting of "B. & C. Speakers S.p.A." (Art. 153 of Italian Legislative Decree no. 59/98 and Art. 2429.2, Italian Civil Code)

Dear Shareholders,

The Board of Statutory Auditors of B&C SPEAKERS S.p.A. ("**B&C SPEAKERS**" or the "**Company**") (which, pursuant to Italian Legislative Decree 39 of 27 January 2010, also serves as the Internal Control and Audit Committee), pursuant to article 153 of Italian Legislative Decree 58 of 24 February 1998 ("**TUF**") and the applicable norms of the Civil Code, as well as current reference regulations, through this report ("**Report**") informs the Shareholders' Meeting, called to approve the Company's annual financial statements for the year ending on 31 December 2024 ("**Annual Financial Statements**"), on the supervisory activities it performed during the year and on any omissions or reprehensible actions identified. The Board of Statutory Auditors may also make proposals regarding the financial statements and the approval thereof, as well as on other matters assigned to its responsibility.

During 2024, the Board of Statutory Auditors carried out its supervisory responsibilities under the terms established in current regulations and taking into account the provisions of European Regulation 537/2014, the Behavioural Norms for Boards of Statutory Auditors of Listed Companies, as in the document issued by the National Association of Certified Accountants and Accounting Experts (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili), most recently updated in December 2024 ("**Behavioural Norms**"), as well as CONSOB provisions of corporate auditing and the activities of the Board of Statutory Auditors, and the indications found in the Corporate Governance Code to which the Company adheres, as well as the most recent recommendations of the Italian Corporate Governance Committee.

The supervisory activities carried out by the Board of Statutory Auditors and better detailed below involved (i) observance of the law, the Articles of Association and the By-Laws; (ii) respect for the principles of proper administration; (iii) the adequacy of the organisational structure adopted by the Company; (iv) the adequacy and operation of the internal control and risk management system; (v) the adequacy of the administrative/accounting system and the reliability of this latter in properly representing operating events, while also monitoring the financial reporting and independent auditing of the accounts pursuant to article 19 of Italian Legislative Decree 39 of 27 January 2010; (vi) the methods used to concretely implement corporate governance rules and (vii) related party transactions.

The Company's annual and consolidated financial statements were prepared on the basis of the IAS/IFRS international accounting standards issued by the International Accounting Standards Board (IASB) and approved by the European Union, as well as in compliance with the provisions issued by CONSOB, implementing Article 9, paragraph 3 of Italian Legislative Decree 38/2005.

In the explanatory notes to the financial statements, there is a detailed description of the general standards adopted in the preparation of the statements themselves.

The Company did not present the *Sustainability Statement* pursuant to Italian Legislative Decree 125/2024 (implementing the *"CSRD DIrective"*), as this obligation, pursuant to Article 17 of the Decree in question, arises only for financial years starting as from 1 January 2025. Nonetheless, B&C has voluntarily begun a sustainability process structured over multiple years, in line with that indicated in its three-year Sustainability

Plan. The Company also voluntarily prepared a sustainability report for 2020, 2021, 2022 and 2023. All ISO certifications held have been reconfirmed once again for 2024.

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The Board of Statutory Auditors, appointed by the Shareholders' Meeting on 29 April 2024 for financial years 2024-2026 (and, therefore, expiring following the approval by the B&C Speakers Shareholders' Meeting of the annual financial statements at 31 December 2026), consists of the standing auditors Riccardo Foglia Taverna (Chair), Sara Nuzzaci and Giovanni Mongelli, as well as the alternate auditors Diana Rizzo and Irene Mongelli.

Pursuant to both article 148, paragraph 3 of the TUF and that indicated in the Corporate Governance Code, the Board of Statutory Auditors has verified that the requirements of independence have been maintained by its members in office at 31 December 2024 (already ascertained at the time of appointment and verified at least annually, together with proper application of the criteria and procedures for ascertainment adopted by the Board of Directors to assess the independence of Directors).

The Board of Directors in office as of the date of this Report consists of 7 Directors, of which 4 classified as non-executive and of these latter, 3 holding the independence requirements established in the Corporate Governance Code and the TUF; the number of independent directors is deemed suitable with respect to the overall composition of the Board of Directors.

SUPERVISORY ACTIVITIES IN TERMS OF THE LAW AND BY-LAWS AND RESPECT FOR THE PRINCIPLES OF PROPER ADMINISTRATION

The entire Board of Statutory Auditors attends Board of Directors meetings and those of the Control, Risk and Sustainability Committee; the Board of Statutory Auditors also attends Shareholders' Meetings.

