

B&C Speakers Group

Annual Financial Report

at 31 December 2025

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

B&C Speakers S.p.A.

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NOTICE CONVENING THE ORDINARY SHAREHOLDERS' MEETING

Shareholders are called to the Ordinary Shareholders' Meeting on 29 April 2026 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 at 31 December 2025 and presentation of the consolidated financial statements at 31 December 2025. 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) 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 2026, 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. 27 April 2026).

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 by 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 2026. Answers will be provided to questions relevant to the subjects on the agenda by 26 April 2025, published in a specific section on the Company's website (at <https://bcspeakers.com/en/investor-center/corporate-governance/archivio-assemblee-dei-soci>).

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 27 April 2026, 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. shares in share capital	No. voting rights
Total of which:	11,000,000	16,800,529
- Ordinary shares	5,199,471	5,199,471
- Ordinary shares with increased voting	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 83,145 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 Statutory Auditors

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

Independent auditing firm

Deloitte & Touche 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 2026, proposed allocating the profit for the year as in the financial statements at 31 December 2025 as follows:

- distribution of a dividend of € 0.7 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 2025

The separate and consolidated financial statements for B&C Speakers S.p.A. as at 31 December 2025 were prepared in compliance with applicable International Accounting and Financial Reporting standards (“IAS/IFRS”), in effect at 31 December 2025, 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 2025, 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 2025, the Parent Company continued its treasury share buy-back programme in accordance with that established by resolution of the shareholders' meeting on 29 April 2025. At 31 December 2025, it held 60,397 treasury shares, equal to 0.55% 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 € 16.57.

As of the date the Board of Directors approved this Annual Financial Report (19 March 2026), the number of treasury shares held came to 83,145, equal to 0.76% 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 2025 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

At 31 December 2025

4 Consolidated report on operations for the financial year ended 31 December 2025

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

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

Group profit for 2025 came to € 9,599 thousand, after taxes of € 4,453 thousand and amortisation/depreciation of € 2,914 thousand.

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

Highlights

The tables below list the consolidated economic, capital and financial highlights for FY 2025 compared with the same items in the previous year:

Economic highlights <i>(in € thousands)</i>	FY	FY
	2025	2024
Revenue	99,107	100,369
EBITDA	19,177	21,778
EBIT	16,247	19,047
Total net profit (loss)	9,599	18,151

Equity highlights <i>(in € thousands)</i>	31 December	31 December
	2025	2024
Non-current assets	15,776	16,400
Non-current liabilities	14,121	10,281
Current assets	75,562	70,864
Current liabilities	22,809	21,788

Net working capital	52,753	49,077
Equity	54,407	55,195

Financial highlights <i>(in € thousands)</i>	FY	FY
	2025	2024
Cash flow from operations	13,015	12,968
Cash flow from investments	(2,134)	(2,418)
Cash flow from financial operations	(6,099)	(15,737)
Total cash flow for the period	4,782	(5,186)

Net financial position <i>(in € thousands)</i>	31 December	31 December
	2025	2024
Current net financial position	12,949	8,453
Total net financial position	(217)	(924)

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 2025 the listed price for shares in B&C Speakers S.p.A. (BEC) shares stood at € 15.20 and consequently market capitalisation amounted to about € 167.2 million.

Below is the share performance of B&C Speakers S.p.A. during the last 12 months.



Macroeconomic Situation

In the final months of 2025 and the initial ones of 2026, the macroeconomic situation is extremely uncertain, due to both already existing risks and the appearance of additional geopolitical tensions which have contributed to creating a generalised climate of uncertainty on the markets.

The most recent Organisation for Economic Cooperation and Development (OECD) figures for 2026 suggest a scenario of “fragile resilience”. Global growth is expected to slow slightly with respect to 2025, influenced by the introduction of higher tariffs and persistent political uncertainty.

European Central Bank (ECB) forecasts indicate interests rates that will be stable or fall in 2026, with inflation in the Eurozone of around 1.9%, just under the target of 2%.

The OECD’s Economic Outlook forecast that global GDP will go from 3.2% in 2025 to 2.9% in 2026. The OECD has also revised its estimates for Italy downwards, predicting GDP growth of 0.6%, compared to the 0.7% indicated in previous estimates.

The main threats that these international entities have identified for the coming year consist of trade barriers (the increase in duties which may weigh down investments and global trade), fiscal sustainability with reference to high debt levels in many countries and existing and potential geopolitical tensions.

In a context of genuine military escalation (the US-Israel strikes on 28 February 2026 followed by Iran's reaction), macroeconomic effects in 2026 could be serious and immediate, affecting energy costs and global supply chains above all.

The main risk involves the blockade of the Strait of Hormuz, through which around 21% of global oil passes (over 20 million barrels/day) and 25% of maritime LNG traffic. The Brent has risen sharply to over \$ 100-110/barrel and a halt in exports of natural gas (LNG) from Qatar would lead to a loss in supply that would be impossible replace in the short-term, with repercussions for Asian and European markets.

Additionally, the shock to energy prices would risk inverting the downward trend in inflation. The ECB has already communicated its worries about a possible increase in prices, which could push inflation in the Eurozone above the 2% target set for 2026. Finally, an increase in inflation could force the central banks to keep interest rates high for longer, slowing the economic recovery.

Industry scenario

The global market for professional speakers will continue to grow at a constant pace through 2029, but the form of this growth is changing with respect to the past. Demand is expected to develop simultaneously in three directions: the growing preference for live events and locations, modernisation of installations in commercial and recreational areas and a slow but significant improvement in cinema audio, driven by immersive formats and premium large formats (PLF). To this can be added that supply chains, prices and competitive trends are being changed by tariffs, multi-hub protection strategies and a new wave of ecosystems driven by mergers and acquisitions.

Forecasts for the sector suggest the market will expand from USD 3.1 billion in 2024 to USD 4 billion by 2029, with a solid CAGR of 4.2%. The tourism and rental sector continues to be that with the fastest growth, but installations for free time and commercial together represent the largest portion of turnover and global volumes. At the regional level, the APAC area is the main growth driver, while the America and EMEA are increasingly supported by modernisation, mega-projects and luxury remodelling, rather than a pure expansion in event locations.

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

Economic performance

Economic performance 2025 led the year to end with results down with respect to 2024.

To better represent the trends in economic management relative to 2025, the table below shows the Company's main economic aggregates compared to the equivalent figures in the same period the previous year:

Analysis of Group economic performance

<i>(in € thousands)</i>	2025	% of revenue	2024	% of revenue
Revenue	99,107	100.0 %	100,369	100.0 %
Cost of sales	(62,994)	-63.6 %	(63,295)	-63.1 %
Gross profit	36,112	36.4 %	37,074	36.9 %
Other revenues and income	309	0.3 %	313	0.3 %
Indirect Personnel	(6,763)	-6.8 %	(6,480)	-6.5 %
Commercial expenses	(1,523)	-1.5 %	(1,257)	-1.3 %
Administrative costs and overheads	(8,959)	-9.0 %	(7,871)	-7.8 %
EBITDA	19,177	19.3 %	21,778	21.7 %
Depreciation and amortisation	(2,914)	-2.9 %	(2,704)	-2.7 %
Provisioning	(16)	— %	(27)	— %
Earnings before taxes and financial expense/income (EBIT)	16,247	16.4 %	19,047	19.0 %
Writedown of investments	—	— %	—	— %
Financial charges	(3,022)	-3.0 %	(1,461)	-1.5 %
Financial income	1,358	1.4 %	1,580	1.6 %
Earnings before taxes (EBT)	14,584	14.7 %	19,166	19.1 %
Income tax	(4,453)	-4.5 %	(1,369)	-1.4 %
Net profit for the Group and minority interests	10,131	10.2 %	17,797	17.7 %
Net profit for minority interests	—	— %	—	— %

Net profit for the Group	10,131	10.2 %	17,797	17.7 %
Other income statement components	(531)	-0.5 %	354	0.4 %
Comprehensive period result	9,599	9.7 %	18,151	18.1 %

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

Consolidated revenue reached € 99.1 million, down slightly with respect to the € 100.4 million in 2024 (-1.3%). This change is mainly due to the effect of exchange rates, which penalised sales in US dollars. In fact, with exchange rates held constant, turnover in 2025 would have been € 100.3 million, substantially in line with the previous year.

During 2025, new orders received reached € 105 million, substantially in line with the figure in 2024, when it reached € 107 million.

Below is a breakdown of revenues by geographical area for 2025 (amounts in euro):

Geographic Area	FY 2025	%	FY 2024	%	Change	% Change
Latin America	7,516,078	8 %	8,158,911	8 %	(642,833)	-8 %
Europe	47,203,791	48 %	48,425,584	48 %	(1,221,793)	-3 %
Italy	5,610,938	6 %	6,368,235	6 %	(757,297)	-12 %
North America	20,886,919	21 %	20,753,771	21 %	133,148	1 %
Middle East and Africa	670,206	1 %	782,069	1 %	(111,863)	-14 %
Asia and Pacific	17,218,670	16 %	15,880,300	16 %	1,338,370	8 %
Total revenue	99,106,602	100 %	100,368,870	100 %	(1,262,268)	-1 %

During the year, the trend for revenues suffered mainly from two distinct geographical dynamics.

In Europe, certain strategic clients - particularly exposed to exports with respect to the North American market - adopted a prudential approach to order planning, postponing the launch of certain major projects while awaiting greater clarity with regards to the trend in international demand and the macroeconomic context.

In Asia, sales performance showed signs of improvement. In fact, the Chinese subsidiary was the main driver behind the Group's growth, thanks to the gradual consolidation of the proprietary distribution platform and

the initial positive responses to the launch of new product lines intended for the Asian market, which contributed to expanding the Group's presence in the area.

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.

As a whole, the impact of the cost of sales on revenues was slightly higher than in the previous year, mainly reflecting lower operating leverage during the period. Nonetheless, analysis of the individual components shows efficient management of procurement activities, with the impact of component costs on sales down by -1.3% compared to 2024, confirming the effectiveness of the Group's sourcing policies and the optimisation of its supply chain. However, the overall trend for the cost of sales suffered from the production capacity level set up to support customer forecasts, which did not achieve full saturation during the year as certain clients postponed projects, in an international context characterised by persistent geopolitical uncertainties. This trend created a temporary dilution of operating leverage, with an impact on the operating margin for the year.

Indirect Personnel

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

Indirect personnel costs rose slightly in absolute terms due to the entry of new resources during the year, mainly in Research & Development.

Nonetheless, the impact on revenues remained substantially unchanged with respect to the previous year.

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.

In relative terms, commercial expenses rose by 21% with respect to 2024, mainly as a consequence of the launch of promotional activities aimed at supporting the launch and presentation to the international market of the Group's new product lines.

Administrative costs and overheads

Administrative costs and overheads rose significantly in 2025, by € 1,088 thousand with respect to the figure in 2024. This increase is mainly due to the Group's decision to take action, including legal action, to protect its know-how and brand, with respect to unauthorised use. These activities had an economic impact of around € 650 thousand and can be considered non-recurring.

The remaining increase in these costs is due to one-time projects carried out to set up infrastructure needed to develop online sales for the new product ranges currently nearing completion.

EBITDA and EBITDA Margin

Due to the dynamics outlined above, EBITDA in 2025 came to € 19.2 million, down from the € 21.8 million in 2024.

The EBITDA margin also fell from 21.7% in 2024 to 19.3% in 2025.

Depreciation and amortisation

Depreciation of property, plant and equipment and amortisation of rights of use rose with respect to 2024 (€ 2.7 million), amounting to € 2.9 million. This increase is mainly associated with the effect of investments made in foreign subsidiaries.

EBIT and EBIT margin

EBIT for 2025 amounted to € 16.2 million, down by 14.7% with respect to 2024 (when the figure was € 19 million). The EBIT margin was at 16.4% of revenue (19% in 2024).

Group Net Profit

The Group's net profit in 2025 amounted to € 10.1 million and represents 10.2% of consolidated revenue with a total decrease of 43.1% with respect to 2024. This decrease is due, in addition to the already noted economic performance, to the elimination of the positive effect generated by tax benefits received following the renewal of the Revenue Agency's ruling on the Patent Box, which had a € 4,207 thousand positive effect on the income statement in 2024.

Equity and financial trend

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

Reclassified Consolidated Balance Sheet <i>(in € thousands)</i>	31-Dec 2025	31-Dec 2024	Change
Fixed Assets	11,619	12,409	(790)
Inventory	29,349	29,953	(604)
Trade receivables	20,402	20,128	274
Sundry Receivables	5,465	5,237	228
Trade Payables	(10,473)	(9,982)	(491)
Sundry Payables	(3,768)	(3,662)	(106)
Net Working Capital	40,975	41,674	(699)
Provisions	(955)	(904)	(51)
Net Invested Operating Capital	51,639	53,179	(1,540)
Cash and cash equivalents	13,968	9,314	4,654
Equity investments in associates	—	—	—
Goodwill	2,318	2,318	—
Short-term securities	7,549	7,283	—
Other Financial Receivables	667	622	45
Business	24,503	19,537	4,966
Net Invested non-Operating Capital	24,503	19,537	4,966
CAPITAL INVESTED	76,141	72,716	3,425
Equity	54,407	55,195	(788)
Short-Term Borrowings	8,568	8,144	424
Medium/Long-term Borrowings	13,166	9,377	3,789
RAISED CAPITAL	76,141	72,716	3,425

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 the 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 a decrease of € 1.5 million compared to 31 December 2024. This increase was mainly due to the combined effect of the following factors:

- a decrease in fixed assets amounting to approximately € 0.7 million due to the combined effects of investments and amortisation/depreciation for the period;
- a decrease in inventories of around € 0.6 million;
- an increase in trade and other receivables of € 0.5 million;
- an increase in trade and other payables of around € 0.6 million;

The net effect on operating working capital was a decrease of € 0.7 million, due to lower turnover during the fourth quarter.

Net Invested Non-Operating Capital increased with respect to 31 December 2024, by approximately € 4.9 million. This increase is almost entirely attributable to the increase in the Group's cash and cash equivalents, thanks to excellent cash generation from operating activities during the period (equal to € 13 million). The other asset categories showed no significant changes compared to 31 December 2024.

Note that the performance of the Group's securities portfolio market value showed profit adjusted to fair value of € 0.5 million at 31 December 2025.

Financial debt

Short-term borrowings increased by € 0.4 million due to the obtaining of two new medium/long-term loans during the year, for a total of € 10 million.

Medium/long-term borrowings also rose by € 3.8 million due to the combined effect of a decrease in bank financial liabilities due to the reclassification of the current portion of debt to short-term and the above referenced obtaining of two new medium/long-term loans.

The **Net Financial Position** comes to € 0.2 million, an improvement with respect to the € 0.9 million at 31 December 2024, confirming the Group's financial solidity.

This result was supported by an excellent ability to generate operating cash flow, which in 2025 reached € 13 million, up when compared to the € 12.9 million seen in 2024. This performance reflects effective management of working capital and the constant attention paid to financial discipline, which allowed the Group to further strengthen its structure even in a complex macroeconomic situation.

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.

<i>(in € thousands)</i>	31 December 2025 (a)	31 December 2024 (a)	Change
A. Cash and cash equivalents	13,968	9,314	50 %
B. Other current financial assets	7,549	7,283	4 %
D. Liquidity (A+C)	21,517	16,597	30 %
E. Current financial debt	(2,467)	(2,595)	-5 %

F. Current part of non-current financial debt	(6,101)	(5,549)	10 %
G. Current financial debt (E+F)	(8,568)	(8,144)	5 %
H. Net current financial debt (G+D)	12,949	8,453	53 %
E. Non-current financial debt	(13,166)	(9,377)	40 %
L. Non-current financial debt	(13,166)	(9,377)	40 %
M. Total financial debt (H+L)	(217)	(924)	-77 %

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 the main financial performance indicators:

Group performance indicators	FY 2025	FY 2024
R.O.E.	18.6 %	32.2 %
Return on Equity; calculated as the ratio between Net Profit and Equity		
R.O.I.	17.8 %	21.7 %
Return on Investments; calculated as the ratio between "EBIT" and total Assets		
R.O.S.	16.4 %	19.0 %
Return on Sales; calculated as the ratio between "EBIT" and total Revenues		
Total debt index	1.47	1.7
Total Debt Index: calculated as the ratio between Equity and the sum of Current and Non-Current Liabilities		
Financial debt index	7.66	8.16
Financial Debt Index: calculated as the ratio between Equity and Current Financial Liabilities		
Working capital ratio	3	3
Working Capital Ratio: calculated as the ratio between Current Assets and Current Liabilities		
N.W.C.	40,975	41,674
Net Working Capital: calculated as the difference between the Value of Inventories, Trade and Sundry Receivables and Trade and Sundry Payables		
Treasury Ratio	0.6	0.4
Treasury Ratio: calculated as the ratio between Cash and Cash Equivalents and Current Liabilities		
Inventory rotation index	109.2	104.69
Inventory Rotation Index: calculated as the ratio between average inventories for the year and turnover value by 365 (value expressed in days)		
Credit rotation index	74.63	69.6
Credit Rotation Index: calculated as the ratio between average Trade Receivables during the year and turnover value by 365 (expressed in days)		

Corporate structure

At 31 December 2025, the Group workforce numbered 383 units.

The following shows the changes in the Group's workforce over the last two years:

Staff	31/12/2025	31/12/2024
Blue-collar workers	266	268
White-collar workers	96	93
Junior managers	20	18
Senior managers	1	1
Total staff	383	380

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

Investments

During 2025, investments totalling around € 1.2 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 2025, 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 2025 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 2025

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 2025.

<i>(in €)</i>	Equity	Net profit for the year
Parent Company Equity and Profit	47,043,835	9,493,966
Consolidation of Subsidiaries-Elimination of Equity Investment	(12,487,011)	—
Consolidation of Subsidiaries-Allocation of Reserves and Equity	19,349,556	837,839
Goodwill	2,318,181	—
Elimination of dividends	—	—
Effects of Intercompany Operations	—	15,979
Elimination of Infragroup Margins	(1,817,497)	(216,956)
Group Equity and Profit	54,407,064	10,130,827

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

Significant events of 2025

The Shareholders' Meeting, held on 29 April 2025, approved the financial statements and resolved the distribution of an ordinary dividend of € 1 per ordinary share outstanding at the ex-dividend date (on 6 May, with record date 5 May and payment on 7 May).

At present, the flow of orders does not seem to be affected by the dramatic developments in Ukraine and Israel, as the Group has historically had very limited business with the countries involved. It cannot be excluded however, that a continuing conflict and possible extension could result in an indirect contraction in demand. B&C Speakers 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.

During 2025, the Group further strengthened its commitment to ESG themes, voluntarily preparing, for the fourth consecutive year, its Sustainability Report, with the aim of guaranteeing transparency and providing structured information about its environmental, social, and governance performance. Additionally, in December 2025, the Group expanded its ISO 14001 environmental certification to the production plant in Reggio Emilia, consolidating the continued strengthening of its environmental management system.

Business outlook

2026 began with a strong internal focus on implementing recently launched business projects, aimed at further amplifying the Group's offerings and competitive positioning.

The market context is still anchored to the trends of the sector which is impacted by the international tensions that have emerged in recent months.

Group management will continue to work and move forward with the integration of ESG principles within its business processes and strategic decisions as it sees this as a key element to supporting sustainable long-term growth, while also contributing to strengthening the Group's competitive position and the value of its offerings for its customers, partners and investors.

The increase in geopolitical tensions in the Middle East, starting in October 2023, has had consequences on trade flows. In particular, the possibility of attacks on ships travelling through the Red Sea has led to a dramatic reduction in traffic through the Suez Canal, and a deviation in trade routes, with a consequent increase in costs and times associated with the transport of supplies and product distribution. To this can be added the recent tensions in the Strait of Hormuz as a consequence of the conflict between the US, Israel and Iran,

which is reducing the transport of gas and oil, with possible significant consequences on the prices of the same, as well as transport, and numerous categories of both industrial and retail goods.

In this scenario, the Group continues to carefully monitor trends in its reference markets and has an adequate structure to flexibly deal with any developments in the macroeconomic and geopolitical context, to handle any direct and indirect effects coming from the risk factors outlined above.

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:

- at 31 December 2025 the regulatory requirements of Art. 36 of the Markets Regulation apply to the subsidiaries B&C Speakers NA LLC, B&C Speakers Brasil LTDA, Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd.
- appropriate procedures were adopted in order to ensure complete compliance with the aforesaid regulations.

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

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

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 3.93%;
- First Sicaf Value First, which holds 2.92%.

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 2025, the Director Lorenzo Coppini holds 50,000 shares in B&C Speakers S.p.A.;
- as at 31 December 2025, the Director Alessandro Pancani holds 3,617 shares in B&C Speakers S.p.A.;
- as at 31 December 2025, 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 Statutory Auditors

Pursuant to Art. 24 of the Issuer's articles of association, the Board of Statutory 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, please see the sections "Liquidity Risk" and "Update on the macroeconomic situation" 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.