During 2024, the Board of Statutory Auditors attended 8 Board of Directors meetings and 7 Risk and Control Committee meetings, also in its role as the Internal Control and Audit Committee, pursuant to article 19 of Italian Legislative Decree. 39 of 27 January 2010, and the Shareholders' Meeting, and met 11 times. In the Report on Corporate Governance and Ownership Structure, evidence is provided with respect to the participation of the individual members of the Board of Statutory Auditors at its meetings.

Additionally, the Board of Statutory Auditors participated in the induction session on the topic of sustainability, organised by the Company on 26 September 2024.

Attendance at meetings of all company bodies, also through the Chair, made it possible to achieve a constant exchange of information with these bodies and the assigned company departments, as well as with the Supervisory Body established under Italian Legislative Decree 231 of 8 June 2001, also through joint meetings. During these periodic meetings, the Board of Statutory Auditors received constant updates from the company responsible for independent auditing and was also able to continuously exchange information with the Sole Auditor of the subsidiary Eighteen Sound S.r.l (Sara Nuzzaci, who is also a member of the Company's Board of Statutory Auditors), from whom it received information on the performance of this latter.

In general, the Board of Statutory Auditors supervised observance of the law, the Articles of Association and the By-Laws and obtained information and supervised, to the extent of its responsibilities, the adequacy of the Company's organisational structure and actual functioning, on respect for the principles of proper administration and the adequacy of the instructions given by the company to its subsidiaries, pursuant to article 114, paragraph 2 of the TUF.

In the context of these supervisory activities, the Board of Statutory Auditors obtained from the Directors, at least quarterly, information on the activities carried out and the operations of the greatest strategic, economic, financial and equity importance carried out by the Company. The Board of Statutory Auditors can reasonably state that the information flow established is adequate to its purposes and to ensure that the operations approved and implemented comply with the law and the Articles of Association and are not manifestly imprudent or rash, in conflict of interest or in contrast with the decisions made by the Shareholders' Meeting, or such as to compromise the integrity of the company's capital.

The Board of Statutory Auditors has been constantly informed and kept up to date on the current and foreseeable effects of the Russia/Ukraine war, in qualitative, quantitative, direct and indirect terms. As in the previous year, it notes that the Company does not have any significant sales with either Russian or Ukrainian customers.

The Company has only seen marginal indirect effects from the conflict, also in terms of increased energy costs.

The Board of Statutory Auditors notes that it has conducted its supervisory activities in accordance with the CONSOB call to attention of 3/2022, verifying in particular that the Company has established all the necessary safeguards in line with the restrictive measures.

SUPERVISORY ACTIVITIES ON THE ADEQUACY OF THE ORGANISATIONAL STRUCTURE

The Board of Statutory Auditors has assessed the Company's organisational structure, deeming it suitable for the nature, requirements and size of the same as well as able to guarantee compliance with the principles of proper administration and the pursuit of the company purpose.

In the Report on Corporate Governance and Ownership Structure, a detailed description is provided of the powers granted to the executive directors and the subjects reserved for the B&C Speakers Board of Directors.

The Financial Reporting Manager is Francesco Spapperi, who also serves as a Director. The Board of Directors has assigned him the responsibility for:

- preparing, formalising and issuing adequate administrative/accounting procedures for the preparation of financial reporting documents and to identify the main risks associated with the financial reports to be submitted to the Board of Directors for approval;
- monitoring application of the procedures;
- issuing certifications to the market relative to the adequacy and effective application of administrative and accounting procedures for the purposes of the Group's financial reporting.

The Board of Statutory Auditors notes that it has received adequate information about monitoring of the company processes with administrative/accounting impacts in the context of the internal audit system, done both throughout the year in relation to periodic management reports and at the time the accounts were closed for preparation of the annual and consolidated financial statements.

The adequacy of the administrative/accounting system was also assessed through the acquisition of information from respective department managers, reviewing business documents and analysing the results of work completed by the auditing firm.

No special problems or issues were identified in terms of the Financial Reporting Manager and CEO issuing a certification relative to the adequacy of the administrative and accounting procedures for preparing the annual and consolidated financial statements of the Company for 2024.

The Board of Statutory Auditors monitored compliance with the regulations regarding the preparation and publication of the Interim Financial Report, as well as the structures given to the same and the proper application of accounting standards, also using information obtained from the auditing firm.

SUPERVISORY ACTIVITIES ON THE ADEQUACY AND FUNCTIONING OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Board of Statutory Auditors, also in concert with the Control, Risk and Sustainability Committee, met periodically with the head of the Internal Audit department, to be informed about the results of audits carried out to verify the adequacy and functioning of the Internal Control System, respect for the law and company procedures and processes, as well as on the implementation of related improvement plans. The Board of Statutory Auditors has confirmed the effectiveness and adequacy of the Internal Control System and also received the Audit Plan for the year and the relative final results, as well as the risk analysis and report on activities to prevent and manage cyber risk, providing an opinion in favour of approval to the Board when necessary. During the meetings it was also kept up to date on the application, in the context of the B&C Speakers Group, of the whistleblowing procedure, being able to verify, also pursuant to that established in Legislative Decree 24 of 10 March 2023, that the Company has established a whistleblowing channel for the Group.

Additionally, it received reports on the activities performed by the Control, Risk and Sustainability Committee and the Supervisory Body every six months.

The Board of Statutory Auditors confirms that at present no additional measures are required to guarantee the effectiveness and impartiality of the company departments involved in the internal control and risk management system and, in particular, that of the Internal Audit department.

The Board of Statutory Auditors periodically received information from the Supervisory Body on the results of its audit activities, which did not identify any anomalies or reprehensible events. In particular, the Board of Statutory Auditors examined the reports issued by the Supervisory Body on respect for the Code of Ethics and Organisation and Control Model, pursuant to Legislative Decree 231 of 8 June 2001, and implementation of the same.

The checks called for in Law 262/2005 for the Financial Statements indicated proper application of administrative and accounting procedures.

Therefore, the Board of Statutory Auditors has deemed the internal control and risk management system to be adequate overall and notes that there are no findings to submit to the Shareholders' Meeting.

SUPERVISORY ACTIVITIES ON THE ADEQUACY OF THE ADMINISTRATIVE AND ACCOUNTING SYSTEM AND ON INDEPENDENT AUDITING OF THE ACCOUNTS AND SUPERVISORY ACTIVITIES PURSUANT TO LEGISLATIVE DECREE 39/2010 "STATUTORY AUDITORS"

The Board of Statutory Auditors, also in concert with the Control, Risk, Sustainability Corporate Governance Committee, and following the amendments made to the law through Legislative Decree 135 of 17 July 2016, supervised:

- the administrative/accounting system and financial reporting process;

- the efficacy of the internal control, internal audit and risk management systems;
- the independent auditing of the annual and consolidated accounts;
- the independence of the auditing firm, in particular with regards to the supply of non-audit services;
- the result of the independent auditing with particular reference to the additional report pursuant to article 11 of European Regulation 537/2014.

The company appointed to provide independent auditing of the Company's accounts is PricewaterhouseCoopers S.p.A. ("**PWC**"). The independent auditing appointment was granted by the Shareholders' Meeting, based on a reasoned proposal made by the control body, at the meeting on 24 April 2015, for the nine year term from 2016-2024, pursuant to the provisions applicable to listed companies. PWC is also responsible for the independent auditing of the accounts of the Italian subsidiary Eighteen Sound S.r.l. Without prejudice to the above, to meet the requirement of respecting the principle of independence for the independent auditor, as required under the provisions of European Regulation 537/2014 and to guarantee a more gradual and efficient alternation between different auditing firms, in cooperation with the relevant structures of the Company, the Board of Statutory Auditors, determining the procedure, began in 2023, in advance of the expiration in line with best practices, the process of selecting the new independent auditor for the period from 2025-2033 (the "**New Independent Auditor**") the appointment of which has been subjected to approval by the Shareholders' Meeting of 29 April 2024, called to approve the annual financial statements as at 31 December 2023. The Board of Statutory Auditors prepared its reasoned proposal on 18 March 2024 on the granting of the independent auditing appointment for B&C Speakers for the nine year period from 2025-2033. On 29 April 2024, the Shareholders' Meeting resolved to grant the appointment for 2025-2033 to Deloitte & Touche S.p.A.

The Board of Statutory Auditors, in its role as the Internal Control and Audit Committee, supervised the adequacy of the administrative/accounting structure, the financial reporting process and the independence of the company assigned to provide independent auditing of the accounts of B&C Speakers, as well as the process to select the new company to provide independent auditing of the accounts from 2025-2033.

The Board of Statutory Auditors met at least quarterly with the auditing firm and no fundamental issues arose during these with reference to auditing, nor any significant flaws in the internal control system relative to the financial reporting process, also pursuant to that established in article 19, paragraph 3 of Legislative Decree 39 of 27 January 2010.