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 2025 compared with the same items in the previous year:

Economic highlights <i>(in € thousands)</i>	FY	FY
	2025	2024
Revenue	66,941	68,552
EBITDA	15,583	18,130
EBIT	13,939	16,595
Total net profit (loss)	9,495	16,411

Equity highlights <i>(in € thousands)</i>	31 December	31 December
	2025	2024
Non-current assets	22,190	21,551
Non-current liabilities	11,099	6,649
Current assets	53,995	50,510
Current liabilities	18,043	17,476
Net working capital	35,953	33,034
Equity	47,044	47,936

Financial highlights <i>(in € thousands)</i>	FY	FY
	2025	2024
Cash flow from operations	9,659	14,368
Cash flow from investments	(2,041)	(4,687)
Cash flow from financial operations	(5,420)	(14,013)
Total cash flow for the period	2,198	(4,332)

Net financial position <i>(in € thousands)</i>	31 December	31 December
	2025	2024
Current net financial position	5,598	3,782
Total net financial position	(4,722)	(2,125)

Economic performance

To better represent the trends in economic management relative to 2025, the table below shows the Company's main economic aggregates compared to the equivalent figures in the same period the previous year:

Analysis of Economic Performance, B&C Speakers S.p.A. <i>(in € thousands)</i>	FY 2025	impact on revenues	FY 2024	impact on revenues
Revenue	66,941	100.0 %	68,552	100.0 %
Cost of sales	(42,958)	-64.2 %	(42,672)	-62.3 %
Gross profit	23,984	35.8 %	25,881	37.8 %
Other revenues and income	373	0.6 %	527	0.8 %
Indirect Personnel	(2,879)	-4.3 %	(2,677)	-3.9 %
Commercial expenses	(931)	-1.4 %	(854)	-1.3 %
Administrative costs and overheads	(4,963)	-7.4 %	(4,747)	-6.9 %

EBITDA	15,583	23.3 %	18,130	26.5 %
Depreciation and amortisation	(1,645)	-2.5 %	(1,534)	-2.2 %
Provisioning	—	— %	—	— %
Earnings before taxes and financial expense/income (EBIT)	13,939	20.8 %	16,595	24.2 %
Writedown of investments	—	— %	—	— %
Financial charges	(1,902)	-2.8 %	(1,001)	-1.5 %
Financial income	1,111	1.7 %	1,210	1.8 %
Earnings before taxes (EBT)	13,148	19.6 %	16,805	24.5 %
Income tax	(3,654)	-5.5 %	(392)	-0.6 %
Net profit	9,494	14.2 %	16,412	23.9 %
Other income statement components	2	— %	(2)	— %
Comprehensive period result	9,495	14.2 %	16,411	23.9 %

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 € 66.9 million, down 2% with respect to the figure in 2024.

In particular, this trend was the consequence of a decrease in revenues, especially in Europe.

Below is a breakdown of revenues by geographical area for 2025 (amounts in euro):

Geographic Area	FY 2025	%	FY 2024	%	Change	% Change
Latin America	3,118,488	5 %	3,579,868	5 %	(461,380)	(13) %
Europe	37,861,582	57 %	39,657,798	58 %	(1,796,216)	(5) %
Italy	7,078,814	11 %	7,757,458	11 %	(678,644)	(9) %
North America	7,828,212	12 %	7,466,207	11 %	362,005	5 %
Middle East and Africa	359,596	1 %	516,753	1 %	(157,157)	(30) %
Asia and Pacific	10,694,660	16 %	9,574,139	14 %	1,120,521	12 %
Total revenue	66,941,353	100 %	68,552,223	100 %	(1,610,870)	(2) %

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 2025 increased with respect to the figure in 2024, increasing its impact on revenue from 62.2% to 64.2%. This trend is due to: (i) substantial consistency in margins in the variable portion of the cost of sales, (ii) a 1.6 pp decrease in margins due to the increase in the impact of the cost of personnel, as a consequence of the decrease in turnover. The impact of costs for tariffs and transport remained substantially unchanged with respect to 2024.

Indirect Personnel

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

Costs for indirect personnel rose by around € 0.2 million, slightly increasing its impact on revenue, from 3.9% to 4.3%.

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 did not see any significant increases in absolute terms. In fact, their impact on revenues remained substantially unchanged with respect to 2024.

Administrative costs and overheads

Administrative costs and overheads rose by € 217 thousand with respect to the corresponding figure for 2024, also slightly increasing their impact on revenues, from 6.9% to 7.4%.

EBITDA and EBITDA Margin

Due to the dynamics outlined above, EBITDA in 2025 came to € 15.6 million, compared to € 18.1 million in 2024.

The EBITDA margin was 23.3% of revenues during the period, compared to 26.4% in 2024.

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use were substantially in line with 2024.

EBIT and EBIT margin

EBIT for 2025 amounted to € 13.9 million, down with respect to 2024, when the figure was € 16.6 million. The EBIT margin was at 20.8% of revenue (24.2% in 2025).

Net profit

Net profit in 2025 amounted to € 9.5 million, representing 14.2% of revenue with a total decrease of 6.9 million compared to 2024. This decrease is due, in addition to the already noted economic performance, to the elimination of the positive effect generated by tax benefits received following the renewal of the Revenue Agency's ruling on the Patent Box, which had a € 4,207 thousand positive effect on the income statement in 2024.

Equity and financial trend

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

Reclassified Balance Sheet	31 December	31 December	
(in € thousands)	2025	2024	Change
Fixed Assets	5,306	5,919	(613)
Inventory	16,499	17,802	(1,303)
Trade receivables	20,706	17,335	3,371
Sundry Receivables	3,211	4,106	(895)
Trade Payables	(7,569)	(7,792)	223
Sundry Payables	(2,407)	(2,137)	(270)
Net Working Capital	30,440	29,314	1,126
Provisions	(779)	(742)	(37)
Net Invested Operating Capital	34,967	34,491	476
Cash and cash equivalents	6,115	4,045	2,070
Investments	12,487	12,487	—
Short-term securities	7,549	7,283	266
Other Financial Receivables	4,313	3,083	1,230
Business	30,464	26,898	3,566
Net Invested non-Operating Capital			
CAPITAL INVESTED	65,431	61,389	4,042
Equity	47,044	47,936	(892)
Short-Term Borrowings	8,067	7,546	521
Medium/Long-term Borrowings	10,320	5,907	4,412
RAISED CAPITAL	65,431	61,389	4,041

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 the 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 0.4 million euro compared to 31 December 2024. This increase was mainly due to the combined effect of the following factors:

- a decrease 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 € 1.3 million;
- an increase in trade and other receivables of around € 2.5 million, mainly due to an increase in trade receivables;
- trade and other payables, of 9.9 million, which remained substantially align with the figure at 31 December 2024.

Net Invested Non-Operating Capital increased with respect to 31 December 2024, by approximately € 3.5 million. The increase was mainly due to the increase in cash and cash equivalents and the increase in financial receivables, connected to lending by the Company to the subsidiary Eminence Speakers LLC.

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

Note that the performance of the Group's securities portfolio market value showed profit adjusted to fair value of € 0.5 million at 31 December 2024.

Financial debt

Short-term borrowings increased by € 0.5 million due to the obtaining of two new medium/long-term loans during the year, for a total of € 10 million.

Medium/long-term borrowings also rose by € 4.4 million due to the combined effect of a decrease in bank financial liabilities due to the reclassification of the current portion of debt to short-term and the above referenced obtaining of two new medium/long-term loans.

The overall *Net Financial Position* was negative at € 4.7 million, compared to € 2.1 million at the end of 2024. Cash flow generated by operating activities had an impact on the Net Financial Position (equal to 9.6 million). The cash flows from operations made it possible to handle the cash absorbed by the repayment of existing loans and the distribution of dividends totalling € 10.8 million. During the year, the Company obtained new bank loans totalling € 10,056 thousand.

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.

<i>(in € thousands)</i>	31 December 2025 (a)	31 December 2024 (a)	Change
A. Cash and cash equivalents	6,115	4,045	51 %
B. Other current financial assets	7,549	7,283	4 %
D. Liquidity (A+C)	13,664	11,328	21 %
E. Current financial debt	(2,467)	(2,595)	-5 %
F. Current part of non-current financial debt	(5,600)	(4,951)	13 %
G. Current financial debt (E+F)	(8,067)	(7,546)	7 %
H. Net current financial debt (G+D)	5,598	3,782	48 %
E. Non-current financial debt	(10,320)	(5,907)	75 %
L. Non-current financial debt	(10,320)	(5,907)	75 %
M. Total financial debt (H+L)	(4,722)	(2,125)	122 %

Consolidated financial statements and explanatory notes to the consolidated financial statements

At 31 December 2025

6 Consolidated financial statements of the B&C Speakers Group at 31 December 2025**6.1 CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 31 December 2025**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in €)	Notes	31/12/2025	31/12/2024
ASSETS			
Fixed assets			
Property, plant and equipment	1	5,895,116	5,095,272
Rights of use	2	5,047,150	6,692,427
Goodwill	3	2,318,181	2,318,181
Other intangible assets	4	676,644	621,360
Equity investments in associates	5	—	—
Deferred tax assets	6	1,171,212	1,050,595
Other non-current assets	7	667,296	622,199
	<i>of which with associated companies</i>	<i>37</i>	<i>6,700</i>
Total non-current assets		15,775,599	16,400,034
Current assets			
Inventories	8	29,348,581	29,952,836
Trade receivables	9	20,401,887	20,128,062
Current tax assets	10	1,166,975	1,531,488
Other current assets	11	10,676,571	9,938,214
Cash and cash equivalents	12	13,967,993	9,313,627
Total current assets		75,562,007	70,864,227
Total assets		91,337,606	87,264,261

		31/12/2025	31/12/2024
LIABILITIES			
Equity			
Share capital	13	1,093,817	1,090,507
Other reserves	13	4,587,594	4,113,008
Foreign Exchange reserve	13	196,071	728,382
Retained earnings reserves	13	48,529,581	49,263,330
Total equity attributable to parent company share holders		54,407,063	55,195,227
Equity attributable to minority interests		—	—
Total equity		54,407,063	55,195,227
Non-current liabilities			
Long-term borrowings	14	9,276,975	3,820,239
Medium/long-term financial liabilities for rights of use	15	3,889,224	5,557,150
<i>of which with related parties</i>	37	1,088,005	2,140,714
Provisions for personnel benefits and similar	16	910,797	859,546
Provisions for risks and charges	17	44,152	44,483
Total non-current liabilities		14,121,148	10,281,418
Current liabilities			
Short-term borrowings	18	7,102,304	6,762,957
Short-term financial liabilities for rights of use	15	1,465,785	1,380,620
<i>of which with related parties</i>	37	983,899	871,159
Trade payables	19	10,472,853	9,981,831
<i>of which with related parties</i>	37	89,682	100,134
Current tax liabilities	20	15,261	103,809
Other current liabilities	21	3,753,192	3,558,399
Total current liabilities		22,809,395	21,787,616
Total liabilities		91,337,606	87,264,261

6.2 CONSOLIDATED COMPREHENSIVE INCOME STATEMENT FOR FY 2025

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in €)	Notes	FY 2025	FY 2024
Revenue	23	99,106,602	100,368,870
Cost of sales	24	(62,994,363)	(63,294,991)
Other revenues and income	25	308,674	312,733
Indirect Personnel	26	(6,762,709)	(6,480,428)
Commercial expenses	27	(1,522,653)	(1,256,800)
Administrative costs and overheads	28	(8,958,891)	(7,871,258)
Depreciation and amortisation	29	(2,913,889)	(2,704,202)
Net writebacks (writedowns) on trade and other receivables	29	(15,623)	(27,362)
Earnings before taxes and financial expense/income (EBIT)		16,247,148	19,046,562
Writedown of investments	5	—	—
Financial charges	30	(3,021,752)	(1,461,118)
<i>of which with related parties</i>	37	(56,914)	(64,755)
Financial income	30	1,358,215	1,580,490
Earnings before taxes (EBT)		14,583,611	19,165,934
Taxes for the period	31	(4,452,783)	(1,368,991)
Net profit for the period (A)		10,130,828	17,796,943
Other comprehensive profit/(loss) that will not be subsequently reclassified to the income statement:			
Profit/(loss) from redetermination of the Provision for employee benefits, net of tax effects	13	861	(9,469)
Other comprehensive profit/(loss) that will be subsequently reclassified to the income statement:			
Profit/(loss) from translation of foreign company financial statements	13	(532,311)	363,267
Total other comprehensive profit/(loss) (B)		(531,450)	353,798
Total comprehensive profit for the period (A+B)		9,599,378	18,150,741
Net profit for the year attributable to:			
Parent Company Shareholders		10,130,828	17,796,943
Minority interests		—	—
Comprehensive profit for the year attributable to:			
Parent Company Shareholders		9,599,378	18,150,741
Minority interests		—	—
Earnings per share	13	0.93	1.62
Diluted earnings per share	13	0.93	1.62

6.3 CONSOLIDATED STATEMENT OF CASH FLOW FOR FY 2025 PREPARED IN COMPLIANCE WITH THE IFRS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD AND ENDORSED BY THE EUROPEAN UNION

Consolidated cash flow statement
(Paragraph 7.3, Note 12)

	FY	
	2025	2024
A- Net initial cash and cash equivalents	6,718,896	11,904,398
B- Cash flow from operations for the period		
Comprehensive period result	9,599,378	18,150,741
Income tax	4,452,783	1,368,991
Depreciation and amortisation	2,913,889	2,704,202
(Capital gains)/capital losses from disposals of property, plant and	0	0
Financial charges	3,021,752	1,461,116
Financial income	(1,358,215)	(1,580,490)
Allocation (use) of provisions for risks and charges and other provisions for personnel	39,102	45,304
Change in provision for severance indemnities	11,818	(1,722,162)
(Increase) decrease in trade and sundry receivables in current assets	(349,071)	(1,933,933)
(Increase) decrease in deferred tax assets and liabilities	(120,617)	(143,626)
(Increase) decrease in inventories	604,255	(2,329,131)
Increase (decrease) in trade and sundry payables	(250,805)	489,625
Cash and cash equivalents generated by operations	18,564,269	16,510,637
Interest expense paid	(2,205,376)	(916,802)
Interest income collected	876,020	767,933
Taxes paid during the period	(4,219,797)	(3,392,945)
Total (B)	13,015,116	12,968,823
C- Cash flow to/(from) investments		
Subsidiary acquisition price net of NFP acquired	—	—
(Investments) in property, plant and equipment in non-current assets net of disinvestments and the relative provision for depreciation	(2,018,160)	(2,219,921)
(Investments) in intangible assets in non-current assets	(253,992)	(354,857)
(Acquisition)/disposal of equity investments	—	—
(Investments) in securities and other non-current financial assets	(45,097)	(42,638)
(Investments) in current financial assets	(650,772)	—
Disinvestments of current financial assets	833,823	200,000
Total (C)	(2,134,198)	(2,417,416)
D- Cash flow from/(to) financing		
(Repayment) of loans	(4,132,037)	(7,438,617)
Taking on of loans	10,056,002	2,536,022
(Repayment) of financial liabilities for rights of use	(1,635,096)	(1,668,463)
Sale (purchase) of treasury shares	477,896	(1,485,582)
Distribution of dividends	(10,865,437)	(7,680,269)
Total (D)	(6,098,672)	(15,736,909)
E- Cash flow for the period (B+C+D)	4,782,246	(5,185,502)
F- Final net cash and cash equivalents	11,501,142	6,718,896

Note 1

Note 1: the liquidity absorbed 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 € 598 thousand.

	31/12/2025	31/12/2024
Reconciliation between Final Net Cash and Cash and Cash Equivalents		
Cash and cash equivalents	13,967,993	9,313,627
Current account overdrafts	(2,466,851)	(2,594,731)
Final net cash and cash equivalents	11,501,142	6,718,896

6.4 STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2025, PREPARED IN CONFORMITY WITH THE IFRS ISSUED BY THE INTERNATIONAL ACCOUNTING STANDARDS BOARD AND ENDORSED BY THE EUROPEAN UNION

Paragraph 12.2, Note 13.	Share capital	Legal Reserve	Share Premium Reserve	Extraordinary Reserve	Reserve for unrealised exchange gains	Group translation reserve	Retained earnings reserves	Consolidated Group equity	Capital and reserves attributable to minority	TOTAL EQUITY
<i>In €</i>										
At 1 January 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							17,796,943	17,796,943		17,796,943
Other components of the Statement of Comprehensive Income						363,266	(9,469)	353,798		353,798
Total comprehensive profit (loss) for the period	—	—	—	—	—	363,266	17,787,474	18,150,741	—	18,150,741
<u>Shareholder operations:</u>										
Allocation of profit							—	—		—
Distribution of dividends							(7,680,269)	(7,680,269)		(7,680,269)
Trading of treasury shares	(9,108)		(1,476,474)				—	(1,485,582)		(1,485,582)
At 31 December 2024	1,090,507	379,096	3,635,661	43,696	54,555	728,382	49,263,330	55,195,227	—	55,195,227

Paragraph 12.2, Note 13.	Share capital	Legal Reserve	Share Premium Reserve	Extraordinary Reserve	Reserve for unrealised exchange gains	Group translation reserve	Retained earnings reserves	Consolidated Group equity	Capital and reserves attributable to minority	TOTAL EQUITY
<i>In €</i>										
At 1 January 2025	1,090,507	379,096	3,635,661	43,696	54,555	728,382	49,263,330	55,195,227	—	55,195,227
Result of the period							10,130,828	10,130,828		10,130,828
Other components of the Statement of Comprehensive Income						(532,311)	860	(531,450)		(531,450)
Total comprehensive profit (loss) for the period	—	—	—	—	—	(532,311)	10,131,688	9,599,378	—	9,599,378
<u>Shareholder operations:</u>										
Allocation of profit							—	—		—
Distribution of dividends							(10,865,437)	(10,865,437)		(10,865,437)
Trading of treasury shares	3,310		474,586				—	477,896		477,896
At 31 December 2025	1,093,817	379,096	4,110,247	43,696	54,555	196,071	48,529,581	54,407,063	—	54,407,063

7 Explanatory notes to the consolidated financial statements at 31 December 2025

7.1 Accounting policies

The consolidated financial statements as at 31 December 2025 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 2025, 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 are audited by Deloitte & Touche S.p.A.

Update on the macroeconomic situation

With reference to armed conflicts in course, note that the 2025 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 2025. Therefore, the overall effect on margins is in any case quite limited.

In a context of genuine military escalation due to the US-Israel strikes in February 2026 followed by Iran's reaction, a further element of uncertainty has been added for macroeconomic effects in 2026, already seen in the increase in energy costs. At present, Group management has not identified any imminent threats which could, in the short or medium term, have significant impacts on the business.

Group 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 2025, 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 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 2025 are shown in the following table.

During the year no changes were seen in the scope of consolidation compared with 31 December 2024.

Company	Registered office	Group Structure at 31 December 2025			Group Structure at 31 December 2024		
		Direct	Indirect	Total	Direct	Indirect	Total
B&C Speaker S.p.A.	Italy	parent company			parent company		
Eighteen Sound Srl	Italy	100%		100%	100%		100%
B&C Speaker NA LLC	United	100%	—	100%	100%	—	100%
B&C Speaker Brasil LTDA	Brazil	100%	—	100%	100%	—	100%
Eminence Speakers LLC	United	100%	—	100%	100%	—	100%
B&C Speakers Electronics Ltd	China	100%	—	100%	100%	—	100%

The key data of the Parent Company's subsidiaries and associates at 31 December 2025 are shown below.

Name and Registered Office		Eighteen Sound Srl (Italy)	
Share capital	€		5,630,000
Equity	€		14,815,707
Profit or (Loss)	€		1,950,166
Stake held directly			100 %
Stake held indirectly			— %
Total stake held			100 %
Book value for the parent company	€		6,582,989

Name and Registered Office		B & C SPEAKERS, NA LLC (USA)	
Share capital	US\$		30,000
Equity	US\$		1,722,177
Profit or (Loss)	US\$		(873,036)
Stake held directly			100 %
Stake held indirectly			— %
Total stake held			100 %
Book value for the parent company	€		1,279,788

Name and Registered Office		B&C SPEAKERS BRASIL Ltda (Brazil)	
Share capital	Real		1,720,729
Equity	Real		1,111,630
Profit or (Loss)	Real		202,561
Stake held directly			100 %
Stake held indirectly			— %
Total stake held			100 %
Book value	€		286,548

Name and Registered Office		EMINENCE SPEAKERS LLC (USA)	
Share capital	US\$		95,813
Equity	US\$		1,579,362
Profit or (Loss)	US\$		(991,774)
Stake held directly			100 %
Stake held indirectly			— %
Total stake held			100 %
Book value	€		2,437,687

Name and Registered Office		B&C Speakers (Dongguan) Electronic Co., Ltd (China)	
Share capital	Remimbi		14,691,991
Equity	Remimbi		3,684,944
Profit or (Loss)	Remimbi		4,101,190
Stake held directly			100 %
Stake held indirectly			— %
Total stake held			100 %
Book value	€		1,900,000

Consolidation standards

The main criteria for consolidation, applied in preparing the consolidated financial statements as at 31 December 2025 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 has the right to return variable returns from its involvement with the enterprise and has the ability to influence these variable returns through the power it holds over the subsidiary. The acquisition of a subsidiary is recognised using the acquisition method and the cost is determined as the sum of the current (fair) values at the date of obtaining the assets, the incurred or assumed liabilities 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 2025 and 31 December 2024 are shown in the following table (source: Bank of Italy):

Currency	31/12/2025		31/12/2024	
	Average Exchange	Final Exchange	Average Exchange	Final Exchange Rate
EURO/USD	1.13	1.175	1.082	1.039
EURO/REAL	6.307	6.436	5.828	6.425
EURO/RMB	8.119	8.226	7.788	7.583

Accounting standards adopted

The measurement criteria adopted to prepare the consolidated financial statements as at 31 December 2025 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	Amortisation/Depreciation Period
Patent rights Copyrights	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	Amortisation /Depreciation Rate
Photovoltaic and other minor systems	12.5% - 5%
Light construction	10%
Plant and Machinery	10%
Welding Equipment	40%
Sundry equipment	25%
Cars	25%
Vehicles	20%
Internal means of transport	20%
Office furniture	12%
Office machines and data processing systems	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 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 tested 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 assets. 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 2025

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

- On 15 August 2023, the IASB published "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to identify a methodology in a consistent manner when verifying whether a currency can be converted to another and, when this is not possible, how to determine the exchange rate to use and the disclosure to provide in the Notes.