In relation to the auditing firm, the Board of Statutory Auditors notes that PWC:

- on 28 March 2025 issued the report pursuant to articles 14 of Legislative Decree 39 of 27 January 2010 and 10 of Regulation EU 537/2014, containing an opinion with no findings, stating that the annual and consolidated financial statements provide a true and accurate representation of the equity and financial situation of B&C Speakers and the Group at 31 December 2024, of the economic results and cash flows for the year ending on that date, in compliance with applicable accounting standards, providing evidence of the key aspects of the audit performed;

- issued a judgement of consistency, indicating that the report on operations accompanying the financial statements at 31 December 2024 and certain specific pieces of information in the Report on Corporate Governance and Ownership Structure indicated in article 123-*bis*, paragraph 4 of the TUF have been prepared in compliance with the law;

- declared, with reference to any significant errors in the Report on Operations, that on the basis of its knowledge and understanding of the company and the relative context acquired over the course of the auditing activity, it has nothing to report;

- confirmed the declaration made by the Company on the fact that there are no other appointments given to entities associated with the auditing firm through continuous relations;

- issued a judgement on conformity with the provisions of Delegated Regulation EU 815/2019, indicating that the Financial Statements were prepared in XHTML format and that the Consolidated Financial Statements was marked up in compliance with the provisions of the stated Regulation;

- on 28 March 2025, it also presented the additional Report to the Board of Statutory Auditors, as envisaged in article 11 of Regulation EU 537/2014, which did not identify any significant flaws in the internal control system in relation to the financial reporting process worthy of bringing to the attention of those responsible for governance;

- annexed to the additional Report, the auditing firm presented the Board of Statutory Auditors, pursuant to article 6 of Regulation EU 537/2014, a declaration of a lack of situations which could compromise the independence (for more details on appointments other than auditing, please see the section “supervisory activities on the independence of the auditing firm, in particular with regards to the supply of non-audit services” in this Report).

The Board of Statutory Auditors also acknowledged the Transparency Report prepared by the auditing firm, published on its website pursuant to article 18 of Legislative Decree 39 of 27 January 2010.

The text of the aforementioned reports, which were prepared in line with regulatory provisions, do not contain elements which need to be brought to the attention of the Shareholders’ Meeting.

SUPERVISORY ACTIVITIES ON THE INDEPENDENCE OF THE AUDITING FIRM, IN PARTICULAR WITH REGARDS TO THE SUPPLY OF NON-AUDIT SERVICES

The Board of Statutory Auditors notes that:

- the auditing firm, appointed to perform independent auditing of the accounts for the years 2016 - 2024, performed the checks established under the applicable regulations and did not identify and events and/or findings such as to be reported in this Report in their periodic meetings with the Board of Statutory Auditors;
- the Board of Statutory Auditors monitored the auditing of the annual and consolidated financial statements, obtaining information and discussing this with the auditing firm, also in the light of changes introduces with regards to the independent auditors' report.

In particular, the Board of Statutory Auditors was informed about all the main stages of auditing activities, including the identification of areas of risk and description of the relative procedures adopted.

The Board of Statutory Auditors monitored the independence of PricewaterhouseCoopers S.p.A., verifying the nature and extent of services other than auditing (if applicable) provided to the Company and its subsidiaries.

In the light of the above, the Board of Statutory Auditors holds that the requirement of independence for the auditing firm is met.

PWC, in a letter dated 28 March 2025, confirmed its independence pursuant to article 6, paragraph 2 of European Regulation 537/2014 and paragraph 17, letter a) of International Auditing Standard 260 (ISA Italy).

During 2024, PWC and its network provided the Group with the services summarised below, through appointments approved by the Board of Statutory Auditors when not associated with appointments granted prior to listing:

Service	Company	Client	Notes	Fees 2024
Statutory audit	PricewhaterhouseCoopers S.p.A.	Parent Cp. - B&C Speakers S.p.A.	A	125,108
		Associated companies	B	12,822
Servizi di attestazione	PricewhaterhouseCoopers S.p.A.	Parent Cp. - B&C Speakers S.p.A.	C	30,000
		Associated companies	D	5,000
Other Services	PricewhaterhouseCoopers S.p.A.	Parent Cp. - B&C Speakers S.p.A.		40,000
		Associated companies		-
Total				**212,930**

A: Fees for the Statutory Audit of the consolidated financial statements and the separate financial statements of B&C Speakers SpA, for the limited auditing of the condensed consolidated financial interim report of the Group and the periodic checks.

B: Fees for the auditing of the accounts for Eighteen Sound Srl and for periodic audits.

C: Fees for limited auditing of the B&C Speakers SpA Sustainability Report, auditing of the research and development credit schedule and auditing of training cost schedules.

D: Fees for the auditing of the accounts for the research and development credit schedule.

The Board of Statutory Auditors considers the aforementioned fees appropriate to the size, complexity and characteristics of the work performed and also holds that the appointments (and relative fees) outside of auditing services are not such as to impact the independence of the auditing firm.

Recall that pursuant to European Regulation 537/2014, the Board of Statutory Auditors, in its role as the Internal Control and Audit Committee, is required to monitor appointments other than auditing assigned to the auditing firm, in order to respect the limit of 70% of the average of fees paid in the last three financial years for auditing activities. The Company has implemented a specific procedure intended to ensure compliance with the cited regulation.

The Board of Statutory Auditors therefore notes that:

- it has verified the adequacy of these procedures, which are able to allow the Board of Statutory Auditors itself an understanding of the reasons underlying proposals to receive a service other than auditing and to have all the information necessary for its evaluations;
- it has shared with the auditing firm the methodological structure used for calculation and the periodic adjustment of the fee cap and fees paid to the auditing firm for non-audit services and that this methodological structure is appropriate for the purposes of monitoring respect for the independence requirements by the auditing firm in question, and
- the fess received by PWC during 2024 for services other than independent auditing do not exceed 70% of the average amount of fees for independent auditing provided to B & C Speakers and received in the three year period from 2021-2023.

CONSIDERATIONS ON THE 2024 FINANCIAL STATEMENTS AND SUPERVISORY ACTIVITIES ON THE FINANCIAL REPORTING PROCESS

The Board of Statutory Auditors, having verified the existence of adequate norms and processes to protect the ”preparation” and “dissemination” of financial information, expresses an evaluation of the adequacy of the process used to prepare financial disclosures, and holds that there are no findings to report to the Shareholders' Meeting.

The Company, in addition to its annual and interim financial reports, voluntarily publishes the additional periodic financial reports pursuant to article 82-*ter* of CONSOB Regulation 11971/99 (interim management reports), for periods ending on 31 March and 30 September of each fiscal year.

In relation to the single electronic format for communicating annual financial reports (ESEF), in line with that established in Directive 2013/50/UE, amending Directive 2004/109/EC and in Delegated Regulation (UE) 2019/815, the financial statements at 31 December 2024 were prepared in xHTML format (*European Single Electronic Format* - ESEF). Therefore, the items in the schedules of the consolidated financial statements and the notes to the consolidated financial statements were subject to mark-up ("tagging") in line with the taxonomy established in Delegated Regulation EU 2019/815. The Company used the ESEF XBRL 2022 taxonomy as the reference in preparing these Financial Statements which, therefore, can be considered ESEF compliant.

The Board of Statutory Auditors also verified, in particular: (i) that the data and information in the B&C Speakers Annual Financial Report was coded using all that indicated in the ESEF XBRL 2022 taxonomy in effect and that (ii) the directors, based on the evaluations made on the conformity or non-conformity of the Financial Statements to Delegated Regulation EU 2019/815, adopted implementing the delegation contained in Directive 2004/109/EC, as amended by Directive 2013/50/UE as well as the provisions of article 2423 Italian Civil Code, made the declarations requested under the law.

We note that the B & C Speakers Financial Statements were prepared on the basis of the IAS/IFRS international accounting standards, issued by the *International Accounting Standards Board* (IASB) and approved by the European Union, in effect at 31 December 2024, and in compliance with the provisions issued implementing article 9 of Legislative Decree 38/2005. The Financial Statements also contain the disclosure required by Law 124/2017 (article 1, paragraphs 125-129).

In the Directors' Report on Operations, the main risks and uncertainties are outlined and the business outlook is provided.

The Company's Financial Statements consist of the Balance Sheet at 31.12.2024, the Statement of Comprehensive Income for financial year 2024, the Statement of Cash Flow for financial year 2024, the Statement of Changes in Equity and the Notes to the Annual Financial Statements at 31.12.2024.

The Financial Statements are accompanied by the Directors' Report on Operations and the Report on Corporate Governance and Ownership Structure, prepared in line with article 123-*bis* of the TUF.

The 2024 B&C Speakers Financial Statements contain the prescribed declarations of conformity made by the Chief Executive Officer and Financial Reporting Manager ("**Financial Reporting Manager**").

The Notes conform to current regulations, indicating the criteria applied when measuring items in the Financial Statements and in value adjustments. The Financial Statements were prepared in line with the structure and schedules required under current regulations. In application of CONSOB provisions, the effects of related party transactions on the equity and financial situation, the income statement and cash flows are expressly indicated in the financial statement schedules.

Also note that the Directors' Report on Operations contains a paragraph describing the main risks to which the Company is exposed and the Report on Corporate Governance contains a paragraph describing the main features of the risk management and internal control system in relation to the financial reporting process, also in the consolidated form.