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 approved by the European Union but not yet mandatory and not adopted in advance by the Group at 31 December 2025

As of the reporting date of this document, the competent bodies of the European Union had completed the endorsement process needed to adopt the amendments and standards described below, but these standards were not yet obligatorily applicable and have not been adopted in advance by the Group at 31 December 2025:

- 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, but early application is allowed. The directors do not expect significant impacts on the Group's consolidated financial statements from the adoption of this amendment.

- On 18 December 2024, the IASB published the amendment “*Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7*”. The purpose of the document is to support entities in reporting the financial effects of purchase agreements for electricity produced by renewable sources (frequently structured in the form of Power Purchase Agreements). In these contracts, the amount of electricity generated and purchased may vary on the basis of uncontrollable factors, such as weather conditions. The IASB has made targeted amendments to standards IFRS 9 and IFRS 7. The amendments include:
 - a clarification regarding the application of “own use” requirements for these types of contracts;
 - criteria to allow recognition of these contracts as hedging instruments; and,
 - new disclosure requirements to allow readers of financial statements to understand the effect of these contracts on the financial performance and cash flow of an entity.

The amendment applies as from 1 January 2026, with early application permitted. The directors do not expect significant impacts on the Group's consolidated financial statements from the adoption of this amendment.

- On 18 July 2024 the IASB published the document “*Annual Improvements Volume 11*”. The document provides clarifications, simplifications, corrections and changes intended to improve the consistency of various IFRS Accounting Standards. The standards amended are:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and guidelines for implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

The amendments apply to financial statements for financial years starting from 1 January 2026. The directors do not expect significant impacts on the Group's consolidated financial statements from the adoption of this amendment.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union

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 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*. The new standard is intended to improve the presentation of financial statement schedules, particularly with reference to income statement schedules. The new standard requires the following:
 - classification of revenues and costs in three new categories (operating, investment and financial), as well as the categories of taxes and discontinued operations which were already present;
 - presentation of two new sub-totals, the operating result or earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings before interest and taxes (EBIT).

The new standard also:

- requires more information on performance indicators established by management;
- introduces new criteria for aggregating and disaggregating information; and
- introduces certain changes to the statement of cash flows, including the use of EBITDA as the starting point for the presentation of the statement of cash flows prepared using the indirect method and the elimination of certain classification options for certain items that at present are possible (e.g. interest paid, interest collected, dividends paid and dividends received).

The new standard shall take effect on 1 January 2027, but early application is allowed. At present, the directors are evaluating the potential effects the introduction of these changes may have on the Group's consolidated financial statements.

On 9 May 2024, the IASB published the new standard *IFRS 19 Subsidiaries without Public Accountability: Disclosures* (together with *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures* published on 21 August 2025). The new standard introduces certain simplifications with reference to the disclosures required in the IFRS Accounting Standards for the annual financial statements of subsidiaries, provided they meet the following requirements:

- they have not issued equity or debt instruments listed on regulated markets and are not preparing to do so;
- the relevant parent company prepares consolidated financial statements utilising the IFRS. The new standard shall take effect on 1 January 2027, but early application is allowed.

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

On 13 November 2025 the IASB published “*Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21*” which clarifies the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. Entities apply these amendments if:

- their functional currency is that of a non-hyperinflationary economy and they are translating their economic results and their equity/financial situation to the currency of a hyperinflationary economy; or,
- they are converting into the currency of an hyperinflationary economy the economic results and equity/financial situation of a foreign company whose functional currency is that of a non-hyperinflationary economy.

The amendments apply to financial statements for financial years starting from 1 January 2027. The directors do not expect impacts on the Group's consolidated financial statements from the adoption of this amendment.

On 30 January 2014 the IASB published the standard *IFRS 14 – Regulatory Deferral Accounts*, allowing only those who adopt IFRS for the first time to continue to recognise amounts for activities subject to regulated tariffs ("Rate Regulation Activities") under the accounting standards previously adopted. Since the Group is not a first-time adopter, this standard is not applicable.

7.2 Analysis of the breakdown of the main items of the consolidated balance sheet at 31 December 2025

1. Property, plant and equipment

The structure of the item 31 December 2025 and changes during the year are highlighted in the following tables:

Historic cost	31/12/2024	Increases	Reclassificati	Exchange effect	(Disposals)	31/12/2025
Land and buildings	2,673,605	192,525	—	(317,056)	—	2,549,074
Photovoltaic and other minor systems	1,679,618	181,412	—	—	—	1,861,031
Light construction	202,839	17,073	20,950	—	—	240,862
Plant and Machinery	13,387,391	705,833	77,373	(396,433)	—	13,774,164
Industrial Equipment	9,312,439	503,057	23,885	(15,744)	(727)	9,822,910
Other assets	1,723,290	217,750	2,133	(13,667)	(23,240)	1,906,267
Assets in progress	157,291	125,625	(124,341)	272,036	—	430,610
Total	29,136,473	1,943,275	—	(470,864)	(23,966)	30,584,918

Provision for	31/12/2024	Amortisation	Reclassificati	Exchange effect	(Disposals)	31/12/2025
Land and buildings	1,803,855	122,810	—	(213,502)	—	1,713,164
Photovoltaic and other minor systems	1,046,375	100,453	—	—	—	1,146,827
Light construction	106,731	14,971	—	—	—	121,703
Plant and Machinery	11,296,665	489,096	—	(373,674)	—	11,412,087
Industrial Equipment	8,322,181	423,870	—	(1,909)	(262)	8,743,880
Other assets	1,465,168	113,685	—	(10,751)	(16,185)	1,551,917
Assets in progress	—	—	—	—	—	—
Total	24,040,976	1,264,885	—	(599,835)	(16,448)	24,689,578

Net Value	31/12/2024	Net increases	Reclassifications	Exchange effect	Amortisation/Depreciation	Reversal of provision	31/12/2025
Land and buildings	870,716	192,525	—	(103,555)	(122,810)	—	836,877
Photovoltaic and other minor systems	633,242	181,412	—	—	(100,453)	—	714,202
Light construction	95,365	17,073	20,950	—	(14,971)	—	118,416
Plant and Machinery	2,090,281	705,833	77,373	(22,759)	(489,096)	—	2,361,632
Industrial Equipment	990,257	502,330	23,885	(13,835)	(423,870)	262	1,079,029
Other assets	258,119	194,511	2,133	(2,915)	(113,685)	16,185	354,348
Assets in progress	157,293	125,625	(124,341)	272,036	—	—	430,612
Total	5,095,272	1,919,309	—	128,972	(1,264,885)	16,448	5,895,116

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

The most significant acquisitions that took place in 2025 refer to the integration of production machinery and equipment at the Group’s production plants, as well as work carried out on the production plant of the US subsidiary.

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 2025, the Group had rights of use for € 5,047 thousand (€ 6,692 thousand at 31 December 2024), broken down as follows:

- Rights of use for properties of € 5,017 thousand, relative to medium/long-term property lease contracts;
- Rights of use for equipment of € 30 thousand, relative to medium/long-term lease contracts for company cars.

The change seen during the year is mainly due to 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 2025 is highlighted in the following table:

Goodwill	31/12/2025	31/12/2024
Eighteen Sound goodwill	924,392	924,392
B&C USA goodwill	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.

Therefore, at 31 December 2025, with the assistance of an independent expert with respect to the B&C USA and Eighteen Sound CGUs, an impairment test was performed:

- 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".
- the net carrying amount allocated to the CGU Eminence Speakers, which includes goodwill and other assets and liabilities referred to the subsidiary Eminence Speakers LLC; these values were identified by the directors as being part of a single CGU since the assets and liabilities of the subsidiary are entirely dedicated to a single sector of activity identifiable as the production and sale of "top quality professional loudspeakers". With reference to this CGU, note that the recoverability of the net invested capital was also tested in the absence of the goodwill allocated to the same, given that indicators of potential impairment had been identified.

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 4 March 2026.

The cash flows used reflect the performance in the 2026-2030 plan approved by the Board of Directors on 16 February 2026, prepared in the light of the economic performance achieved in 2025.

To help in their assessments, management, with the help of an independent expert for the B&C USA and Eighteen Sound CGUs, carried out sensitivity analysis on the test results with respect to the change in the basic assumptions.

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 and February 2026 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 2026–2030, approved by the Sole Director of the subsidiary and the Parent’s Company Board of Directors on 16 February 2026;
- 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 underlying the impairment test	Revenue CAGR		WACC	g
Eighteen Sound	2025	4.20 %	9.20 %	2.00 %
	2024	5.00 %	9.60 %	2.00 %

The WACC was determined in the same manner as the previous year. The rate used in 2025, as with that used the previous year, was increased by an additional factor 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 2025.

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.

In addition to the basic scenario commented on above, further sensitivity analysis was done on the results of the impairment test, adjusting the hypotheses used with reference to cash flows.

This analysis shows a break even with respect to the carrying amount applying, compared to the hypotheses in the plan, a reduction of around 9% in revenue for each explicit forecast year in the plan, holding the other assumptions equal.

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 2026 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 2026–2030, approved by the Parent Company’s Board of Directors on 16 February 2026;
- 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 underlying the impairment test	Revenue CAGR		WACC	g
	2025	10.10 %	9.80 %	2.00 %
B&C USA	2024	5.40 %	10.50 %	2.10 %

The WACC was determined in the same manner as the previous year. The rate used in 2025, as with that used the previous year, was increased by an additional factor 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 2025.

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.

In addition to the basic scenario commented on above, further sensitivity analysis was done on the results of the impairment test, adjusting the hypotheses used with reference to cash flows.

This analysis shows a break even with respect to the carrying amount applying, compared to the hypotheses in the plan, a reduction of around 16% in revenue for each explicit forecast year in the plan, holding the other assumptions equal.

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.

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 and February 2026 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 2026–2030, approved by the Parent Company’s Board of Directors on 16 February 2026;
- 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 underlying the impairment test		Revenue CAGR	WACC	g
	2025	9 %	9.80 %	2.0 %
EMINENCE	2024	13 %	10.50 %	2.1 %

The WACC was determined in the same manner as the previous year. The rate used in 2025, as with that used the previous year, was increased by an additional factor 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 2025.

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.

In addition to the basic scenario commented on above, further sensitivity analysis was done on the results of the impairment test, adjusting the hypotheses used with reference to cash flows.

This analysis shows a break even with respect to the carrying amount applying, compared to the hypotheses in the plan, a reduction of around 10% in revenue for each explicit forecast year in the plan, holding the other assumptions equal.

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.

4. Other intangible assets

The structure of the item 31 December 2025 and changes during the year are highlighted in the following table:

Intangible fixed assets	31/12/2024	Reclassifications	Increases	Other changes	Amortisation/Dep	31/12/2025
Patent rights Works	337,037	373,121	38,112	—	188,325	559,944
Development costs	10,426	—	—	—	10,383	43
Intangible assets in progress	273,898	(373,121)	215,880	—	—	116,657
Total	621,360	—	253,992	—	198,708	676,644

“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, with reference to planned purchases.

5. Equity investments in associates

This item does not include any elements at 31 December 2025, nor did it at 31 December 2024.

6. Deferred tax assets

As at 31 December 2025, this item includes net receivables for deferred tax assets of € 1,171 thousand (€ 1,050 thousand as at 31 December 2024), 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 Assets	31/12/2024	Increases	Returns	31/12/2025
Difference IFRS/TUIR amort./deprec.	71,830	12,053	(9,639)	74,244
Change in Director Fees/Disbursements	11,902	5,206	(14,941)	2,166
Consolidation entries	619,349	83,954	—	703,303
Non-deductible provisions USA	38,397	—	(4,239)	34,158
Other	1,502,545	117,722	(221,093)	1,399,174
Total deferred tax assets	2,244,024	218,934	(249,912)	2,213,046
Deferred Liabilities	31/12/2024	Increases	Returns	31/12/2024
Other	(1,193,428)	(83,742)	235,337	(1,041,834)

Total deferred tax liabilities	(1,193,428)	(83,742)	235,337	(1,041,834)
Net total	1,050,595	135,192	(14,575)	1,171,212

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 2025 this item is as follows:

Other non-current assets	31/12/2025	31/12/2024	Change	% Change
Insurance policies	591,664	552,231	39,433	7 %
Guarantee deposits	66,816	59,678	7,138	12 %
IRES credit refund Decree Law 12/2016	6,700	6,700	—	— %
Other	2,116	3,590	(1,474)	(41) %
Total other non-current assets	667,296	622,199	45,097	7 %

The item "Insurance policies" refers to receivables accrued in respect of the insurance companies "Allianz Assicurazioni" 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:

Change in insurance policies	31/12/2024	Increases	(Decreases)	31/12/2025
Insurance policies	552,231	39,433	—	591,664
Total	552,231	39,433	—	591,664

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 2025:

Inventories	31/12/2025	31/12/2024	Change	% Change
Raw and ancillary materials and consumables	9,863,545	9,600,299	263,246	3 %
Products in progress and semi-finished	15,645,762	16,948,332	(1,302,569)	(8) %
Finished products and goods	6,301,487	6,154,941	146,546	2 %

Gross total	31,810,795	32,703,572	(892,777)	(3) %
Provision for obsolescence	(2,462,214)	(2,750,736)	288,522	(10) %
Net total	29,348,581	29,952,836	(604,255)	(2) %

The value of inventories is recognised at cost, calculated according to FIFO method net of provision for inventory writedowns; at 31 December 2025, this totalled € 2,462 thousand.

The gross value of inventories appears to have decreased overall by € 893 thousand with respect to the final figure at 31 December 2024. This decrease is mainly due to warehouse inventories having returned to natural levels in relation to turnover after the year 2024 in which the Chinese subsidiary had expanded its inventories to handle the initial start-up of its business.

The provision for obsolescence (with 21% attributable to the category of internally produced and purchased semi-finished products, 23% to finished products and 56% 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 obsolescence	31/12/2024	Increases	Uses	Exchange effect	31/12/2025
Provision for obsolescence	2,750,736	137,593	(261,970)	(164,145)	2,462,214
Total	2,750,736	137,593	(261,970)	(164,145)	2,462,214

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 2025:

Trade Receivables	31/12/2025	31/12/2024	Change	% Change
Due from customers	20,820,799	20,587,272	233,527	1 %
(Provision for doubtful accounts)	(418,912)	(459,210)	40,298	(9) %
Total	20,401,887	20,128,062	273,825	1 %

The gross value of trade receivables is in line with the amount at 31 December 2024.

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

Change in provision for doubtful accounts	31/12/2024	Increases	Uses	Exchange effect	31/12/2025
Provision for doubtful accounts	459,210	14,273	(47,077)	(7,494)	418,912
Total	459,210	14,273	(47,077)	(7,494)	418,912

The provision made during the year reflects the risk of non-payment. Uses refers to receivables which became definitively impossible to collect.

10. Current tax assets

The assets in question amount to € 1,167 thousand at 31 December 2025 (€ 1,531 thousand at 31 December 2024) and represent net current tax credits for the Group.

11. Other current assets

As at 31 December 2025, "Other current assets" are as follows:

Other Current Assets	31/12/2025	31/12/2024	Change	% Change
Due from Suppliers	372,327	125,539	246,787	197 %
Securities in portfolio	7,549,323	7,283,091	266,233	4 %
Other tax credits	1,558,486	1,513,245	45,241	3 %
Other receivables	245,870	379,939	(134,069)	-35 %
Total other receivables	9,726,006	9,301,814	424,192	5 %
Cost of Fairs	113,307	126,957	(13,649)	-11 %
Assistance and insurance fees	536,429	389,695	146,735	38 %
Specialist contract	68,513	34,599	33,914	98 %
Sundry	232,314	85,149	147,165	— %
Total prepayments and accrued income	950,564	636,400	314,165	49 %
Total other current assets	10,676,571	9,938,214	738,357	7 %

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 (€ 449 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 2025.

Under the category "prepayments and accrued income", the item "sundry" includes the fair value of IRS hedging contracts in place at 31 December 2025 for € 3 thousand.

12. Cash and cash equivalents

Cash and cash equivalents are listed in the table below:

Cash and cash equivalents	31/12/2025	31/12/2024	Change	% Change
Bank and postal deposits	13,963,904	9,309,246	4,654,659	50 %
Cash and valuables on hand	4,089	4,381	(292)	-7 %
Total cash and cash equivalents	13,967,993	9,313,627	4,654,367	50 %

The increase in cash and cash equivalents is due to the excellent cash flow generated by operating activities (13 million), thanks to effective management of working capital, as well as lower absorption of cash flow from the personnel indemnity provisions, which in 2024 had absorbed 1.7 million following the full payment of the Severance provision by the US subsidiary Eminence Speakers. The cash flows from operations made it possible to handle the cash absorbed by the repayment of existing loans and the distribution of dividends totalling € 10.8 million. As better described in note 14, during the year the parent company took out new bank loans for € 10,056 thousand, which contributed to the increase in cash and cash and cash equivalents at the end of the year.

The table below shows the composition of the balance of net final cash and cash equivalents at 31 December 2025 and at 31 December 2024 set out in the "Cash flow statement".

	31/12/2025	31/12/2024
Cash and cash equivalents	13,967,993	9,313,627
Current account overdrafts	(2,466,851)	(2,594,731)
Final balance	11,501,142	6,718,896

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 2025 amounted to € 1,094 thousand (€ 1,091 thousand at 31 December 2024) 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 2025 B&C Speakers S.p.A. held a total 60,397 treasury shares equal to 0.55% of the share capital, bought at an average value of € 16,57 per share.

The following table shows the changes that occurred, in 2025, in the number of shares outstanding:

Share outstanding reconciliation statement	No. shares outstanding
Balance at 31 December 2024	10,906,960
No. treasury shares acquired in the period	(101,357)
No. treasury shares sold in the period	134,000
Balance at 31 December 2025	10,939,603

Other reserves

This item, equalling € 4,587 thousand at 31 December 2025, 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 € 4,110 thousand. More specifically, the share premium reserve increased by € 475 thousand compared to 31 December 2024, following entry of the result of treasury shares traded in the year.

Foreign Exchange reserve

This item equalling € 196 thousand at 31 December 2025 includes the exchange differences arising from the conversion of the financial statements in foreign currencies. This reserve decreased by Euro 532 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 € 9,599 thousand and other period profits/(losses) relative to the actuarial losses component deriving from the actuarial measurement of severance indemnity for € 1 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 reserve	Group Total	Capital and reserves attributable to minority	Total other components of the Statement of
<i>in € thousands</i>					
At 31 December 2024					
Items that cannot be reclassified to the income statement					
Actuarial gains (losses) on severance indemnities net of the relative tax effect		(9)	(9)		(9)
Total	—	(9)	(9)	—	(9)
Items that can be reclassified to the income statement					
Total profit (loss) from translation	363		363	—	363
Total	363	—	363	—	363
Other components of the Statement of	363	(9)	354	—	354
At 31 December 2025					
Items that cannot be reclassified to the income statement					
Actuarial gains (losses) on severance indemnities net of the relative tax effect		1	1		1
Total	—	1	1	—	1
Items that can be reclassified to the income statement					
Total profit (loss) from translation	(532)		(532)	—	(532)
Total	(532)	—	(532)	—	(532)
Other components of the Statement of	(532)	1	(531)	—	(531)

	At 31 December 2025			At 31 December 2024		
	Gross value	Tax (Charges)/Be nefit	Net value	Gross value	Tax (Charges)/Be nefit	Net value
<i>in € thousands</i>						
Actuarial gains (losses) on severance indemnities net of the relative tax effect	2	(1)	1	(12)	3	(9)
Total profit (loss) from translation	(532)		(532)	363		363
Other components of the Statement of Comprehensive Income	(530)	(1)	(531)	351	3	354

Dividends paid

At its meeting on 29 April 2025, the Shareholders' Meeting approved the Board of Directors' proposal to distribute a dividend of € 1.00 for each ordinary share outstanding at the ex-dividend date, for a total of € 10,865 thousand.