The 2024 B&C Speakers Consolidated Financial Statements contain the following information, in summary:

Revenues	€ 100,369 thousands
EBITDA	€ 21,778 thousands
Ebit	€ 19,047 thousands
Total comprehensive income	€ 18,151 thousands

The current net financial position is € 8,453 thousand while the total net financial position is equal to € (924) thousand.

The most significant events which occurred during the year, as well as those which occurred after it had ended, are reported on in detail in the Directors' Report on Operations, to which the reader is referred.

ATYPICAL OR UNUSUAL TRANSACTIONS

We are not aware of any atypical or unusual transactions carried out during the year, as defined by CONSOB in communication DEM/6064293 of 28 July 2006.

INFRAGROUP AND RELATED PARTY TRANSACTIONS

Pursuant to article 2391-*bis* of the Civil Code and CONSOB resolution 17221 of 12 March 2010, containing "Related Party Transaction Regulations", as amended ("**CONSOB Regulation"),**"), the Company has provided itself with a specific "Related Party Transaction Procedure" ("**RPT Procedure**"), published on the Company's website (www.bcspeakers.com).

With regards to transactions carried out within the B&C Speakers Group and with related parties, the Directors provided specific and accurate information in the Report on Operations and in the notes to the annual and consolidated financial statements, noting in particular that the Company had relations with other Group companies and with top management, under normal market conditions.

The "Procedure for transactions with related parties" was updated in terms of the law.

With regards to infragroup transactions, in the Report on Operations and in the annual and consolidated financial statements, the Directors indicated the characteristics of the commercial and financial relationships with subsidiaries and associated companies.

The economic and equity effects of the aforementioned operations in 2024 are fully reflected in the Financial Statements and appropriately discussed in the Notes to the Financial Statements.

IMPAIRMENT TEST PROCEDURE

The Board of Directors, as established in the joint Bank of Italy/CONSOB/ISVAP document of 3 March 2010, approved, independently and beforehand with respect to the time the relative periodic financial report from the Board of Directors was approved, the compliance of the impairment test procedure to the provisions of

IAS 36. In particular, this occurred with reference to the accounting reports for financial year 2024, at the Board of Directors meeting held on 19 March 2025.

The results of the impairment test are adequately illustrated in the notes to the financial statements.

The Board of Statutory Auditors found the procedure adopted by the Company and used to prepare the financial statements at 31 December 2024 to be adequate; the description of the same in the financial statements is exhaustive.

The Board of Statutory Auditors holds the procedure adopted by the Company and used to prepare the financial statements at 31 December 2024 to be adequate and the description of the same to be exhaustive.

DISCLOSURE PURSUANT TO ARTICLE 115, PARAGRAPH 1, LETTER A OF THE TUF

On 19 December 2024, the Company received a request from CONSOB for information in accordance with Article 115, paragraph 1, letter a) of Italian Legislative Decree 58/1998.

The Company promptly took action to provide the response by the established due date.

SUPERVISORY ACTIVITIES ON THE CONCRETE IMPLEMENTATION OF CORPORATE GOVERNANCE RULES

The Board of Statutory Auditors evaluated the effective and proper application by the Company of the corporate governance rules established in the Corporate Governance Code and verified that these are implemented in the governance system adopted by the Company, described in the Report on Corporate Governance and Ownership Structure available to shareholders on the Company's website (www.bcspeakers.com). The Board of Statutory Auditors holds that the B&C Speakers governance model is substantially in line with the principles contained in the aforementioned codes of conduct. Additionally, the Board of Statutory Auditors has shared its assessment with the Board of Directors, acknowledging that the current statutory provisions and corporate governance practices followed by the Company are adequate to pursuing the company purpose and meet statutory dictates.

SUPERVISORY ACTIVITIES ON RELATIONS WITH SUBSIDIARIES

B & C Speakers provides management and coordination for its subsidiaries. The Company has given its subsidiaries instructions regarding compliance with the provisions of article 114, paragraph 2 of the TUF. To that end, the Board of Statutory Auditors, having established that the Company is able to promptly and regularly comply with the communication requirements established under the law and under EU regulations, as indicated in the cited article, also through the collection of information from the managers of organisational departments and in periodic meetings with the auditing firm to exchange significant data and information, holds that these provisions are adequate.

The Board of Statutory Auditors notes that the management teams of some subsidiaries include directors and/or executives of the Parent Company, guaranteeing coordinated management and an adequate flow of information, supported by the necessary accounting information.