Earnings per share

As indicated in IAS 33, basic earnings per share have been calculated for 2025 at € 0.93 per share (€ 1.62 per share in 2024). This indicator was calculated by dividing the profit attributable to shareholders of the Parent Company (€ 10,131 thousand in 2024) by the weighted average of ordinary shares outstanding during the period (10,940,807 shares in 2025). There were no significant dilution factors.

14. Long-term borrowings

As at 31 December 2025, medium/long-term financial debt is as follows:

Long-term borrowings	31/12/2025	31/12/2024	Change	% Change
BNL Loan 6169054	—	208,331	(208,331)	-100 %
BNL Loan 6177935	1,071,429	1,785,714	(714,286)	-40 %
Intesa Loan OIC1076967680	—	287,348	(287,348)	-100 %
BNL loan 6182481	3,571,429	—	3,571,429	
INTESA loan OIC1023362662	3,887,867	—	3,887,867	
Intesa Loan OIC1021541583	507,215	1,239,908	(732,693)	-59 %
Simest loan 18 sound	63,035	35,854	27,181	76 %
Simest Loan - PP33867	120,000	240,000	(120,000)	-50 %
SIMEST S.p.A. - 901490/DE	56,000	—	56,000	
BNL Loan 6173021	—	23,083	(23,083)	-100 %
Total medium/long-term borrowings	9,276,975	3,820,239	5,479,819	143 %

The table below outlines the changes in borrowings in 2025 for both the current and non-current portions:

Change in borrowings	31/12/2024	Repayments	New loans	Reclassification to current	31/12/2025
Non-current portion					
Bank loans	3,820,239	—	10,056,002	(4,599,266)	9,276,975
Total non-current portion	3,820,239	—	10,056,002	(4,599,266)	9,276,975
Current portion					
Bank loans	4,168,224	(4,132,037)	—	4,599,266	4,635,453
Total current portion	4,168,224	(4,132,037)	—	4,599,266	4,635,453
Total current and non-current portion	7,988,463	(4,132,037)	10,056,002	—	13,912,428

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

Existing loans	BNL Loan 6173021	Loan OIC1021541583	Intesa Loan OIC 1023362662	BNL Loan 6177935
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Disbursing entity	Banca Nazionale del Lavoro S.p.A.	Intesa S. Paolo S.p.A.	Intesa S. Paolo S.p.A.	Banca Nazionale del Lavoro S.p.A.
Original amount	277,000	2,500,000	5,000,000	2,500,000
Date of stipulation	17/02/2023	30/08/2023	23/04/2025	10/04/2024
Maturity date	17/02/2026	30/08/2027	23/04/2029	10/04/2028
No. capital instalments	12	42	14	14
No. pre-amortisation	0	6	2	2
Instalment schedule	quarterly	monthly	quarterly	quarterly
Interest rate	Euribor 3M (360 base) with floor at zero + 1% spread	Euribor 1M (360 base) with floor at zero + 0.85% spread	Euribor 3M + 0.60 %	Euribor 3M + 0.85% spread
Current amount repayable	23,082	732,693	1,112,133	714,286
Non-current amount repayable	—	507,215	3,887,867	1,071,429

Existing loans
BNL Loan 6182481
BNL Loan 6169054
Loan 01C1076967680 Simest Loan - 18 sound

Disbursing entity	Banca Nazionale del Lavoro S.p.A.	Banca Nazionale del Lavoro S.p.A.	Intesa S. Paolo S.p.A.	Sace Simest
Original amount	5,000,000	2,500,000	2,000,000	36,021
Date of stipulation	23/04/2025	22/03/2022	25/02/2022	03/12/2024
Maturity date	23/04/2029	22/03/2026	25/02/2026	03/06/2030
No. capital instalments	14	12	8	12
No. pre-amortisation	2	4	0	1
Instalment schedule	quarterly	quarterly	every six months	every six months
Interest rate	Euribor 3M + 0.60 %	Euribor 3M + 0.85% spread	Euribor 6M + 0.90% spread	0.004
Current amount repayable	1,428,571	208,333	287,348	9,006
Non-current amount	3,571,429	—	—	63,035

Existing loans
Simest Loan - PP33867
**Simest Loan
901490/DE**

Disbursing entity	Sace Simest	Sace Simest
Original amount	480,000	56,250
Date of stipulation	31/03/2021	18/02/2025
Maturity date	31/12/2027	10/12/2030
No. capital instalments	8	8
No. pre-amortisation instalments	5	4
Instalment schedule	every six months	every six months
Interest rate	0.55 %	0.0055
Current amount repayable	120,000	—
Non-current amount repayable	120,000	56,000

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 01C1021541583 and 01C1023362662 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 € 242 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.

Information on existing hedging contracts	BNL 6169054	Banca Intesa
Disbursing entity	BNL Group	Intesa S.Paolo S.p.A.
Type of contract	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedge against changes in the interest rate for the loan from BNL Group	Hedge against changes in the interest rate for the loan from Banca Intesa S.p.A.
Original amount	2,500,000	2,000,000
Schedule	Quarterly	Every six months
Bank interest rate	Euribor 6 months	Euribor 6 months
Company interest rate	1.05 %	1.00 %
Date of stipulation	12/04/2022	12/04/2022
Maturity date	22/03/2026	25/02/2026
Mark to market at 31 December 2025	1,577	516

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 2025, financial liabilities for rights of use, calculated by discounting the value of lease fees due, amounted to € 5,355 million, of which € 3,899 million classified among non-current liabilities and € 1,466 million classified among current liabilities.

The change with respect to 31 December 2024 is linked to the net effect of the payment of the portion coming due during the year and the early termination of the lease for the building in which the subsidiary B&C USA NA LLC carried out its business. To that end, recall that in the second half of 2025 the process of transferring the operating and logistics assets of B&C Speakers NA LLC was completed, with the transfer from the previous location in New Jersey to the owned offices of the subsidiary Eminence Speakers LLC in Kentucky. This will make it possible to better take advantage of the assets of the Kentucky subsidiary, while simultaneously achieving significant logistics and operating synergies.

Non-current liabilities include financial liabilities with maturity dates exceeding five years for € 950 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 (€ 317 thousand) as well as the liability accrued with reference to the Directors' Severance Pay (€ 594 thousand). The increase in the item with respect to 31 December 2024 is due to allocations during the period, net of severance indemnities paid after certain employees left.

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 € 317 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:

Severance Indemnities (TFR)	31/12/2024	Provisioning (interest and service costs)	(Uses)	Actuarial (Gains)/Losses	31/12/2025
Severance indemnity	304,699	27,270	(13,683)	(1,768)	316,518
Total Severance Indemnities	304,699	27,270	(13,683)	(1,768)	316,518

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

Technical-economic bases

	31/12/2025
Annual discounting rate	3.96 %
Annual inflation rate	2.00 %
Annual TFR increase rate	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 2025 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, main measurement

	DBO 31-Dec-2025
Turnover rate +1%	324,707
Turnover rate -1%	321,800
Inflation rate +0.25%	326,981
Inflation rate -0.25%	319,723
Discounting rate +25%	318,279
Discounting rate -25%	328,504

Estimated future disbursements

Year	Amount
1	36,969
2	35,661
3	35,351
4	34,864
5	34,261

Service Cost and Duration

Service Cost pro futuro	0.00
Duration	10.00

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:

Director's Severance Pay (TFM)	31/12/2024	Provisioning	(Uses)	31/12/2025
Directors' Severance Pay	554,846	39,433	—	594,279
Total Directors' Severance Pay	554,846	39,433	—	594,279

The change with respect to 31 December 2024 is due to the amount accruing during the year.

17. Provisions for risks and charges

The item, equalling € 44 thousand at 31 December 2025 (unchanged compared to 31 December 2024), 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 2025, short-term financial debt is as follows:

Short-term borrowings	31/12/2025	31/12/2024	Change	% Change
Loan OIC1021541583	732,693	700,268	32,426	5 %
BNL Loan 6177935	714,286	714,286	—	— %
Banca Intesa guaranteed loan	—	360,135	(360,135)	-100 %
BNL guaranteed loan	—	357,143	(357,143)	-100 %
Intesa Loan OIC1011858979	—	357,850	(357,850)	-100 %
BNL loan 6182481	1,428,571	—	1,428,571	
INTESA loan OIC1023362662	1,112,133	—	1,112,133	
Intesa Loan OIC1076967680	287,348	573,060	(285,712)	-50 %
BNL Loan 6169054	208,333	833,333	(625,000)	-75 %
BNL Loan 6173021	23,082	92,332	(69,250)	-75 %
Simest loan 18 sound	9,006	167	8,839	5293 %
Simest Loan - PP33867	120,000	120,000	—	— %
Simest Loan - FM46888	—	19,642	(19,642)	-100 %
Simest Loan - FM47037	—	6,325	(6,325)	-100 %
SIMEST S.p.A. - 901490/DE	—	33,683	(33,683)	-100 %
Current portion of loans	4,635,453	4,168,224	467,229	11 %
Bank overdrafts	2,466,851	2,594,732	(127,881)	-5 %
Total	7,102,304	6,762,957	339,348	5 %

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 2025 is detailed below:

<i>(in € thousands)</i>	31 December 2025 (a)	31 December 2024 (a)	Change
A. Cash and cash equivalents	13,968	9,314	50 %
B. Other current financial assets	7,549	7,283	4 %
D. Liquidity (A+C)	21,517	16,597	30 %
E. Current financial debt	(2,467)	(2,595)	
F. Current part of non-current financial debt	(6,101)	(5,548)	10 %
G. Current financial debt (E+F)	(8,568)	(8,143)	5 %
H. Net current financial debt (G+D)	12,949	8,453	53 %
E. Non-current financial debt	(13,166)	(9,377)	40 %
L. Non-current financial debt	(13,166)	(9,377)	40 %
M. Total financial debt (H+L)	(217)	(924)	-77 %

(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.

	31/12/2025	31/12/2024
Final net cash and cash equivalents	11,501	6,719
Current portion of loans	(4,635)	(4,168)
Non-current portion of loans	(9,277)	(3,820)
Other current financial debt	(1,466)	(1,381)
Other non-current financial debt	(3,889)	(5,557)
Securities held for trading	7,549	7,283
Total net financial position	(217)	(924)

For a better understanding of the dynamics underlying changes in the Net Financial Position, please see the consolidated statement of cash flows and that found in the report on operations.

19. Trade payables

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

Trade Payables	31/12/2025	31/12/2024	Change	% Change
Due to suppliers	10,472,853	9,981,831	491,022	5 %
Total trade payables	10,472,853	9,981,831	491,022	5 %

The increase in trade payables is due to the stock of magnetic components acquired in the fourth quarter of the year with the aim of reducing the risk of dependence in the case of future export blocks such as those during 2025, implemented by the Chinese government in reaction to the tariff policies imposed by the US administration.

20. Current tax liabilities

At 31 December 2025, this item came to € 15 thousand (€ 104 thousand at 31 December 2024) and includes current tax liabilities net of advances paid by the Chinese and Brazilian subsidiaries.

21. Other current liabilities

The item is made up of:

Other Current Liabilities	31/12/2025	31/12/2024	Change	% Change
Due to social security entities	734,795	688,904	45,891	7 %
Accrued personnel costs	940,021	966,812	(26,791)	-3 %
Due to personnel for salary and wages	793,426	642,219	151,207	24 %
Other tax payables	360,369	361,528	(1,158)	— %
Other payables	924,580	898,936	25,645	3 %
Total other current liabilities	3,753,191	3,558,399	194,793	5 %

“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 2025.

“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 € 100 thousand (including MBO).

22. Commitments, guarantees and pending disputes

As at 31 December 2025, as also at 31 December 2024, 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 2025**23. Revenue**

Consolidated revenue reached € 99.1 million, down slightly with respect to the € 100.4 million in 2024 (-1.3%). This change is mainly due to the effect of exchange rates, which penalised sales in US dollars for the entire Group. In fact, with exchange rates held constant, turnover in 2025 would have been € 100.3 million, substantially in line with the previous year.

During 2025, new orders received reached € 105 million, substantially in line with the figure in 2024, when it reached € 107 million.

Geographic Area	FY 2025	%	FY 2024	%	Change	% Change
Latin America	7,516,078	8 %	8,158,911	8 %	(642,833)	-8 %
Europe	47,203,791	48 %	48,425,584	48 %	(1,221,793)	-3 %
Italy	5,610,938	6 %	6,368,235	6 %	(757,297)	-12 %
North America	20,886,919	21 %	20,753,771	21 %	133,148	1 %

Middle East and Africa	670,206	1 %	782,069	1 %	(111,863)	-14 %
Asia and Pacific	17,218,670	17 %	15,880,300	16 %	1,338,370	8 %
Total revenue	99,106,602	100 %	100,368,870	100 %	(1,262,268)	-1 %

The decrease in turnover is attributable, in addition to the aforementioned currency trends, to the slowdown experienced with certain European clients, strongly focussed on exports to North America, which postponed the start of certain significant projects due to uncertainties on international markets.

On the other hand, performance in the Asian market was positive. In fact, the Chinese subsidiary drove this growth thanks to the strengthening of the proprietary distribution platform and the initial effects from the launch of new products on the Asian market.

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 2025 two customers generated turnover exceeding 10% of the total:

1st customer – 21%

2nd customer – 10%

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	FY 2025	FY 2024	Change	% Change
Purchases of raw materials and finished products	(14,881,255)	(14,852,193)	(29,062)	— %
Purchases of semi-finished products	(20,552,108)	(22,591,452)	2,039,344	-9 %
External processing	(5,545,429)	(5,588,276)	42,847	-1 %
Accessory materials and consumables	(2,241,621)	(2,265,225)	23,604	-1 %
Packaging	(882,543)	(839,865)	(42,677)	5 %
Acquisition of sundry goods	(49,767)	(48,185)	(1,582)	3 %
Change in inventories of semi-finished products	(1,281,666)	695,990	(1,977,656)	-284 %
Change in inventories of finished products	1,279,656	(2,115,670)	3,395,326	-160 %
Change in inventories of raw and ancillary materials,	253,172	1,806,209	(1,553,037)	-86 %
Total consumables and external processing	(43,901,561)	(45,798,667)	1,897,106	-4 %
Salaries and wages	(8,458,903)	(8,213,572)	(245,331)	3 %
Social security expenses on salaries and wages	(2,071,211)	(1,875,932)	(195,279)	10 %
Severance indemnity (TFR)	(494,285)	(446,684)	(47,601)	11 %
Other personnel costs	(3,038,183)	(2,574,984)	(463,200)	18 %
Total direct labour costs	(14,062,583)	(13,111,172)	(951,411)	7 %
Costs of transport and logistics	(3,844,996)	(3,418,980)	(426,015)	12 %
Commissions payable	(563,120)	(594,646)	31,525	-5 %
Other costs	(622,104)	(371,527)	(250,577)	67 %
Total other direct costs	(5,030,220)	(4,385,153)	(645,067)	15 %
Total cost of sales	(62,994,364)	(63,294,992)	300,628	— %

The generalised decrease seen in nearly all cost categories relative to consumption as seen above can be viewed in relation to the efficient management of procurement costs for components. In fact, their impact on turnover improved with respect to the previous year (-1.3% in impact on revenue).

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.

On the other hand, production capacity levels had a negative impact on the cost of sales (in terms of direct personnel), because the Group had established this on the basis of customer forecasts, which subsequently did not achieve full saturation during the year as certain clients postponed projects, in an international context characterised by persistent geopolitical uncertainties. This trend created a temporary dilution of operating leverage, with an impact on the operating margin for the year.

The increases seen in the category of tariffs and transport can instead be seen in relation to trade policies implemented by the US administration, which had both direct and indirect repercussions, such as higher use of air transport to support production during the period immediately following the block on magnet exports imposed by China.

25. Other revenues and income

The item other revenues amounted to € 308 thousand in 2025 (€ 313 thousand in 2024).

The item refers to contributions from GSE S.p.A. (Energy Services Manager) for € 27 thousand in relation to the use of photovoltaic panels, contributions received from Fondimpresa and Fondirigenti for personnel training for € 25 thousand, contributions from Simest for the digital transition for € 4 thousand and the Emilia Romagna Region for € 5 thousand, tax contributions for instrumental assets for € 19 thousand and, finally, recovery of expenses for certain coil components for € 123 thousand, as well as contingent assets for minor amounts.

26. Indirect Personnel

The item is made up of:

Indirect Personnel	FY 2025	FY 2024	Change	% Change
Salaries and Wages	(5,687,970)	(5,391,492)	(296,478)	5 %
Social security expenses on salaries and wages	(883,123)	(890,300)	7,177	(1) %
Severance indemnity (TFR)	(191,616)	(198,636)	7,019	(4) %
Total indirect personnel	(6,762,709)	(6,480,428)	(282,281)	4 %

The increase in the cost for indirect personnel with respect to 2024 is due to the addition of certain new positions, mainly in the Research and Development area.

27. Commercial expenses

The item is made up of:

Commercial expenses	FY 2025	FY 2024	Change	% Change
Commercial consulting	(384,039)	(384,071)	32	— %
Advertising	(442,668)	(247,103)	(195,565)	79 %
Travel and room and board expenses	(520,251)	(431,126)	(89,125)	21 %
Other commercial expenses	(175,695)	(194,500)	18,805	-10 %
Total commercial expenses	(1,522,653)	(1,256,800)	(265,853)	21 %

Commercial expenses increased with respect to 2024, mainly as a consequence of the launch of promotional activities aimed at supporting the launch and presentation to the international market of the Group's new product lines.

28. Administrative and General expenses

The item is made up of:

Administrative costs and overheads	FY 2025	FY 2024	Change	% Change
Maintenance and utilities	(2,296,545)	(2,162,473)	(134,072)	6 %
Professional services	(2,302,281)	(1,878,011)	(424,271)	23 %
Corporate body fees	(836,849)	(766,327)	(70,521)	9 %
Acquisition of consumables	(294,870)	(316,242)	21,372	-7 %
Insurance	(660,200)	(619,049)	(41,151)	7 %
Taxes other than income	(153,466)	(174,947)	21,481	-12 %
Canteen	(106,082)	(99,103)	(6,979)	7 %
Stock exchange expenses and costs	(262,895)	(341,806)	78,911	-23 %
Provisioning for Directors' Severance Pay (TFM)	(39,433)	(43,833)	4,400	-10 %
Rental fees	(595,326)	(565,623)	(29,704)	5 %
Other minor	(1,410,942)	(903,844)	(507,097)	56 %
Total general and administrative	(8,958,889)	(7,871,258)	(1,087,631)	14 %

Maintenance and utilities costs refer mainly to software assistance for about € 736 thousand, to costs for utilities for € 850 thousand, to maintenance of capital assets and properties for € 508 thousand and to cleaning services for € 277 thousand.

The item "Professional services" includes technical, administrative and legal consulting services received in 2025. The increase in this item is due to the Group's decision to take action, including legal action, to protect its know-how and brand, with respect to unauthorised use.

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:

Amortisation, depreciation, provisions and	FY 2025	FY 2024	Change	% Change
Amortisation of intangible fixed assets	(198,708)	(181,340)	(17,368)	10 %
Depreciation of property, plant and equipment	(1,218,340)	(996,850)	(221,491)	22 %
Amortisation/depreciation of rights of use	(1,496,840)	(1,526,013)	29,173	-2 %
Total amortisation/depreciation	(2,913,889)	(2,704,202)	(209,687)	8 %
Net writebacks (writedowns) on trade and other receivables	(15,623)	(27,362)	11,739	-43 %

Amortisation and depreciation of intangible assets and property, plant and equipment rose with respect to the same period in 2024, due to investments made during the period.

Amortisation/depreciation of rights of use declined slightly following the early termination of the lease for the property in which the subsidiary B&C USA NA LLC carried out its business. To that end, recall that in the second half of 2025 the process of transferring the operating and logistics assets of B&C Speakers NA LLC was completed, with the transfer from the previous location in New Jersey to the owned offices of the subsidiary Eminence Speakers LLC in Kentucky.

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 € 3,022 thousand (€ 1,461 thousand in 2024) consisting of € 1,631 thousand for exchange losses realised (€ 452 thousand in 2024), € 585 thousand for presumed exchange losses (€ 144 thousand in 2024), € 593 thousand for interest on loans and current account overdrafts (€ 490 thousand in 2024), € 218 thousand for interest calculated on financial liabilities related to IFRS16 lease accounting (€ 217 thousand in 2024), € 33 thousand due to the change in fair value of IRS contract (€ 128 thousand in 2024) and other minor expenses for the remainder.

Financial income amounted to € 1,358 thousand (€ 1,580 thousand in 2022) consisting of € 682 thousand for exchange gains realised (€ 572 thousand in 2022), € 33 thousand for presumed exchange gains at the end of the year (€ 341 thousand in 2024), € 446 thousand for presumed profit from fair value measurement of securities held for liquidity purposes (a loss of € 504 thousand in 2024) and other minor amounts for the remainder.

31. Taxes

The item is made up of:

Current and deferred taxes	FY 2025	FY 2024	Change	% Change
IRES	(3,728,564)	(3,559,882)	(168,682)	5 %
IRAP	(787,529)	(703,558)	(83,972)	12 %
Current taxes, foreign subsidiaries	(167,645)	(290,609)	122,964	-42 %
Total current taxes	(4,683,737)	(4,554,048)	(252,653)	6 %
Tax income for instrumental assets and R&D	113,933	207,174	(93,241)	-45 %
Taxes, previous years (Patent Box)	—	2,953,890	(2,953,890)	-100 %
Deferred tax assets/liabilities	117,021	23,993	93,028	388 %
Total income taxes	(4,452,783)	(1,368,991)	(3,083,791)	225 %

Current taxes include the tax expense that originated during the year in application.

The item “Taxes, previous years (Patent Box)”, which had a zero total in 2025, refers to the effects of the tax benefits for 2020 - 2023 received following the renewal, in 2024, of the Revenue Agency’s ruling on the Patent Box. Note that the Patent Box benefit for FY 2024 was equal to € 1,254 thousand, recognised under the item for current taxes. The overall effect on the income statement for 2024 was, therefore, equal to € 4,207 thousand.

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:

<i>Amounts in € thousands</i>	FY 2025	FY 2024
Pre-tax profit	14,584	19,166
Ordinary rate applicable	24.0 %	24.0 %
Theoretical tax rate	3,500	4,600
Main definitive changes		
- analytical and lump sum deductions from IRAP	(154)	(118)
Sundry taxable changes (balance)	(73)	(384)
Taxable amount	14,356	18,664
Current taxes	3,446	4,479
IRAP	788	704
Patent Box	—	(4,030)
Tax income for sanitisation and R&D	(114)	(207)
Deferred tax liabilities	(117)	(24)
Tax effect, different between foreign tax rates and theoretical rate	451	447
Total taxes recognised in financial statements	4,453	1,369

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 2025 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 2025 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 2025, 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 USD equal to 25.3 million whose corresponding value in euros (calculated according to the average exchange rate for the year) is equal to Euro 22.4 million;
- Purchases in RMB equal to 33.8 million whose corresponding value in euros (calculated according to the average exchange rate for the year) is equal to Euro 4.1 million;
- Purchases in CAD Dollars equal to 0.4 million whose corresponding value in euro (calculated according to the average exchange rate for the year) is equal to € 0.2 million;

In 2025, 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 equal to 40.4 million whose corresponding value in Euros (calculated according to the average exchange rate for the year) is equal to Euro 35.7 million;
- Sales in RMB equal to 55.6 million whose corresponding value in Euros (calculated according to the average exchange rate for the year) is equal to Euro 6.8 million;
- Sales in BRL for 7.4 million with a corresponding value in euro (calculated according to the average exchange rate for the year) equal to € 1.1 million;

These figures show that purchases in foreign currency account for approximately 46% of total purchases (39% in 2024), while sales in foreign currency account for 44% of the Group's turnover (40% in 2024).

The coverage level (expressed as the ratio between purchases in foreign currency and sales in foreign currency) was equal to around 159% during 2025 (129% in 2024). 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 411 thousand and losses of € 387 thousand, respectively.

On the Balance sheet, the equivalent in euros of trade receivables entered in US dollars on 31 December 2025 amounted to Euro 10.9 million (the total value on 31 December 2024 was Euro 8.7 million), while the equivalent value of trade payables in US dollars on 31 December 2025 amounted to Euro 3.1 million (the total value on 31 December 2024 amounted to Euro 2.8 million). The value in Euros of trade receivables in RMB amounted to € 0.7 million at 31 December 2025 (the total value at 31 December 2024 was € 0.5 million), while the value of trade payables in RMB in Euros at 31 December 2025 was € 3.4 million (the total value at 31 December 2023 was € 2.1 million). The value in Euros of trade receivables in Real was € 0.7 million at 31 December 2025 (the total value at 31 December 2024 was the same amount), while the value in Euros of trade payables in Real at 31 December 2025 was € 0.9 million (the total value at 31 December 2024 was the same amount).

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 256 thousand and losses of € 242 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 59% of the overall trade value, while the impact of trade payables in currency accounts for 68% 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 2025, 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 2025, the Group had a negative Net Financial Position of € 0.2 million (€ 0.9 million at 31 December 2024). This is the result of a current positive NFP of about € 12.9 million (€ 8.4 million at 31 December 2024) and non-current net financial debt of € 13.2 million (€ 9.3 million at 31 December 2024). 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 levels of the fair value measurement	Level 1	Level 2	Level 3
Financial assets			
Other current assets	—	7,549,323	—
Interest Rate Swap		2,093	—
Total	—	7,551,416	—
Financial liabilities			
Interest Rate Swap	—	—	—
Total	—	—	—

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 2024 compared to the approved financial statements at 31 December 2023):

Relevant figures, R&D International S.r.l. (in € thousands)	31/12/2024	31/12/2023
Total Assets	22,007	26,348
Total Equity	16,290	20,052
Profit for the year	7,831	5,381

For a proper and complete understanding of the financial and equity position of Research and Development International S.r.l. at 31 December 2024, 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 2025, 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 charges	Total from financial statements	Research & Development Intl. Srl	Total Related Parties	% impact on financial statement schedule
FY 2025	(3,021,752)	(56,914)	(56,914)	2 %
FY 2024	(1,461,116)	(64,755)	(64,755)	4 %

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 assets	Total from financial statements	Research & Development Intl. Srl	Total Related Parties	% impact on financial statement schedule
31/12/2025	667,296	6,700	6,700	1 %
31/12/2024	622,199	6,700	6,700	1 %

Trade payables	Total from financial statements	Research & Development Intl. Srl	Total Related Parties	% impact on financial statement schedule
31/12/2025	(10,472,853)	(89,682)	(89,682)	1 %
31/12/2024	(9,981,831)	(100,134)	(100,134)	1 %

Medium/long-term financial liabilities for rights of use	Total from financial statements	Research & Development Intl. Srl	Total Related Parties	% impact on financial statement schedule
31/12/2025	(3,889,224)	(1,088,005)	(1,088,005)	28 %
31/12/2024	(5,557,150)	(2,140,714)	(2,140,714)	39 %

Short-term financial liabilities for rights of use	Total from financial statements	Research & Development Intl. Srl	Total Related Parties	% impact on financial statement schedule
31/12/2025	(1,465,785)	(983,899)	(983,899)	67 %
31/12/2024	(1,380,620)	(871,159)	(871,159)	63 %

The creditor position relative to Research & Development International S.r.l. existing at 31 December 2025, 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 2025 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 2025 the Group received:

- Contributions from GSE S.p.A. (Energy services manager) for € 27 thousand in relation to the use of photovoltaic panels.
- Contributions for the digital transition for € 9 thousand.
- Tax credit for research and development activities for € 77 thousand.
- Art bonus tax credit for € 7 thousand.
- Tax credit for instrumental assets for € 19 thousand.
- Contributions received for personnel training for € 25 thousand.

39. Events subsequent to the closure of FY 2025

It is noted that after 31 December 2025 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.

With reference to the events in the Middle East starting at the end of February 2026, as a consequence of the conflict between the US, Israel and Iran, please see that found in the Report on Operations in the section “Business Outlook”.

40. Publication authorisation

The Board of Directors of B&C Speakers S.p.A. approved this document on 19 March 2026 and it was published on 31 March 2026 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)**

Name and registered office	Currency	Capital	Profit, last year	Equity	% held	Book value (in € thousands)
Eighteen Sound Srl (Reggio Emilia, Italy)*						
At 31 December 2024	In thousands of euros	5,630	2,334	12,866	100 %	6,583
At 31 December 2025	In thousands of euros	5,630	1,950	14,816	100 %	6,583
B&C Speakers NA L.L.C. (Louisville KY, USA) *						
At 31 December 2024	thousands of USD	30	(172)	1,752	100 %	1,280
At 31 December 2025	thousands of USD	30	(873)	1,722	100 %	1,280
B&C Speakers Brasil LTDA (Porto Alegre, Brazil)*						
At 31 December 2024	thousands of Real	1,721	46	2,832	100 %	287
At 31 December 2025	thousands of Real	1,721	203	1,112	100 %	287
Eminence Speakers NA LLC (Louisville KY, USA) *						
At 31 December 2024	thousands of USD	96	(683)	1,675	100 %	2,438
At 31 December 2025	thousands of USD	96	(992)	1,579	100 %	2,438
B&C China Electronics (China) *						
At 31 December 2024	thousands of	14,692	3,533	18,377	100 %	1,900
At 31 December 2025	thousands of	14,692	4,101	3,685	100 %	1,900

* 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 and surname	Position held in 2024	Term period	Expiration Position	Fees for the position **	Non-monetary benefits	Bonuses and other incentives	Other fees **	Total
Lorenzo Coppini	Director	01/01/2025-31/12/2025	2026	228	—	24	—	252
Alessandro Pancani	Director	01/01/2025-31/12/2025	2026	232	—	25	—	257
Francesco Spapperi	Director	01/01/2025-31/12/2025	2026	20		13		33

Valerie Sun	Independent Director	01/01/2025-31/12/2025	2026	35	—	—	—	29
Roberta Pecci	Chair of the BOD	01/01/2025-31/12/2025	2026	20	—	—	—	20
Raffaele Cappiello	Independent Director	01/01/2025-31/12/2025	2026	20				19
Marta Bavasso	Independent Director	01/01/2025-31/12/2025	2026	35				23
Riccardo Foglia Taverna	Chair of the Board of Statutory	01/01/2025-31/12/2025	2026	25	—	—	—	21
Giovanni Mongelli	Statutory Auditor	01/01/2025-31/12/2025	2026	17	—	—	—	12
Sara Nuzzaci	Statutory Auditor	01/01/2025-31/12/2025	2026	17	—	—	—	12

Amounts are expressed in thousands of Euro.

* 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 2025 for auditing services and for services other than auditing provided by the same independent auditing firm.

Type of service	Company providing the service	Recipient	Notes	Fees accrued
Auditing	Deloitte & Touche S.p.A	Parent Company - B&C Speakers	A	99,167
		Associates	B	11,248
Certification services	Deloitte & Touche S.p.A	Parent Company - B&C Speakers		—
		Associates		—
Other services	Network DT	Parent Company - B&C Speakers		—
		Associates		—
Total				110,415

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.

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 2025 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 2026

Lorenzo Coppini

Francesco Spapperi

10 Report of the Independent Auditors to the Consolidated Financial Statements of the B&C Speakers Group at 31 December 2025



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**INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014**

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

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of B&C Speakers S.p.A. and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2025, and of its consolidated financial performance and its consolidated 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 and the requirements of national regulations issued pursuant to art. 9 of Italian 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 our report. We are independent of B&C Speakers S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group B&C Speakers for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2025.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Codice Fiscale/Registro delle Imprese di Milano-Monza-Brianza-Lodi n. 03049580196 - R.E.A. n. MI-1720239 | Partita IVA: IT 03049580196

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Recoverability of goodwill

Description of the key audit matter The consolidated financial statements as of 31 December 2025 include goodwill relating to the cash generating units ("CGUs") B&C USA, for Euro 1.394 thousand and Eighteen Sound, for Euro 924 thousand.

This Goodwill, in compliance with "IAS 36 Impairment of assets", is not amortized, but is subject to impairment testing at least annually, by comparing the recoverable amount of the CGUs, determined according to the value-in-use methodology, with the respective book value, which takes into account both the goodwill and other tangible and intangible assets allocated to the CGUs.

The impairment test process, prepared by Management and approved by the Board of Directors, shows elements of complexity and is based on assumptions regarding, among other things, the forecast of expected cash flows of the CGUs, the determination of an appropriate discount rate (WACC) and long-term growth rate (g-rate). The assumptions underlying the impairment tests are, moreover, by their nature, influenced by future expectations regarding the evolution of external market conditions, which create elements of uncertainty in the estimates.

Given the subjectivity and uncertainty of the estimates relating to cash flows projections and the key variables of the impairment model, as well as the multiplicity and unpredictability of the factors that may affect the performance of the markets in which the Group operates, we considered the impairment test a key audit matter of the Group's consolidated financial statements.

The explanatory notes to the consolidated financial statements in the paragraphs "Impairment losses" and "Use of estimates" describe Management's valuation process. Note (3) "Goodwill" provides disclosure on the tests performed, on the main assumptions underlying the cash flow estimates and on the related sensitivity analyses, which illustrate the effects of changes in the key variables used for the purposes of impairment tests.



Audit procedures performed	We have carried out the following procedures, also with the support of our experts: • Documenting and understanding the procedures and relevant controls carried out by the Management for the preparation and approval of the impairment test; • Understanding the method used by the Management, also with the support of the independent expert, for the determination of the value in use of the cash-generating units (CGUs), analyzing the methods and assumptions used by Management in developing the impairment test; • Analysis of the reasonableness of the main assumptions adopted for estimating the cash flow forecast and the parameters used by the Management for the impairment test. For this purpose, we examined macroeconomics and industry data and reviewed the methods used by Management to determine WACC and g-rate; • Analysis of the 2025 actual results compared to the forecast data, in order to assess the nature of the variations and evaluate the reliability of the planning process; • Analysis of the report prepared by the independent expert appointed by Management, also assessing its competence and independence; • Verification of the correct determination of the carrying amount of the assets and liabilities allocated to the CGUs; • Verification of the clerical accuracy of the model used to determine the value in use of the CGUs; • Verification of the sensitivity analysis prepared by the Management both in terms of increase and decrease in the g-rate and WACC parameters and reduction of forecast cash flows. Furthermore, we examined the adequacy of the disclosure provided by the Group in the consolidated financial statements as of December 31, 2025 regarding the impairment test and its compliance with IAS 36.
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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 and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established 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 these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's 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 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.

- Evaluate 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.
- Obtain 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.

We communicate 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied. From the matters communicated with those charged with governance, we determine 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 describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of B&C Speakers S.p.A. has appointed us on April 29, 2024 as auditors of the Company for the years from December 31, 2025 to December 31, 2033.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the 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 role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The Directors of B&C Speakers S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single



Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at December 31, 2025, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2025 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information contained in the illustrative notes to the consolidated financial statements, when extracted from XHTML format in an XBRL instance, may not be reproduced in the same way as the corresponding information displayed in the consolidated financial statements in XHTML format.

Opinions and statement pursuant to art. 14 paragraph 2, sub-paragraphs e), e-bis) and e-ter) of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of B&C Speakers S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and the ownership structure of B&C Speakers Group as at December 31, 2025, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the consolidated financial statements;
- express an opinion on compliance with the law of the report on operations, excluding the section related to the consolidated corporate sustainability reporting, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and the ownership structure are consistent with the consolidated financial statements of B&C Speakers Group as at December 31, 2025.



In addition, in our opinion, the report on operations, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianni Massini
Partner

Florence, Italy
March 30, 2026

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.

Financial statements and explanatory notes of the Parent Company

At 31 December 2025

11 Financial statements of the Parent Company B&C Speakers S.p.A. at 31 December 2025**11.1 STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2025**

<i>(in €)</i>	<i>Notes</i>	31/12/2025	31/12/2024
ASSETS			
Fixed assets			
Property, plant and equipment	1	2,785,351	2,543,233
Rights of use	3	1,994,769	2,891,456
Other intangible assets	3	526,071	483,830
Equity investments in subsidiaries	4	12,487,011	12,487,011
Equity investments in associates	5	—	—
Deferred tax assets	6	85,571	61,759
Other non-current assets	7	4,310,880	3,083,482
<i>of which with associated companies</i>	37	3,652,400	2,474,425
Total non-current assets		22,189,652	21,550,771
Current assets			
Inventories	8	16,499,463	17,802,404
Trade receivables	9	20,706,358	17,335,466
<i>of which with associated companies</i>	37	8,840,599	5,333,238
Current tax assets	10	928,843	1,290,085
Other current assets	11	9,745,784	10,037,098
<i>of which with associated companies</i>	37	—	890,163
Cash and cash equivalents	12	6,114,818	4,045,104
Total current assets		53,995,266	50,510,157
Total assets		76,184,919	72,060,927

<i>(in €)</i>		31/12/2025	31/12/2024
LIABILITIES			
Capital and Reserves			
Share capital	13	1,093,817	1,090,507
Other reserves	13	4,588,611	4,113,868
IAS FTA Reserve	13	11,764	11,764
Retained earnings reserves	13	41,349,643	42,719,744
Total Equity		47,043,835	47,935,883
Non-current liabilities			
Long-term borrowings	14	9,213,939	3,761,302
Medium/long-term financial liabilities for rights of use	15	1,105,946	2,146,091
<i>of which with associated companies</i>	37	1,088,005	2,140,714
Provisions for personnel and similar	16	756,696	719,838
Provisions for risks and charges	17	21,928	21,928
Total non-current liabilities		11,098,509	6,649,159
Current liabilities			
Short-term borrowings	18	7,070,216	6,670,457
Short-term financial liabilities for rights of use	15	996,310	875,515
<i>of which with associated companies</i>	37	983,899	871,159
Trade payables	10	7,568,921	7,791,663
<i>of which with associated companies</i>	37	261,954	218,561
Current tax liabilities	20	—	—
Other current liabilities	21	2,407,127	2,138,249
Total current liabilities		18,042,574	17,475,884
Total liabilities		76,184,919	72,060,927

11.2 COMPREHENSIVE INCOME STATEMENT FOR FY 2025

STATEMENT OF COMPREHENSIVE INCOME (in €)		FY 2025	FY 2024
Revenue	23	66,941,353	68,552,223
<i>of which with related parties</i>	37	8,856,940	8,617,994
Cost of sales	24	(42,957,732)	(42,671,654)
<i>of which with related parties</i>	37	(530,113)	(327,122)
Other revenues and income	25	373,258	527,445
<i>of which with related parties</i>	37	183,477	303,682
Indirect Personnel	26	(2,878,979)	(2,677,114)
<i>of which with related parties</i>	37	(31,243)	—
Commercial expenses	27	(931,360)	(854,448)
Administrative costs and overheads	28	(4,963,367)	(4,746,553)
Depreciation and amortisation	29	(1,644,557)	(1,534,442)
Net writebacks (writedowns) on trade and other receivables	29	—	—
Earnings before taxes and financial expense/income (EBIT)		13,938,616	16,595,457
Writedown of investments	4	—	—
Financial charges	31	(1,901,542)	(1,001,087)
<i>of which with related parties</i>	37	(56,914)	(64,755)
Financial income	30	1,111,067	1,210,198
<i>of which with related parties</i>	37	103,762	69,955
Earnings before taxes (EBT)		13,148,141	16,804,568
Income tax	31	(3,654,175)	(392,158)
Net profit for the year (A)		9,493,966	16,412,411
Other comprehensive profit/(loss) that will not be subsequently reclassified to the income statement:			
Profit/(loss) from redetermination of the Provision for employee benefits, net of tax effects	13	1,527	(1,693)
Total other components of the Statement of Comprehensive Income (B)		1,527	(1,693)
Total comprehensive profit for the year (A+B)		9,495,493	16,410,718

11.3 STATEMENT OF CASH FLOW FOR FY 2025

Cash flow statement (in €)
Paragraph 12.2, Note 12

FY

	2025	2024	
A- Net initial cash and cash equivalents	1,450,371	5,782,685	
B- Cash flow from operations for the period			
Profit for the period (including profit pertaining to third parties)	9,495,493	16,410,718	
Income tax	3,654,175	392,158	
Amortisation of intangible fixed assets	106,670	102,446	
Depreciation of property, plant and equipment	1,537,887	1,431,996	
(Capital gains)/capital losses from disposals of property, plant and equipment	—	—	
Writedown of investments	—	—	
Financial charges	1,901,542	1,001,087	
Financial income	(1,111,067)	(1,210,198)	
Allocation (use) of provisions for risks and charges and other provisions for	39,433	43,833	
Change in provision for severance indemnities	(2,575)	(8,815)	
(Increase) decrease in trade and sundry receivables in current assets	(2,415,853)	(1,944,411)	Note 1
(Increase) decrease in deferred tax assets	(23,811)	111,342	
(Increase) decrease in inventories	1,302,941	(382,711)	
Increase (decrease) in trade and sundry payables	(755,592)	874,631	Note 2
Cash and cash equivalents generated by operations	13,729,242	16,822,076	
Interest expense paid	(1,306,351)	(740,224)	
Interest income collected	625,803	606,411	
Taxes paid during the period	(3,390,000)	(2,321,751)	
Total (B)	9,658,694	14,366,512	
C- Cash flow to/(from) investments			
(Investments) in property, plant and equipment in non-current assets net of disinvestments and the relative provision for depreciation	(848,069)	(1,374,535)	
Realisation price for disinvestments of property, plant and equipment in non-	—	—	
(Investments) in intangible assets in non-current assets	(148,910)	(289,980)	
(Acquisition)/disposal of equity investments	—	(710,000)	
(Investments) in securities and other non-current financial assets	(1,227,399)	(2,511,608)	
(Investments) in current financial assets	(650,772)	—	
Disinvestments of current financial assets	833,823	200,000	
Total (C)	(2,041,327)	(4,686,123)	
D- Cash flow from/(to) financing			
(Repayment) of loans	(4,075,725)	(6,346,283)	
Taking on of loans	10,056,002	2,500,000	
(Repayment) of financial liabilities for rights of use	(1,012,507)	(1,000,572)	Note 3
Purchase of treasury shares	478,053	(1,484,987)	
Distribution of dividends	(10,865,594)	(7,680,861)	
Total (D)	(5,419,771)	(14,012,703)	
E- Cash flow for the period (B+C+D)	2,197,595	(4,332,313)	
F- Final net cash and cash equivalents	3,647,966	1,450,372	

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 € 1,238 thousand, the absorption of liquidity due to transactions with the subsidiary B&C USA NA LLC for approximately € 1,613 thousand and generation of liquidity due to transactions with the subsidiary Eighteen Sound S.r.l. for € 238 thousand.