As already noted, the Board of Statutory Auditors obtained, through specific meetings, information from the corresponding bodies of the main Italian subsidiaries with reference to their administrative and control systems and the general performance of company business (pursuant to paragraphs 1 and 2 of article 151 of the TUF).

Most recently, the Board of Statutory Auditors has verified, with reference to that established in article 15 of CONSOB Regulation 20249 of 28 December 2017 on market regulations, that the company's organisation and procedures adopted allow B&C Speakers to ascertain that the companies it controls and establishes, governed by the law of countries not in the European Union subject to compliance with the aforementioned CONSOB regulations, have an administrative/accounting system able to send the economic, equity and financial information to the management and auditing firm of the Company as required to prepare the consolidated financial statements. The subsidiaries established and governed under the law of countries outside of the European Union which as at 31 December 2024 have significant importance pursuant to article 15 of the CONSOB Market Regulation are indicated in detail by the Company in its Report on Operations.

ANY OMISSIONS OR REPREHENSIBLE EVENTS IDENTIFIED AND OPINIONS PROVIDED DURING THE YEAR

During the course of the supervisory activities described above and based on information obtained from the auditing firm, nor omissions or reprehensible events or irregularities were identified nor, in any case, significant events which require reporting or mentioning in this Report.

The activities described above, carried out in both collegial and individual form, were recorded in the minutes of the 11 Board of Statutory Auditors meetings held during 2024.

During 2024, the Board of Statutory Auditors did not provide any opinions required under the law and prepared a reasoned proposal for the appointment of the new Independent Auditors. It also issued a pre-approval for certain non-audit services, as already stated above.

SELF-ASSESSMENT PROCESS

During 2024, as in the previous year and recommended in the Behavioural Norms, the Board of Statutory Auditors carried out a self-assessment process.

This process is based around a questionnaire, with questions on the suitability, size, composition and functioning of the Board of Statutory Auditors itself, in order to ascertain the proper and effective functioning of the body and ensure its composition is adequate. The positive results of this process were discussed and shared by the Board of Statutory Auditors.

The Board of Statutory Auditors notes that the self-assessment for 2024 continued to demonstrate very positive results with regards to the composition and functioning of the Board of Statutory Auditors, in line with previous years.

The Board of Statutory Auditors also notes that the Board of Directors carried out its own assessment process with reference to its functioning and that of its Committees (Board performance evaluation) for financial year 2024.

PROPOSALS FOR THE SHAREHOLDERS' MEETING

Financial Statements at 31 December 2024

The Board of Statutory Auditors expresses its opinion in favour of the approval of the annual financial statements for 2024 and has no observations to make in merit to the proposed distribution and destination of the profit for the year.

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Pursuant to article 144-*quinquiesdecies* of the Issuers Regulation, approved by CONSOB with resolution 11971/99, as amended, the list of positions held by the members of the Board of Statutory Auditors at the companies pursuant to Book V, Title V, Chapters V, VI and VII of the Civil Code, is published by CONSOB on its website (www.consob.it).

Note that article 144-*quaterdecies* (CONSOB disclosure requirements) in the Issuers Regulation establishes that those who hold only one office in a control body for a single issuer are not subject to the disclosure requirements established in the cited article and therefore, in these cases, will not be found on the lists published by CONSOB.

The Company reports the positions held by members of the Board of Statutory Auditors in the Annual Financial Report.

The Board of Statutory Auditors notes at this time that all of its components respect CONSOB regulatory provisions regarding "limits on positions held".

Milan, 28 March 2025

The Board of Auditors

Riccardo Foglia Taverna

Giovanni Mongelli

Sara Nuzzaci

List of positions held within the Companies as per Volume V, chapters V, VI and VII of the Civil Code at 31 December 2024

Sara Nuzzaci

	Company	Office	Expiry date
1	B&C Speakers Spa	Statutory auditor	Fin. Report 31/12/2026
2	Eighteen Sound Srl	Statutory auditor	Fin. Report 31/12/2024
3	Gap (ITALY) Srl	Statutory auditor	Fin. Report 31/01/2026
4	Guess Italia Srl	Statutory auditor	Fin. Report 31/01/2026
5	Interpump Hydraulics Spa	Substitute Statutory auditor	Fin. Report 31/12/2024
6	Tenuta Biondi Santi Spa	Chairman of the Board of Auditors	Fin. Report 31/12/2025
7	Vianse Spa	Chairman of the Board of Auditors	Fin. Report 30/09/2026