Note 2: the absorption of liquidity determined by the change in trade and other payables includes liquidity generated through transactions with the parent company R&D International S.r.l. for about € 10 thousand, liquidity generated through transactions with the subsidiary B&C China Electronics for € 57 thousand and absorption of liquidity through transactions with the subsidiary Eminence Speakers LLC for around € 13 thousand, as well as liquidity generated through transactions with the subsidiary B&C Speakers Brasil LTDA for around € 43 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 € 598 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	Reserve for unrealised exchange gains	Retained earnings reserves	TOTAL EQUITY
<i>Paragraph 12.2, Note 13</i>							
<i>In €</i>							
At 1 January 2024	1,099,613	379,096	5,111,793	43,696	54,323	34,002,493	40,691,014
Result of the period						16,412,411	16,412,411
Other components of the Statement of Comprehensive Income						(1,693)	(1,693)
Total comprehensive profit (loss) for the period	—	—	—	—	—	16,410,718	16,410,718
<u>Shareholder operations:</u>							
Allocation of profit						—	—
Distribution of dividends						(7,680,861)	(7,680,861)
Trading of treasury shares	(9,106)		(1,475,881)			—	(1,484,987)
At 31 December 2024	1,090,507	379,096	3,635,912	43,696	54,323	42,732,350	47,935,883

	Share capital	Legal Reserve	Share Premium Reserve	Extraordinary Reserve	Reserve for unrealised exchange gains	Retained earnings reserves	TOTAL EQUITY
<i>Paragraph 12.2, Note 13</i>							
<i>In €</i>							
At 1 January 2025	1,090,507	379,096	3,635,912	43,696	54,323	42,732,350	47,935,884
Result of the period						9,493,966	9,493,966
Other components of the Statement of Comprehensive Income						1,527	1,527
Total comprehensive profit (loss) for the period	—	—	—	—	—	9,495,493	9,495,493
<u>Shareholder operations:</u>							
Allocation of profit						—	—
Distribution of dividends						(10,865,594)	(10,865,594)
Trading of treasury shares	3,310		474,743			—	478,053
At 31 December 2025	1,093,817	379,096	4,110,655	43,696	54,323	41,362,249	47,043,835

12. Explanatory notes to the financial statements at 31 December 2025

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 2025 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 2025, 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 are audited by Deloitte & Touche S.p.A.

Update on the macroeconomic situation

With reference to armed conflicts in course, note that the 2025 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 2025. Therefore, the overall effect on margins is in any case quite limited. In a context of genuine military escalation due to the US-Israel strikes in February 2026 followed by Iran's reaction, a further element of uncertainty has been added for macroeconomic effects in 2026, already seen in the increase in energy costs. At present, Group management has not identified any imminent threats which could, in the short or medium term, have significant impacts on the 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 2025, 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 2025 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:

<u>Category</u>	<u>Amortisation/Depreciation</u>
Patent rights Copyrights	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	Amortisation/Depreciation Rate
Photovoltaic and other minor systems	12.5% - 5%
Light construction	10%
Plant and Machinery	10%
Welding Equipment	40%
Sundry equipment	25%
Cars	25%
Vehicles	20%
Internal means of transport	20%
Office furniture	12%
Office machines and data processing systems	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.

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 2025

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

- On 15 August 2023, the IASB published "Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability". The document requires an entity to identify a methodology in a consistent manner when verifying whether a currency can be converted to another and, when this is not possible, how to determine the exchange rate to use and the disclosure to provide in the Notes.

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

IFRS accounting standards, amendments and interpretations approved by the European Union but not yet mandatory and not adopted in advance by the Group at 31 December 2025

As of the reporting date of this document, the competent bodies of the European Union had completed the endorsement process needed to adopt the amendments and standards described below, but these standards were not yet obligatorily applicable and have not been adopted in advance at 31 December 2025:

- 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, but early application is allowed. The directors do not expect significant impacts on the Group's consolidated financial statements from the adoption of this amendment.

- On 18 December 2024, the IASB published the amendment “*Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7*”. The purpose of the document is to support entities in reporting the financial effects of purchase agreements for electricity produced by renewable sources (frequently structured in the form of Power Purchase Agreements). In these contracts, the amount of electricity generated and purchased may vary on the basis of uncontrollable factors, such as weather conditions. The IASB has made targeted amendments to standards IFRS 9 and IFRS 7. The amendments include:
 - a clarification regarding the application of “own use” requirements for these types of contracts;
 - criteria to allow recognition of these contracts as hedging instruments; and,
 - new disclosure requirements to allow readers of financial statements to understand the effect of these contracts on the financial performance and cash flow of an entity.

The amendment applies as from 1 January 2026, with early application permitted. The directors do not expect significant impacts on the Group's consolidated financial statements from the adoption of this amendment.

- On 18 July 2024 the IASB published the document “*Annual Improvements Volume 11*”. The document provides clarifications, simplifications, corrections and changes intended to improve the consistency of various IFRS Accounting Standards. The standards amended are:
 - IFRS 1 First-time Adoption of International Financial Reporting Standards;
 - IFRS 7 Financial Instruments: Disclosures and guidelines for implementing IFRS 7;
 - IFRS 9 Financial Instruments;
 - IFRS 10 Consolidated Financial Statements; and
 - IAS 7 Statement of Cash Flows.

The amendments apply to financial statements for financial years starting from 1 January 2026. The directors do not anticipate a significant effect on the Company's financial statements following the adoption of this amendment.

IFRS accounting standards, amendments and interpretations not yet approved by the European Union

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 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*. The new standard is intended to improve the presentation of financial statement schedules, particularly with reference to income statement schedules. The new standard requires the following:
 - classification of revenues and costs in three new categories (operating, investment and financial), as well as the categories of taxes and discontinued operations which were already present;
 - presentation of two new sub-totals, the operating result or earnings before interest, taxes, depreciation and amortisation (EBITDA) and earnings before interest and taxes (EBIT).

The new standard also:

- requires more information on performance indicators established by management;
- introduces new criteria for aggregating and disaggregating information; and
- introduces certain changes to the statement of cash flows, including the use of EBITDA as the starting point for the presentation of the statement of cash flows prepared using the indirect method and the elimination of certain classification options for certain items that at present are possible (e.g. interest paid, interest collected, dividends paid and dividends received).

The new standard shall take effect on 1 January 2027, but early application is allowed. At present, the directors are evaluating the potential effects the introduction of these changes may have on the Company's financial statements.

On 9 May 2024, the IASB published the new standard *IFRS 19 Subsidiaries without Public Accountability: Disclosures* (together with *Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures* published on 21 August 2025). The new standard introduces certain simplifications with reference to the

disclosures required in the IFRS Accounting Standards for the annual financial statements of subsidiaries, provided they meet the following requirements:

- they have not issued equity or debt instruments listed on regulated markets and are not preparing to do so;
 - the relevant parent company prepares consolidated financial statements utilising the IFRS.
- The new standard shall take effect on 1 January 2027, but early application is allowed.

The directors do not anticipate a significant effect on the Company's consolidated financial statements following the adoption of this amendment.

On 13 November 2025 the IASB published "*Translation to a Hyperinflationary Presentation Currency – Amendment to IAS 21*" which clarifies the translation procedures for an entity whose presentation currency is that of a hyperinflationary economy. Entities apply these amendments if:

- their functional currency is that of a non-hyperinflationary economy and they are translating their economic results and their equity/financial situation to the currency of a hyperinflationary economy; or,
- they are converting into the currency of an hyperinflationary economy the economic results and equity/financial situation of a foreign company whose functional currency is that of a non-hyper inflationary economy.

The amendments apply to financial statements for financial years starting from 1 January 2027. The directors do not anticipate any effect on the Company's consolidated financial statements following the adoption of this amendment.

On 30 January 2014 the IASB published the standard *IFRS 14 – Regulatory Deferral Accounts*, allowing only those who adopt IFRS for the first time to continue to recognise amounts for activities subject to regulated tariffs ("Rate Regulation Activities") under the accounting standards previously adopted. Since the Company is not a first-time adopter, this standard is not applicable.

12.2 Analysis of the breakdown of the main items of the Parent Company's statement of financial position at 31 December 2025

1. Property, plant and equipment

The structure of the item 31 December 2025 and changes during the year are highlighted in the following tables:

Historic cost	31/12/2024	Increases	Reclassification	(Disposals)	31/12/2025
Land and buildings	—	—	—	—	—
Photovoltaic and other minor systems	1,334,628	59,423	—	—	1,394,051
Light construction	30,879	11,600	20,950	—	63,429
Plant and Machinery	5,961,710	236,042	—	—	6,197,752
Industrial and Commercial Equipment	6,282,365	388,121	23,885	—	6,694,371
Other assets	1,092,851	95,949	2,133	(4,529)	1,186,404
Assets in progress	132,881	56,935	(46,968)	—	142,849
Total historic cost	14,835,315	848,069	—	(4,529)	15,678,856

Provision for amortisation/depreciation	31/12/2024	Amort./Dep. rates	Reclassifications	(Disposals)	31/12/2025
Land and buildings		—	—	—	—
Photovoltaic and other minor systems	761,901	78,520	—	—	840,421
Light construction	30,527	1,510	—	—	32,036
Plant and Machinery	4,845,819	168,326	—	—	5,014,144
Industrial and Commercial Equipment	5,685,285	316,578	—	—	6,001,863
Other assets	968,551	41,017	—	(4,529)	1,005,040
Assets in progress	—	—	—	—	—
Total provisions for amortisation/depreciation	12,292,083	605,951	—	(4,529)	12,893,505

Net Value	31/12/2024	Net increases	Reclassifications	(Depreciation and amortisation)	Reversal of provision for	31/12/2025
Land and buildings	—	—	—	—	—	—
Photovoltaic and other minor systems	572,728	59,423	—	(78,520)	—	553,630
Light construction	352	11,600	20,950	(1,510)	—	31,392
Plant and Machinery	1,115,891	236,042	—	(168,326)	—	1,183,608
Industrial and Commercial Equipment	597,080	388,121	23,885	(316,578)	—	692,508
Other assets	124,299	91,421	2,133	(41,017)	4,529	181,364
Assets in progress	132,881	56,935	(46,968)	—	—	142,849
Total net value	2,543,232	843,541	—	(605,951)	4,529	2,785,351

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

The most significant acquisitions that took place in 2025 refer to the integration and improved efficiency of production machinery and equipment at the production plants in Vallina (Bagno a Ripoli - FI).

For the sake of completeness, recall that in 2024 investments of € 1,375 thousand were made 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 2025, the Company had rights of use for € 1,994 thousand (€ 2,891 thousand at 31 December 2024), broken down as follows:

- Rights of use for properties of € 1,964 thousand, relative to medium/long-term property lease contracts;
- Rights of use for equipment of € 30 thousand, relative to medium/long-term lease contracts for company cars.

The change seen during the year is due to 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 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 2025 and changes during the year are highlighted in the following table:

Intangible fixed assets	31/12/2024	Reclassifications	Increases	Other changes	Amortisation/ Depreciation	31/12/2025
Patent rights Copyrights	229,844	363,121		—	96,287	496,678
Development costs	10,426			—	10,383	43
Intangible assets in progress	243,561	(363,121)	215,88	(66,970)	—	29,350
Total	483,830	—	215,88	(66,970)	106,670	526,071

“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, with reference to planned purchases.

4. Equity investments in subsidiaries

Equity investments in subsidiaries as at 31 December 2025 came to € 12,487 thousand (unchanged with respect to 31 December 2024). A breakdown of this item is highlighted in the following table:

	% held	Balance	% held	Balance	Change	% Change
Equity investments in subsidiaries	31/12/2025	31/12/2025	31/12/2024	31/12/2024		
Investment in Eighteen Sound S.r.l.	100 %	6,582,989	100 %	6,582,989	—	—
Investment in B&C Speakers Usa NA LLC	100 %	1,279,788	100 %	1,279,788	—	—
Investment in B&C Speaker Brasil LTDA	100 %	286,548	100 %	286,548	—	—
Investment in Eminence Speakers LLC	100 %	2,437,687	—	2,437,687	—	—
Investment in B&C Speakers (Dongguan) Electronic Co. Ltd. Electronics	100 %	1,900,000	—	1,900,000	—	— %
Total equity investments in subsidiaries		12,487,012		12,487,012	—	— %

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. The tests were prepared with the help of an independent expert.

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.

The cash flows used reflect the performance in the 2026-2030 plan approved by the Board of Directors on 16 February 2026, prepared in the light of the economic performance achieved in 2025.

To help with their assessments, management carried out sensitivity analysis on the results of the test with respect to the change in the basic assumptions.

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 4 March 2026.

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 and February 2026 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 2026–2030, approved by the Sole Director of the subsidiary and the Parent’s Company Board of Directors on 16 February 2026;
- 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 underlying the impairment test		Revenue CAGR	WACC	g
Eighteen Sound	2025	4.20 %	9.20 %	2.0 %
	2024	5.00 %	9.60 %	2.0 %

The WACC was determined in the same manner as the previous year. The rate used in 2025, as with that used the previous year, was increased by an additional factor 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 2025.

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.

In addition to the basic scenario commented on above, further sensitivity analysis was done on the results of the impairment test, adjusting the hypotheses used with reference to cash flows.

This analysis shows a break even with respect to the carrying amount applying, compared to the hypotheses in the plan, a reduction of around 14% in revenue for each explicit forecast year in the plan, holding the other assumptions equal.

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 and February 2026 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 2026–2030, approved by the Parent Company’s Board of Directors on 16 February 2026;
- 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 underlying the impairment test		Revenue CAGR	WACC	g
B&C USA	2025	10 %	9.80 %	2.0 %
	2024	5 %	10.50 %	2.1 %

The WACC was determined in the same manner as the previous year. The rate used in 2025, as with that used the previous year, was increased by an additional factor 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 2025.

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.

In addition to the basic scenario commented on above, further sensitivity analysis was done on the results of the impairment test, adjusting the hypotheses used with reference to cash flows.

This analysis shows a break even with respect to the carrying amount applying, compared to the hypotheses in the plan, a reduction of around 22% in revenue for each explicit forecast year in the plan, holding the other assumptions equal.

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 and February 2026 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 2026–2030, approved by the Parent Company’s Board of Directors on 16 February 2026;
- 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 underlying the impairment test	Revenue CAGR		WACC	g
	2025	9 %	9.80 %	2.0 %
EMINENCE	2024	13 %	10.50 %	2.1 %

The WACC was determined in the same manner as the previous year. The rate used in 2025, as with that used the previous year, was increased by an additional factor 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 2025.

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.

In addition to the basic scenario commented on above, further sensitivity analysis was done on the results of the impairment test, adjusting the hypotheses used with reference to cash flows.

This analysis shows a break even with respect to the carrying amount applying, compared to the hypotheses in the plan, a reduction of around 10% in revenue for each explicit forecast year in the plan, holding the other assumptions equal.

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 2025, nor did it at 31 December 2024.

6. Deferred tax assets

At 31 December 2025, this item includes net receivables for deferred tax assets of € 85 thousand (€ 62 thousand at 31 December 2024), 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 Assets	31/12/2024	Increases	Returns	31/12/2025
Difference IFRS/TUIR amort./deprec.	71,830	12,053	(9,639)	74,244
Change in Director Fees/Disbursements	11,902	5,206	(14,941)	2,166
Other	179,642	—	(42,557)	137,085
Total deferred tax assets	263,374	17,258	(67,137)	213,496
Deferred Liabilities	31/12/2024	Increases	Returns	31/12/2024
Other	(201,615)	—	73,690	(127,926)
Total deferred tax liabilities	(201,615)	—	73,690	(127,926)
Net total	61,759	17,258	6,553	85,570

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 2025 this item is as follows:

Other non-current assets	31/12/2025	31/12/2024	Change	% Change
Insurance policies	591,664	552,231	39,433	7 %
Guarantee deposits	66,816	56,826	9,990	18 %

Non-current financial receivables	3,645,700	2,467,725	1,177,975	48 %
Credit rebate IRES Decree Law 16/2012	6,700	6,700	—	— %
Total other non-current assets	4,310,880	3,083,482	1,227,399	40 %

As at 31 December 2025, insurance refers to receivables accrued in respect of the insurance companies “Allianz Assicurazioni” and “Fondiarria 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:

Change in insurance policies	31/12/2024	Increases	(Decreases)	31/12/2025
Insurance policies	552,231	39,433	—	591,664
Total	552,231	39,433	—	591,664

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 loans granted to the subsidiary Eminence Speakers LLC in 2024 and 2025, in multiple tranches. Each of these loans is to be repaid in a single instalment and has a duration of 48 months. The annual interest rate is 3.5%. The amount coming due in 2028 is € 2,640 thousand, while that maturing in 2029 is € 1,005 thousand.

8. Inventories

Warehouse inventories are calculated according to the FIFO method and structured as follows on 31 December 2025:

Inventories	31/12/2025	31/12/2024	Change	% Change
Raw and ancillary materials and consumables	1,454,817	1,610,443	(155,626)	(10) %
Products in progress and semi-finished products	14,375,646	15,696,345	(1,320,698)	(8) %
Finished products and goods	1,345,232	1,173,734	171,498	15 %
Gross total	17,175,696	18,480,522	(1,304,826)	(7) %
Provision for obsolescence	(676,233)	(678,118)	1,885	— %
Net total	16,499,463	17,802,404	(1,302,941)	(7) %

The value of inventories is recognised at cost, calculated according to FIFO method net of provision for inventory writedowns; at 31 December 2025, this totalled € 676 thousand.

The decrease in the gross value of inventories is mainly due to warehouse inventories returning to their natural levels in relation to turnover.

The provision for obsolescence (with 66% attributable to the category of internally produced and purchased semi-finished products, 22% to finished products and 12% 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 obsolescence	31/12/2024	Increases	Uses	31/12/2025
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Provision for obsolescence	678,118	—	(1,885)	676,233
Total	678,118	—	(1,885)	676,233

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 2025:

Trade Receivables	31/12/2025	31/12/2024	Change	% Change
Due from customers	20,943,569	17,579,305	3,364,264	19 %
(Provision for doubtful accounts)	(237,211)	(243,839)	6,628	-3 %
Total	20,706,358	17,335,466	3,370,893	19 %

The gross value of trade receivables increased by € 3,370 thousand compared with 31 December 2024, mainly due to activities to distribute the Parent Company’s products by the Chinese subsidiary and US subsidiary.

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 impairment	31/12/2024	Increases	Uses	31/12/2025
Provision for doubtful accounts	243,839		(6,628)	237,211
Total	243,839	—	(6,628)	237,211

The value of trade receivables from customers, not represented by Bank Receipts and invoices to be issued, amounted to € 19,513 thousand. In the table below we report the ageing of receivables at 31 December 2025:

	Total value	Not yet due	Overdue 0 - 60 days	Overdue 61 - 90 days	Overdue over 90 days
Balance at 31 December	19,513,272	12,275,182	4,500,473	654,908	2,082,710
Impact of categories	100 %	63 %	23 %	3 %	11 %

10. Current tax assets

The assets in question amount to € 929 thousand at 31 December 2025 (€ 1,290 thousand at 31 December 2024) and represent net current tax credits for the parent company.

11. Other current assets

As at 31 December 2025, “Other current assets” are as follows:

Other Current Assets	31/12/2025	31/12/2024	Change	% Change
Due from Suppliers	90,770	10,515	80,255	763 %
Securities in portfolio	7,549,323	7,283,091	266,233	4 %
Financial receivables from subsidiaries	—	890,163	(890,163)	-100 %
Other tax credits	1,301,148	1,245,490	55,658	4 %
Other receivables	48,962	56,692	(7,730)	-14 %
Total other receivables	8,990,203	9,485,951	(495,748)	-5 %
Cost of Fairs	113,307	126,957	(13,649)	-11 %
Assistance and insurance fees	466,252	317,461	148,791	47 %
Specialist contract	68,513	34,599	33,914	98 %
Sundry	107,508	72,131	35,378	49 %
Total prepayments and accrued income	755,581	551,147	204,434	37 %
Total other current assets	9,745,784	10,037,098	(291,314)	-3 %

Securities held in the portfolio refer to asset management items denominated in € and held for short-term liquidity. These securities were measured at fair value and the estimated gain (€ 449 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 2025.

Under the category “prepayments and accrued income”, the item “sundry” includes the fair value of IRS hedging contracts in place at 31 December 2025 for € 3 thousand.

12. Cash and cash equivalents

Cash and cash equivalents are listed in the table below:

Cash and cash equivalents	31/12/2025	31/12/2024	Change	% Change
Bank and postal deposits	6,114,446	4,044,437	2,070,009	51 %
Cash and valuables on hand	372	667	(295)	-44 %
Total cash and cash equivalents	6,114,818	4,045,104	2,069,714	51 %

The amount of liquidity is due to cash flow generated by operating activities which, thanks to effective management of working capital, resulted in cash and cash equivalents of € 9.6 million. The cash flows from operations made it possible to handle the cash absorbed by the repayment of existing loans and the distribution of dividends totalling € 10.8 million. Note that during the year the Company obtained new bank loans totalling € 10,056 thousand, which contributed to the increase in cash and cash equivalents at the end of the year.

The table below shows the composition of the balance of net final cash and cash equivalents at 31 December 2025 and at 31 December 2024 set out in the “Cash flow statement”.

	31/12/2025	31/12/2024
Cash and cash equivalents	6,114,818	4,045,104
Current account overdrafts	(2,466,851)	(2,594,732)
Final balance	3,647,967	1,450,372

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 2025 amounted to € 1,094 thousand (€ 1,091 thousand at 31 December 2024) net of treasury shares held. The original share capital of B&C Speakers 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 2025 B&C Speakers S.p.A. held a total 60,397 treasury shares equal to 0.55% of the share capital, bought at an average value of € 16.57 per share.

The following table shows the changes that occurred, in 2025, in the number of shares outstanding:

Share outstanding reconciliation statement	No. shares outstanding
Balance at 31 December 2024	10,906,960
No. treasury shares acquired in the period	(101,357)
No. treasury shares sold in the period	134,000
Balance at 31 December 2025	10,939,603

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

Equity items, classified by possibility of use and distribution (in € thousands)	Amount	Possibility of use	Quota available
Share capital	1,091		
<i>Legal Reserve</i>	<i>379</i>	<i>B</i>	
<i>Extraordinary Reserve</i>	<i>44</i>	<i>A. B. C</i>	<i>44</i>
<i>Share Premium Reserve</i>	<i>3,636</i>	<i>A. B. C</i>	<i>3,636</i>
<i>Unrealised exchange gains</i>	<i>54</i>	<i>A. B</i>	<i>54</i>
Total Other reserves	4,113		
FTA Reserve	12	A. B	12
Profit/(loss) carried forward	26,457	A. B. C	26,457
TFR discounting reserve	(149)	A. B	—
Profit for the year	16,412	A. B. C	16,412
Total Retained earnings reserves	42,732		
Total	47,936		
Non-distributable quota	1,375		
Residual distributable quota	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 € 4,588 thousand at 31 December 2025, 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 € 4,111 thousand.

More specifically, the share premium reserve increased by € 475 thousand compared to 31 December 2024, following entry of the result of treasury shares traded in the year.

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 € 9,494 thousand and other period profits/(losses) for a positive value of € 2 thousand relative to the actuarial gains 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 reserve	Total other components of the Statement of Comprehensive Income				
in € thousands						
<u>At 31 December 2025</u>						
Items that cannot be reclassified to the income statement						
Actuarial gains (losses) on severance indemnities net of the relative tax effect	2	2				
Total	2	2				
Other components of the Statement of Comprehensive Income	2	2				
<u>At 31 December 2024</u>						
Items that cannot be reclassified to the income statement						
Actuarial gains (losses) on severance indemnities net of the relative tax effect	(2)	(2)				
Total	(2)	(2)				
Other components of the Statement of Comprehensive Income	(2)	(2)				
	At 31 December 2025		At 31 December 2024			
	Gross value	Tax (Charges)/Benefit	Net value	Gross value	Tax (Charges)/Benefit	Net value
in € thousands						
Profit/(loss) from redetermination of the Provision for employee benefits, net of tax effects	3	(1)	2	(3)	1	(2)

Other components of the Statement of Comprehensive Income	3	(1)	2	(3)	1	(2)
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14. Long-term borrowings

As at 31 December 2025, medium/long-term financial debt is as follows:

Long-term borrowings	31/12/2025	31/12/2024	Change	% Change
BNL Loan 6169054	—	208,331	(208,331)	-100 %
BNL Loan 6177935	1,071,429	1,785,714	(714,286)	-40 %
Intesa Loan OIC1076967680	—	287,348	(287,348)	-100 %
BNL loan 6182481	3,571,429	—	3,571,429	
INTESA loan OIC1023362662	3,887,867	—	3,887,867	
Intesa Loan OIC1021541583	507,215	1,239,908	(732,693)	-59 %
Simest Loan - PP33867	120,000	240,000	(120,000)	-50 %
SIMEST S.p.A. - 901490/DE	56,000	—	56,000	
Total medium/long-term borrowings	9,213,939	3,761,302	5,452,637	145 %

The table below outlines the changes in borrowings in 2025 for both the current and non-current portions:

Change in borrowings	31/12/2024	Repayments	New loans	Reclassification to current	31/12/2025
Non-current portion					
Bank loans	3,761,302	—	10,056,002	(4,603,365)	9,213,939
Total non-current portion	3,761,302	—	10,056,002	(4,603,365)	9,213,939
Current portion					
Bank loans	4,075,725	(4,075,725)	—	4,603,365	4,603,365
Total current portion	4,075,725	(4,075,725)	—	4,603,365	4,603,365
Total current and non-current	7,837,027	(4,075,725)	10,056,002	—	13,817,304

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

Existing loans	Loan OIC1021541583	Intesa Loan OIC 1023362662	BNL Loan 6177935
Disbursing entity	Intesa S. Paolo S.p.A.	Intesa S. Paolo S.p.A.	Banca Nazionale del Lavoro S.p.A.
Original amount	2,500,000	5,000,000	2,500,000
Date of stipulation	30/08/2023	23/04/2025	10/04/2024
Maturity date	30/08/2027	23/04/2029	10/04/2028
No. capital instalments	42	14	14
No. pre-amortisation instalments	6	2	2
Instalment schedule	monthly	quarterly	quarterly
Interest rate	Euribor 1M (360 base) with floor at zero + 0.95% spread	Euribor 3M + 0.60 %	Euribor 3M + 0.85% spread
Current amount repayable:	732,693	1,112,133	714,286
Non-current amount repayable:	507,215	3,887,867	1,071,429

Existing loans	BNL Loan 6182481	BNL Loan 6169054	Loan 0IC1076967680
Disbursing entity	Banca Nazionale del Lavoro S.p.A.	Banca Nazionale del Lavoro S.p.A.	Intesa S. Paolo S.p.A.
Original amount	5,000,000	2,500,000	2,000,000
Date of stipulation	23/04/2025	22/03/2022	25/02/2022
Maturity date	23/04/2029	22/03/2026	25/02/2026
No. capital instalments	14	12	8
No. pre-amortisation instalments	2	4	0
Instalment schedule	quarterly	quarterly	every six months
Interest rate	Euribor 3M + 0.60 %	Euribor 3M + 0.85% spread	Euribor 6M + 0.90% spread
Current amount repayable:	1,428,571	208,333	287,348
Non-current amount repayable:	3,571,429	—	—

Existing loans	Simest Loan - PP33867	Simest Loan 901490/DE
Disbursing entity	Sace Simest	Sace Simest
Original amount	480,000	56,250
Date of stipulation	31/03/2021	18/02/2025
Maturity date	31/12/2027	10/12/2030
No. capital instalments	8	8
No. pre-amortisation instalments	5	4
Instalment schedule	every six months	every six months
Interest rate	0.0055	0.55 %
Current amount repayable:	120,000	—
Non-current amount repayable:	120,000	56,000

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 and 0IC1023362662 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 € 242 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.

Information on existing hedging contracts	BNL 6169054	Banca Intesa
Disbursing entity	BNL Group	Intesa S. Paolo S.p.A.
Type of contract	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedge against changes in the interest rate for the loan from BNL Group	Hedge against changes in the interest rate for the loan from Banca Intesa S.p.A.
Original amount	2,500,000	2,000,000
Schedule	Quarterly	Every six months
Bank interest rate	Euribor 6 months	Euribor 6 months
Company interest rate	1.05 %	1.00 %

Date of stipulation	12/04/2022	12/04/2022
Maturity date	22/03/2026	25/02/2026
Mark to market at 31 December 2025	1,577	516

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 2025, financial liabilities for rights of use, calculated by discounting the value of lease fees due, amounted to € 2,102 thousand, of which € 1,106 thousand classified under non-current liabilities and € 996 thousand classified under current liabilities.

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

Non-current liabilities include financial liabilities with maturity dates exceeding five years for € 120 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 € 162 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:

Severance Indemnities (TFR)	31/12/2024	Provisioning (interest and service costs)	(Uses)	Actuarial (Gains)/Losses	31/12/2025
Severance indemnity	164,992	—	—	(2,575)	162,417
Total Severance	164,992	—	—	(2,575)	162,417

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

Technical-economic bases

	31/12/2025
Annual discounting rate	3.96 %
Annual inflation rate	2.00 %
Annual TFR increase rate	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 (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, main measurement parameters

	DBO 31-Dec-2025
Turnover rate +1%	163,138
Turnover rate -1%	161,648
Inflation rate +0.25%	163,925
Inflation rate -0.25%	160,927
Discounting rate +25%	160,091
Discounting rate -25%	164,799

Estimated future disbursements

Year	Amount
1	16,626
2	15,439
3	14,433
4	13,491
5	12,642

Service Cost and Duration

Service Cost	0.00
Duration	10.00

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:

Director's Severance Pay (TFM)	31/12/2024	Provisioning	(Uses)	31/12/2025
Directors' Severance Pay	554,846	39,433	—	594,279
Total Directors' Severance Pay	554,846	39,433	—	594,279

The change with respect to 31 December 2024 is due to the amount accruing during the year.

17. Provisions for risks and charges

The item, equal to € 22,000 at 31 December 2025 (unchanged compared to 31 December 2024), 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	31/12/2025	31/12/2024	Change	% Change
Loan OIC1021541583	732,693	700,268	32,426	5 %
BNL Loan 6177935	714,286	714,286	—	— %
Banca Intesa guaranteed loan	—	360,135	(360,135)	-100 %
BNL guaranteed loan	—	357,143	(357,143)	-100 %
Intesa Loan OIC1011858979	—	357,850	(357,850)	-100 %
BNL loan 6182481	1,428,571	—	1,428,571	
INTESA loan OIC1023362662	1,112,133	—	1,112,133	
Intesa Loan OIC1076967680	287,348	573,060	(285,712)	-50 %
BNL Loan 6169054	208,333	833,333	(625,000)	-75 %
Simest Loan - PP33867	120,000	120,000	—	— %
Simest Loan - FM46888	—	19,642	(19,642)	-100 %
Simest Loan - FM47037	—	6,325	(6,325)	-100 %
Simest Loan - EC50949	—	33,683	(33,683)	-100 %
Current portion of loans	4,603,365	4,075,725	527,640	13 %
Bank overdrafts	2,466,851	2,594,732	(127,881)	-5 %
Total	7,070,216	6,670,457	399,759	6 %

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 2025 is detailed below:

(in € thousands)	31 December 2025 (a)	31 December 2024 (a)	Change
A. Cash and cash equivalents	6,115	4,045	51 %
B. Other current financial assets	7,549	7,283	4 %
D. Liquidity (A+C)	13,664	11,328	21 %
E. Current financial debt	(2,467)	(2,595)	-5 %
F. Current part of non-current financial debt	(5,600)	(4,951)	13 %
G. Current financial debt (E+F)	(8,067)	(7,546)	7 %
H. Net current financial debt (G+D)	5,598	3,782	48 %
E. Non-current financial debt	(10,320)	(5,907)	75 %
L. Non-current financial debt	(10,320)	(5,907)	75 %
M. Total financial debt (H+L)	(4,722)	(2,125)	122 %

(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.

	31/12/2025	31/12/2024
Final net cash and cash equivalents	3,648	1,450
Current portion of loans	(4,603)	(4,076)
Non-current portion of loans	(9,214)	(3,761)
Other current financial debt	(996)	(876)
Other non-current financial debt	(1,106)	(2,146)
Securities held for trading	7,549	7,283
Total net financial position	(4,722)	(2,125)

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	31/12/2025	31/12/2024	Change	% Change
Due to suppliers	7,568,921	7,791,663	(222,742)	-3 %
Total trade payables	7,568,921	7,791,663	(222,742)	-3 %

The slight 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 2025, the item came to zero (also zero at 31 December 2024), as the net balance for current taxes was positive and recognised under current tax assets.

21. Other current liabilities

The item is made up of:

Other Current Liabilities	31/12/2025	31/12/2024	Change	% Change
Due to social security entities	598,467	567,280	31,187	5 %
Accrued personnel costs	691,095	647,385	43,710	7 %
Due to personnel for salary and wages	433,304	362,939	70,365	19 %
Other tax payables	261,095	265,623	(4,528)	-2 %
Other payables	423,166	295,023	128,143	43 %
Total other current liabilities	2,407,127	2,138,249	268,878	13 %

“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 2025.

“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 € 100 thousand (including MBO) and € 311 thousand relative to the reclassification of payables to clients.

22. Commitments and guarantees

As at 31 December 2025, as also at 31 December 2024, 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 2025

23. Revenue

The Company's revenue reached € 66.9 million, down 2% with respect to the figure in 2024.

The following table shows the breakdown of revenues for 2025 by geographic area, compared with the same figures from the previous year:

Geographic Area	FY 2025	%	FY 2024	%	Change	% Change
Latin America	3,118,488	5 %	3,579,868	5 %	(461,380)	-13 %
Europe	37,861,582	57 %	39,657,798	58 %	(1,796,216)	-5 %
Italy	7,078,814	11 %	7,757,458	11 %	(678,644)	-9 %
North America	7,828,212	12 %	7,466,207	11 %	362,005	5 %
Middle East and Africa	359,596	1 %	516,753	1 %	(157,157)	-30 %
Asia and Pacific	10,694,660	16 %	9,574,139	14 %	1,120,521	12 %
Total revenue	66,941,353	100 %	68,552,223	100 %	(1,610,870)	-2 %

The decrease in turnover is attributable to the slowdown experienced with certain European clients, strongly focussed on exports to North America, which postponed the start of certain significant projects due to uncertainties on international markets.

On the other hand, performance in the Asian market was positive mainly thanks to sales made with the Chinese subsidiary, aimed at strengthening the proprietary distribution platform and supporting the initial effects of the launch of new products on the Asian market.

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 2025 two customers generated turnover exceeding 10% of the total:

- 1st customer – 29%
- 2nd customer – 15%

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	FY 2025	FY 2024	Change	% Change
Purchases of raw materials and finished	(2,463,907)	(2,881,408)	417,501	-14 %
Purchases of semi-finished products	(20,262,025)	(22,158,534)	1,896,509	-9 %
External processing	(4,357,832)	(4,255,190)	(102,642)	2 %
Accessory materials and consumables	(2,152,966)	(2,173,520)	20,554	-1 %
Packaging	(652,984)	(626,430)	(26,554)	4 %
Acquisition of sundry goods	(49,767)	(48,185)	(1,582)	3 %
Change in inventories of semi-finished	(1,304,589)	404,335	(1,708,925)	-423 %
Change in inventories of finished products	157,274	(305,914)	463,188	-151 %
Change in inventories of raw and ancillary materials,	(155,626)	284,290	(439,915)	-155 %
Total consumables and external processing	(31,242,421)	(31,760,556)	518,134	-2 %
Salaries and wages	(5,568,018)	(5,142,234)	(425,784)	8 %
Social security expenses on salaries and	(1,705,255)	(1,568,483)	(136,772)	9 %
Severance indemnity (TFR)	(414,009)	(375,988)	(38,021)	10 %
Other personnel costs	(2,158,604)	(1,891,462)	(267,142)	14 %
Total direct labour costs	(9,845,886)	(8,978,166)	(867,719)	10 %
Costs of transport and logistics	(1,564,601)	(1,596,004)	31,403	-2 %
Commissions payable	(86,021)	(105,767)	19,746	-19 %
Other costs	(218,803)	(231,161)	12,358	-5 %
Total other direct costs	(1,869,425)	(1,932,932)	63,507	-3 %
Total cost of sales	(42,957,732)	(42,671,654)	(286,078)	1 %

The generalised decrease seen in nearly all cost categories relative to consumption as seen above can be viewed in relation to the efficient management of procurement costs for components. In fact, their impact on turnover improved with respect to 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.

On the other hand, production capacity levels had a negative impact on the cost of sales (in terms of direct personnel), because the Company had established this on the basis of customer forecasts, which subsequently were postponed to 2026 due to repercussions of geopolitical tensions.

25. Other revenues and income

The item other revenues amounted to € 373 thousand in 2025 (€ 527 thousand in 2024).

The item refers to contributions from GSE S.p.A. (Gestore servizi energetici) for € 27 thousand in relation to the use of photovoltaic panels, contributions received from Fondimpresa and Fondirigenti for personnel training for € 18 thousand, recoveries of expenses for certain coil components for € 123 thousand, as well as contingent assets in minor amounts.

The remainder refers to intercompany re-invoicing for € 183 thousand and recovery of expenses and premiums from suppliers.

26. Indirect Personnel

The item is made up of:

Indirect Personnel	FY 2025	FY 2024	Change	% Change
Salaries and Wages	(2,138,664)	(1,937,791)	(200,873)	10 %
Social security expenses on salaries and wages	(615,700)	(609,303)	(6,397)	1 %
Indirect severance indemnity	(124,615)	(130,021)	5,406	-4 %
Total indirect personnel	(2,878,979)	(2,677,114)	(201,864)	8 %

The increase in the cost for indirect personnel with respect to 2024 is due to the addition of certain new positions, mainly in the Research and Development area.

27. Commercial expenses

The item is made up of:

Commercial expenses	FY 2025	FY 2024	Change	% Change
Commercial consulting	(369,471)	(373,325)	3,854	-1 %
Advertising	(246,820)	(237,110)	(9,710)	4 %
Travel and room and board expenses	(315,068)	(244,012)	(71,056)	29 %
Total commercial expenses	(931,360)	(854,448)	(76,912)	9 %

Commercial expenses increased with respect to 2024, due to promotional activities aimed at supporting the launch and presentation to the international market of the Group's new product lines.

28. Administrative and General expenses

The item is made up of:

Administrative costs and overheads	FY 2025	FY 2024	Change	% Change
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Maintenance and utilities	(1,501,247)	(1,366,816)	(134,431)	10 %
Professional services	(1,218,355)	(1,195,956)	(22,399)	2 %
Corporate body fees	(796,107)	(727,427)	(68,680)	9 %
Acquisition of consumables	(230,227)	(217,333)	(12,894)	6 %
Insurance	(173,973)	(159,352)	(14,621)	9 %
Taxes other than income	(92,633)	(99,599)	6,966	-7 %
Stock exchange expenses and costs	(262,895)	(341,806)	78,911	-23 %
Provisioning for Directors' Severance Pay (TFM)	(39,433)	(43,833)	4,400	-10 %
Rental fees	(448,980)	(389,704)	(59,276)	15 %
Other minor	(199,517)	(204,728)	5,210	-3 %
Total general and administrative	(4,963,367)	(4,746,553)	(216,814)	5 %

Maintenance and utilities costs refer mainly to software assistance for about € 670 thousand, to costs for utilities for € 396 thousand, to maintenance of capital assets and properties for € 226 thousand and to cleaning services for € 207 thousand.

The item "Professional services" includes technical, administrative and legal consulting services received in 2025.

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:

Amortisation, depreciation, provisions and	FY 2025	FY 2024	Change	% Change
Amortisation of intangible fixed assets	(106,670)	(102,446)	(4,223)	4 %
Depreciation of property, plant and equipment	(605,951)	(508,937)	(97,014)	19 %
Amortisation/depreciation of rights of use	(931,936)	(923,059)	(8,877)	1 %
Total amortisation/depreciation	(1,644,557)	(1,534,442)	(110,115)	7 %
Net writebacks (writedowns) on trade and other receivables	—	—	—	

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 € 1,902 thousand (€ 1,001 thousand in 2024) consisting of € 899 thousand for exchange losses realised (€ 291 thousand in 2024), € 505 thousand for presumed exchange losses (€ 67 thousand in 2024), € 371 thousand for interest on loans and current account overdrafts (€ 490 thousand in 2024), € 58 thousand for interest calculated on financial liabilities related to IFRS16 lease accounting (€ 65 thousand in 2024), € 33 thousand due to the change in fair value of IRS contract (€ 128 thousand in 2024) and other minor expenses for the remainder.

Financial income amounted to € 1,111 thousand (€ 1,210 thousand in 2024) consisting of € 441 thousand for exchange gains realised (€ 303 thousand in 2022), € 31 thousand for presumed exchange gains at the end of the year (€ 199 thousand in 2024), € 449 thousand for presumed profit from fair value measurement of securities held for liquidity purposes (€ 504 thousand in 2024) and other minor amounts for the remainder.