Number of appointments in public companies:	1
Total number of appointments	7

Riccardo Foglia Taverna

	Company	Office	Expiry date
1	AREC NEPRIX S.p.A.	Statutory auditor	Fin. Report 31/12/2024
2	ACHILLE PINTO S.p.A.	Substitute Statutory auditor	Fin. Report 31/12/2026
3	AMPLIFON S.p.A.	Substitute Statutory auditor	Fin. Report 31/12/2026
4	B&C SPEAKERS S.p.A.	Chairman of the Board of Auditors	Fin. Report 31/12/2026
5	CABECO S.r.l.	Statutory auditor e revisore	Fin. Report 31/12/2024
6	CEDIS S.r.l.	Board member	Untill revocation
7	CONSORZIO VIGILANZA SELLA S.c.p.A.	Substitute Statutory auditor	Fin. Report 31/12/2024
8	DOUBLE R Srl	Statutory auditor	Fin. Report 30/06/2027
9	FALPI S.R.L.	Statutory auditor	Fin. Report 31/12/2025
10	FLAGSTAFF S.R.L.	Statutory auditor	Fin. Report 31/12/2026
11	GAMMA TOPCO S.P.A.	Chairman of the Board of Auditors	Fin. Report 31/12/2025
12	GAMMA BIDCO S.p.A.	Chairman of the Board of Auditors	Fin. Report 31/12/2025
13	GUGLIELMI SPA RUBINETTERIE	Substitute Statutory auditor	Fin. Report 31/12/2026
14	JAKIL S.p.A.	Statutory auditor	Fin. Report 31/12/2026
15	INDUSTRIES S.p.A.	Substitute Statutory auditor	Fin. Report 31/12/2025
16	IN-PAO S.R.L.	Statutory auditor	Fin. Report 31/12/2024
17	LAMPUGNANI FARMACEUTICI S.p.A.	Statutory auditor	Fin. Report 31/12/2024
18	MENGONI E NASSINI S.r.l.	Statutory auditor	Fin. Report 31/12/2024
19	METALWORKS S.p.A.	Statutory auditor	Fin. Report 31/12/2024
20	METALSTUDIO S.r.l.	Statutory auditor	Fin. Report 31/12/2026
21	MTW HOLDING S.p.A.	Statutory auditor	Fin. Report 31/12/2024
22	OU GROUP Srl	Statutory auditor	Fin. Report 31/12/2026
23	PIRELLI & C. S.p.A.	Chairman of the Board of Auditors	Fin. Report 31/12/2026
24	PROSINO S.R.L.	Statutory auditor	Fin. Report 30/06/2024
25	RUBINETTERIE RITMONIO Srl	Statutory auditor	Fin. Report 31/12/2026
26	RUFFINI PARTECIPAZIONI HOLDING S.r.l.	Statutory auditor	Fin. Report 31/12/2024
27	SELLA FIDICIARIA Spa	Statutory auditor	Fin. Report 31/12/2025
28	SIGLA S.r.l.	Chairman of the Board of Auditors	Fin. Report 31/12/2025
29	SI COLLECTION S.p.A.	Chairman of the Board of Auditors	Fin. Report 31/12/2024
30	SUPREMA S.p.A.	Statutory auditor	Fin. Report 31/12/2026

Number of appointments in public companies:	2
Total number of appointments	30

Giovanni Mongelli

	Company	Office	Expiry date
1	ALBERGHIERA ADRIATICA AL.A SRL	Presidente collegio sindacale	Fin. Report 31/12/2024
2	ANDREOTTI IMPIANTI S.P.A.	Statutory auditor	Fin. Report 31/12/2025
3	A.N.T.I. (Associazione Nazionale Tributaristi Italiani - Sezione Toscana)	Statutory auditor	Fin. Report 31/12/2026
4	AUTOFAN SRL	Statutory auditor	Fin. Report 31/12/2025
5	B&C SPEAKERS SPA	Statutory auditor	Fin. Report 31/12/2026
6	CHI-MA FLORENCE S.P.A.	Statutory auditor	Fin. Report 31/12/2026
7	FAN IMMOBILIARE S.R.L.	Statutory auditor	Fin. Report 31/12/2025
8	HOTEL RIVOLI S.P.A.	Statutory auditor	Fin. Report 31/12/2024
9	JM INVESTMENTS SPA	Substitute Statutory auditor	Fin. Report 31/12/2025
10	NOXERIOR S.R.L.	Statutory auditor	Fin. Report 31/12/2025
11	RESEARCH & DEVELOPMENT INTERNATIONAL S.R.L.	Statutory auditor	Fin. Report 31/12/2024
12	RIVERAUTO SRL	Statutory auditor	Fin. Report 31/12/2025

Number of appointments in public companies:	1
Total number of appointments	12