31. Taxes

The item is made up of:

Current and deferred taxes	FY 2025	FY 2024	Change	% Change
IRES	(3,121,328)	(2,853,071)	(268,258)	9 %
IRAP	(640,318)	(555,576)	(84,743)	15 %
Total current taxes	(3,761,647)	(3,408,646)	(353,000)	10 %
Tax income for instrumental assets and R&D	83,660	174,583	(90,923)	-52 %
Taxes, previous years (Patent Box)	—	2,953,890		
Deferred tax assets/liabilities	23,811	(111,984)	135,795	-121 %
Total income taxes	(3,654,175)	(392,157)	(3,262,018)	832 %

Current taxes include the tax expense that originated during the year in application.

The item “Taxes, previous years (Patent Box)”, which had a zero total in 2025, refers to the effects of the tax benefits for 2020 - 2023 received following the renewal, in 2024, of the Revenue Agency’s ruling on the Patent Box. Note that the Patent Box benefit for FY 2024 was equal to € 1,254 thousand, recognised under the item for current taxes. The overall effect on the income statement for 2024 was, therefore, equal to € 4,207 thousand.

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:

Amounts in € thousands	31/12/2025				31/12/2024			
	IRES Taxable	Taxes 24.0%	IRAP Taxable	Taxes 3.9%	IRES Taxable	Taxes 24.0%	IRAP Taxable	Taxes 3.9%
Pre-tax profit	13,231	3,176	27,387	1,068	16,805	4,033	29,118	1,136
Dividends received	—	—	—	—	68	16	—	—
Super-amortisation	(100)	(24)	—	—	(97)	(23)	—	—
IRAP deductions	(154)	(37)	—	—	(118)	(28)	—	—
Deductible personnel costs	—	—	(10,969)	(428)	—	—	(10,304)	(402)
Other increases	501	120	—	—	713	171	—	—
Other decreases	(474)	(114)	—	—	(1,000)	(240)	—	—
Taxable amount	13,004		16,418		16,371		18,814	
IRAP detraction								

Current taxes	3,121	640	3,929	734
Taxes, previous years (Patent Box)	—	—	(4,208)	—
Tax income for sanitisation and R&D	(84)	—	(175)	—
Deferred tax	(24)	—	112	—
Total taxes	3,014	640	(342)	734

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 2025 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 2025 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 2025 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 16.8 million whose corresponding value in euros (calculated according to the average exchange rate for the year) is equal to Euro 14.9 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 0.2 million whose corresponding value in euros (calculated according to the average exchange rate for the year) is equal to Euro 0.3 million;

In 2025, 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 21.8 million whose corresponding value in Euros (calculated according to the average exchange rate for the year) is equal to Euro 19.3 million;
- The turnover in GBP for 2025 is a negligible amount.

These figures show that purchases in foreign currency account for approximately 38% of total purchases (42% in 2024), while sales in foreign currency account for 29% of the Company's turnover (24% in 2024). The coverage level (expressed as the ratio between purchases in foreign currency and sales in foreign currency) was equal to around 129% during 2024 (94% in 2024). Hence, it can be stated that the Company 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 119 thousand and losses of € 113 thousand, respectively.

On the Balance sheet, the equivalent in Euros of trade receivables entered in US dollars on 31 December 2025 amounted to Euro 9 million (the total value on 31 December 2024 was Euro 5.4 million), while the equivalent value of trade payables in US dollars on 31 December 2024 amounted to Euro 2 million (the total value on 31 December 2024 amounted to Euro 1.8 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 € 216 thousand and losses of € 203 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 2025, 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 2025, the Company has a negative Net Financial Position of € 4.7 million (€ 2.1 million as at 31 December 2024). It is the result of a current positive NFP of about € 5.6 million (€ 3.7 million at 31 December 2024) and non-current net financial debt of € 10.3 million (€ 5.9 million at 31 December 2024). 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 2025, according to the hierarchical level of fair value measurement.

Hierarchical levels of the fair value measurement	Level 1	Level 2	Level 3
Financial assets			
Other current assets	—	7,549,323	—
Interest Rate Swap		2,093	
Total	—	7,551,416	—
Financial liabilities	—	—	—
Interest Rate Swap	—	—	
Total	—	—	—

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 2024):

Relevant figures, R&D International S.r.l. (in € thousands)	31/12/2024	31/12/2023
Total Assets	22,007	26,348
Total Equity	16,290	20,052
Profit for the year	7,831	5,381

The above essential data was taken from the financial statements for the year ended 31 December 2024. For a proper and complete understanding of the financial and equity position of Research and Development International S.r.l. at 31 December 2024, 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 2025, 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

Revenue	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
FY 2025	66,941,353	—	3,336,755	2,218,306	—	2,689,789	612,090	8,856,940	13 %
FY 2024	68,552,223	—	3,073,096	1,624,358	—	3,026,370	894,170	8,617,994	13 %

Other revenue	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
FY 2025	373,258	—	—	183,477	—	—	—	183,477	49 %
FY 2024	527,445	—	—	303,682	—	—	—	303,682	58 %

B&C Speakers Group **Separate and consolidated financial statements at 31 December 2025**

Cost of sales	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
FY 2025	(42,957,732)	—	(472,616)	(57,497)	—	—	—	(530,113)	1 %
FY 2024	(42,671,654)	—	(327,122)	—	—	—	—	(327,122)	1 %

Indirect Personnel	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
FY 2025	(2,878,979)	—	—	—	—	(31,243)	—	(31,243)	1 %
FY 2024	(2,677,114)	—	—	—	—	—	—	—	— %

Financial charges	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
FY 2025	(1,901,542)	(56,914)	—	—	—	—	—	(56,914)	3 %
FY 2024	(1,001,087)	(64,755)	—	—	—	—	—	(64,755)	6 %

Financial income	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
FY 2025	1,111,067	—	—	—	103,762	—	—	103,762	9 %
FY 2024	1,210,198	—	8,622	—	61,333	—	—	69,955	6 %

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 subsidiary Eminence Speakers LLC.

Trade relations relative to Eighteen Sound S.r.l. and the subsidiaries refer to commercial supplies and re-invoicing of infragroup services purchased at market value.

Equity transactions

Trade receivables	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
31/12/2025	20,706,358	—	2,068,195	2,922,719	—	2,951,155	898,530	8,840,599	43 %
31/12/2024	17,335,466	—	1,416,610	1,684,634	—	1,337,211	894,783	5,333,238	31 %

B&C Speakers Group **Separate and consolidated financial statements at 31 December 2025**

Other current assets	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
31/12/2025	9,745,784	—	—	—	—	—	—	—	— %
31/12/2024	10,037,098	—	890,163	—	—	—	—	890,163	9 %
Other non-current assets	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
31/12/2025	4,310,880	6,700	—	—	3,645,700	—	—	3,652,400	85 %
31/12/2024	3,083,482	6,700	—	—	2,467,725	—	—	2,474,425	80 %
Trade payables	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
31/12/2025	(7,568,921)	(89,682)	(83,532)	(57,497)	—	(31,243)	—	(261,954)	3 %
31/12/2024	(7,791,663)	(100,134)	(74,004)	—	—	(44,423)	—	(218,561)	3 %
Medium/long-term financial liabilities for rights of use	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
31/12/2025	(1,105,946)	(1,088,005)	—	—	—	—	—	(1,088,005)	98 %
31/12/2024	(2,146,091)	(2,140,714)	—	—	—	—	—	(2,140,714)	100 %
Short-term financial liabilities for rights of use	Total from financial statements	Research & Development Intl. Srl	Eighteen Sound Srl	B&C Cina	Eminence Speakers	B&C Speakers NA LLC	B&C Speakers Brasil LTDA	Total Related Parties	% impact on financial statement schedule
31/12/2025	(996,310)	(983,899)	—	—	—	—	—	(983,899)	99 %
31/12/2024	(875,515)	(871,159)	—	—	—	—	—	(871,159)	100 %

The creditor position relative to Research & Development International S.r.l. existing at 31 December 2025, 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 2025 relate to the financial liabilities arising from the recognition of rental contracts under IFRS 16 and existing debt for rent for production plants.

The creditor position in relation to Eminence Speakers LLC at 31 December 2025 (shown under other non-current assets) refers to the interest-bearing shareholders' loan made to the subsidiary to provide the necessary flexibility in terms of cash. The other creditor positions are relative to commercial receivables for sales of B&C brand products.

The debtor positions relative to the subsidiaries as at 31 December 2025, refer to the supply of processing services and commercial services carried out at market value.

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 2025

It is noted that after 31 December 2025 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.

With reference to the events in the Middle East starting at the end of February 2026, as a consequence of the conflict between the US, Israel and Iran, please see that found in the Report on Operations in the section “Business Outlook”.

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 2025 the Company received:

- Contributions from GSE S.p.A. (Energy services manager) for € 27 thousand in relation to the use of photovoltaic panels.
- Tax credit for research and development activities for € 77 thousand.
- Art bonus tax credit for € 7 thousand.
- Contributions received for personnel training for € 18 thousand.

38. Publication authorisation

The Board of Directors of B&C Speakers S.p.A. approved this document on 19 March 2026 and it was published on 31 March 2026 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 2026, proposed allocating the profit for the year as in the financial statements at 31 December 2025 as follows:

- distribution of a dividend of € 0.7 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 2025 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 2026

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 2025](#)



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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of B&C Speakers S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2025, and of its financial performance and its 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 and the requirements of national regulations issued pursuant to art. 9 of Italian 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 our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of B&C Speakers S.p.A. for the year ended December 31, 2024 were audited by another auditor who expressed an unmodified opinion on those statements on March 28, 2025.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

Recoverability of the carrying amount of the investments in subsidiaries

Description of the key audit matter

The Company records investments in subsidiaries for a total amount of Euro 12.487 thousand, of which Euro 6.582 thousand relating to Eighteen Sound S.r.l., Euro 1.280 thousand relating to B&C Speakers Usa NA LLC, and Euro 2.438 thousand relating to Eminence Speakers LLC.

In compliance with the accounting principle "IAS 36 Impairment of assets", in the presence of indicators of permanent losses in value, the Company subjected the aforementioned investments to an impairment test by comparing their respective recoverable amounts, determined according to the value-in-use methodology, with the corresponding carrying amount.

The impairment test process, prepared by Management and approved by the Board of Directors, shows elements of complexity and is based on assumptions regarding, among other things, the forecast of expected cash flows of the CGUs related to these investments, the determination of an appropriate discount rate (WACC) and long-term growth rate (g-rate). The assumptions underlying the impairment tests are, moreover, by their nature, influenced by future expectations regarding the evolution of external market conditions, which create elements of uncertainty in the estimates.

Given the significance of the carrying amount of these investments, the subjectivity and uncertainty of the estimates related to the cash flows projections and the key variables of the impairment model, as well as the multiplicity and unpredictability of the factors that may affect the performance of the markets in which the Company and its subsidiaries operate, we considered the impairment test on investments in subsidiaries a key audit matter of the Company's financial statements.

The explanatory notes to the financial statements in the paragraphs "Impairment" and "Use of estimates" describe Management's valuation process. Note (4) "Equity investments in subsidiaries" provides disclosure on the tests performed, on the main assumptions underlying the cash flow estimates and on the related sensitivity analyses, which illustrate the effects of changes in the key variables used for the purposes of impairment tests.


Audit procedures performed

We carried out the following procedures, also with the support of our experts:

- Documenting and understanding the procedures and relevant controls carried out by the Management for the preparation and approval of the impairment test;
- Understanding the method used by the Management, also with the support of the independent expert, to assess the recoverability of the investments, analyzing the methods and assumptions used by Management in developing the impairment test;
- Analysis of the reasonableness of the main assumptions adopted for estimating the cash flow forecast and the parameters used by the Management for the impairment test. For this purpose, we examined macroeconomics and industry data and reviewed the methods used by Management to determine WACC and g-rate;
- Analysis of the 2025 actual results compared to the forecast data, in order to assess the nature of the variances and the reliability of the planning process;
- Analysis of the report prepared by the independent expert appointed by Management, also assessing its competence and independence;
- Verification of the correct determination of the carrying amount of the assets subject to testing;
- Verification of the clerical accuracy of the model used to determine the value in use of the investments;
- Verification of the sensitivity analysis prepared by the Management both in terms of increase and decrease in the g-rate and WACC parameters and reduction of forecast cash flows.

Furthermore, we examined the adequacy of the disclosure provided by the Company in the financial statements as of December 31, 2025 regarding the impairment test and its compliance with IAS 36.

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 and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established 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 these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's 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.



- Evaluate 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 communicate 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 identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine 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 describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of B&C Speakers S.p.A. has appointed us on April 29, 2024 as auditors of the Company for the years from December 31, 2025 to December 31, 2033.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the 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 role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

The Directors of B&C Speakers S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at December 31, 2025, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2025 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.



Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of B&C Speakers S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of B&C Speakers S.p.A. as at December 31, 2025, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;
- express an opinion on the compliance with the law of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of B&C Speakers S.p.A. as at December 31, 2025.

In addition, in our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Gianni Massini
Partner

Florence, Italy
March 30, 2026



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.

15 Report by the Board of Statutory Auditors

Report by the Board of Statutory 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 art. 19 of 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 2025 ("**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 2025, 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), ("**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.

During 2025, the Group further strengthened its commitment to ESG themes, voluntarily preparing, for the fourth consecutive year, its Sustainability Report, with the aim of guaranteeing transparency and providing structured information about its environmental, social, and governance performance. Additionally, in December 2025, the Group expanded its ISO 14001 environmental certification to the production plant in Reggio Emilia, consolidating the continued strengthening of its environmental management system.

The parent company B&C Speakers S.p.A. has also received ISO 45001 certification for workplace health and safety, ISO 14001 for environmental aspects and UNI/PdR 125:2022 for gender parity.

The Group's Management works constantly to achieve its objective of sustainable growth within an increasingly complex and challenging social context. As it is not required to, the Company did not publish the non-financial statement pursuant to Italian Legislative Decree 254/2016 (or an equivalent document). Nonetheless, the Company has begun the necessary activities to comply with the same, on a voluntary basis, in coming years.

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 2025 (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 2025, the Board of Statutory Auditors attended 10 Board of Directors meetings and 8 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 7 times, as well as holding 2 induction sessions. 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.

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 was also informed and updated by Company management, assessing the risks deriving from the military escalation that occurred in February 2026 following the US-Israel strikes and Iran's subsequent response. To that end, while holding that an additional element of uncertainty has been added to macroeconomic effects for 2026, already reflected in the increase in energy prices, at present management has not identified any imminent threats which could, in the short or medium term, have significant impacts on business.

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.

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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 2025.

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 Deloitte & Touche S.p.A. (Deloitte). This appointment was granted the Shareholders’ Meeting on 29 April 2024 for the nine year period from 2025-2033, based on a reasoned proposal by the Board of Statutory Auditors.

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 Deloitte:

- on 30 March 2026 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 2025, 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 2025 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 30 March 2026, 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 2025 - 2033, 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.
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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 Deloitte & Toche 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.

Deloitte & Toche S.p.A., in a letter dated 30 March 2026, 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 2025, Deloitte & Toche S.p.A. 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:

Type of service	Company providing the service	Recipient	Notes	Fees accrued 2025
Auditing	Deloitte & Touche S.p.A.	Parent Company - B&C Speakers	A	
		Associates	B	11,248
Certification services	Deloitte & Touche S.p.A.	Parent Company - B&C Speakers		
		Associates		
Other services	Network DT	Parent Company - B&C Speakers		
		Associates		-

Total	110,415
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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.

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.

The Board of Statutory Auditors notes that during 2025 the independent auditing firm did not receive any appointments beyond that of the independent auditing of the accounts.

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 fees received by Deloitte & Touche S.p.A. during 2025 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 prior.

CONSIDERATIONS ON THE 2025 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 2025 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 2025, 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 31.12.2025, the Statement of Comprehensive Income for financial year 2025, the Statement of Cash Flow for financial year 2025, the Statement of Changes in Equity and the Notes to the Annual Financial Statements at 31.12.2025.

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 2025 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 2025 B&C Speakers Consolidated Financial Statements contain the following information, in summary:

Revenue	€ 99,107 thousand
EBITDA	€ 19,177 thousand
EBIT	€ 16,247 thousand
Total net profit (loss)	€ 9,599 thousand

The current net financial position is € 12,949 thousand while the total net financial position is equal to € (217) 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 2025 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 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 2025 to be adequate; the description of the same in the financial statements is 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 2025 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 Board of Statutory Auditors meetings held during 2025.

During 2025, the Board of Statutory Auditors did not provide any opinions required under the law.

SELF-ASSESSMENT PROCESS

During 2025, 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 2025 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 2025.

PROPOSALS FOR THE SHAREHOLDERS' MEETING

Financial Statements at 31 December 2025

The Board of Statutory Auditors expresses its opinion in favour of the approval of the annual financial statements for 2025 and has no observations to make in merit to the proposed distribution and destination of the profit for the year.

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, 30 March 2026

The Board of Statutory 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 2025**Sara Nuzzaci**

	Company	Position	Expiration Date
1	B&C Speakers Spa	Standing Auditor	Financial Statements
2	Eighteen Sound Srl	Sole Auditor	Financial Statements
3	Gap (ITALY) Srl	Sole Auditor	Financial Statements
4	Guess Italia Srl	Sole Auditor	Financial Statements
5	Tenuta Biondi Santi Spa	Chair Board of Statutory Auditors	Financial Statements
6	Vianse Spa	Chair Board of Statutory Auditors	Financial Statements
7	Soffas S.p.A.	Standing Auditor	Financial Statements
8	Conceria Antiba S.p.A.	Standing Auditor	Financial Statements

Number of positions held on issuer companies: 1

Total number of positions held 8

Riccardo Foglia Taverna

	Company	Position	Expiration Date
1	ACHILLE PINTO S.p.A.	Alternate Auditor	Financial Statements
2	AMPLIFON S.p.A.	Alternate Auditor	Financial Statements
3	AREC NEPIX S.p.A.	Standing Auditor	Financial Statements
4	B&C SPEAKERS S.p.A.	Chair, Board of Statutory Auditors	Financial Statements
5	CABECO S.r.l.	Sole Auditor	Financial Statements
6	CONSORZIO VIGILANZA SELLA S.c.p.A.	Alternate Auditor	Financial Statements
7	DOUBLE R Srl	Standing Auditor	Financial Statements
8	ERG S.p.A.	Alternate Auditor	Financial Statements
9	FALPI S.R.L.	Sole Auditor	Financial Statements
10	FLAGSTAFF S.R.L.	Sole Auditor	Financial Statements
11	GAMMA TOPCO S.P.A.	Chair, Board of Statutory Auditors	Financial Statements
12	GAMMA BIDCO S.p.A.	Chair, Board of Statutory Auditors	Financial Statements
13	GUGLIELMI SPA RUBINETTERIE	Alternate Auditor	Financial Statements
14	JAKIL S.p.A.	Standing Auditor	Financial Statements
15	INDUSTRIES S.p.A.	Alternate Auditor	Financial Statements
16	IN-PAO S.R.L.	Sole Auditor	Financial Statements
17	LAMPUGNANI FARMACEUTICI S.p.A.	Standing Auditor	Financial Statements
18	MAIRE S.p.A.	Alternate Auditor	Financial Statements
19	OUR GROUP Srl	Sole Auditor	Financial Statements
20	PIRELLI & C. S.p.A.	Chair, Board of Statutory Auditors	Financial Statements
21	PROSINO S.R.L.	Sole Auditor	Financial Statements
22	RUBINETTERIE RITMONIO Srl	Sole Auditor	Financial Statements
23	RUFFINI PARTECIPAZIONI HOLDING S.r.l.	Standing Auditor	Financial Statements
24	SELLA FIDICIARIA Spa	Standing Auditor	Financial Statements
25	SIGLA S.r.l.	Chair, Board of Statutory Auditors	Financial Statements
26	SI COLLECTION S.p.A.	Chair, Board of Statutory Auditors	Financial Statements
27	SCRIGNO S.r.l.	Sole Director	until revocation or resignation
28	SUPREMA S.p.A.	Sole Auditor	Financial Statements

Number of positions held on issuer companies: 2

Total number of positions held 28

Giovanni Mongelli

	Company	Position	Expiration Date
1	ALBERGHIERA ADRIATICA AL.A SRL	Chair, Board of Statutory Auditors	Financial Statements
2	ANDREOTTI IMPIANTI S.P.A.	Standing Auditor	Financial Statements
3	A.N.T.I. (Associazione Nazionale Tributaristi Italiani -	Standing Auditor	Financial Statements
4	AUTOFAN SRL	Sole Auditor	Financial Statements
5	AUTOLEADER S.R.L.	Sole Auditor	Financial Statements
6	B&C SPEAKERS SPA	Standing Auditor	Financial Statements
7	CHI-MA FLORENCE S.P.A.	Standing Auditor	Financial Statements
8	FAN IMMOBILIARE S.R.L.	Sole Auditor	Financial Statements
9	HOTEL RIVOLI S.P.A.	Standing Auditor	Financial Statements
10	JM INVESTMENTS SPA	Alternate Auditor	Financial Statements
11	NOXERIOR S.R.L.	Sole Auditor	Financial Statements
12	RESEARCH & DEVELOPMENT INTERNATIONAL S.R.L.	Sole Auditor	Financial Statements
13	RIVERAUTO SRL	Sole Auditor	Financial Statements

Number of positions held on issuer companies:	1
Total number of positions held	13