

B&C SPEAKERS GROUP



INTERIM MANAGEMENT REPORT AS AT 31 March 2025

The Board of Directors 13 May 2025

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1 THE COMPANY B&C SPEAKERS S.p.A. - Corporate bodies

Board of Directors

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

Board of Auditors

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

Financial Reporting Manager

Francesco Spapperi

Independent auditing firm

PricewaterhouseCoopers S.p.A.

2 Introduction

The valuation and measurement criteria adopted in the condensed consolidated financial statements as at 31 March 2025, included in this interim management report, are laid down in the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and adopted by the European Commission in accordance with Article 16 of European Regulation No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, with particular reference to IAS 34 on interim financial statements. These accounting principles are the same as those used to prepare the consolidated financial statements as at 31 December 2024.

This interim management report has not been audited.

3 Business highlights from January-March 2025

During the first three months of 2024, the Parent Company continued the execution of its share buyback plan. As at 31 March 2025, 125,528 treasury shares were held, representing 1.14% of the share capital.

Furthermore, during the period, the process of operational and business integration of the two subsidiaries, Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd., continues with the aim of standardizing processes within the Group both from an operational and strategic and commercial perspective.

Information on ownership structure

On the reporting date, the official data indicate the following key shareholders:

- **Research & Development International S.r.l.**, which holds a 52.73% stake (*parent company*);
- Lazard Investissement Microcaps which holds 3.93%;
- First Sicaf Value which holds 2.92%
- Ifsl Marlborough European Special Situations Fund which holds 2.27%;

4 Operating, economic and financial results

This Interim Management Report as at 31 March 2025 contains the information required by Article 154-ter of the Consolidated Law on Finance.

The IFRS accounting standards used by the Group are the same as those applied in the preparation of the financial statements for the year ended 31 December 2024, to which reference should be made.

In particular, as required by IFRS, a provision was made for the carrying out of estimates and the formulation of assumptions, which are reflected in the determination of the carrying amounts of assets and liabilities, including potential assets and liabilities at the end of the period. These estimates and assumptions are used specifically for determining amortisation, impairment testing of assets (including the measurement of receivables), provisions, employee benefits, deferred tax assets and liabilities. The final results may, therefore, differ from these estimates and assumptions. The estimates and assumptions are reviewed and updated periodically, and the effects of each change are immediately reflected in the financial statements.

Below are the financial statements and the explanatory notes. All values are expressed in euro, unless otherwise indicated. The financial and economic data presented are compared with the corresponding figures for 2024.

These financial statements, prepared in accordance with the requirements of Art. 154-ter CLF, report the positive and negative components of income, the net financial position (divided between short, medium and long term items), as well as the Group's financial position. In view of this, the financial statements presented and the explanatory notes thereto, prepared for the sole purpose of compliance with the provisions of the aforementioned Issuer Regulations, are devoid of certain data and information that would be required for a complete representation of the financial position and the results of the Group for the quarter ended at 31 March 2025 in accordance with IFRS.

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

The speakers 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 subsidiaries Eminence Speaker LLC (based in Eminence, Kentucky, USA) and B&C Speakers (Dongguan) Electronic Co. Ltd. (based in Dongguan, China).

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

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

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

Below is the table showing the Group's economic performance during the first three months of 2025 compared with the figures for the same period of 2024.

Economic trends - Group B&C Speakers

(€ thousands)	3 months 2025	Incidence	3 months 2024	Incidence
Revenues	25,830	100.0%	23,858	100.0%
Cost of sales	(15,278)	-59.1%	(15,035)	-63.0%
Gross margin	10,552	40.9%	8,823	37.0%
Other revenues	84	0.3%	54	0.2%
Cost of indirect labour	(1,844)	-7.1%	(1,664)	-7.0%
Commercial expenses	(349)	-1.4%	(275)	-1.2%
General and administrative expenses	(2,144)	-8.3%	(1,910)	-8.0%
Ebitda	6,299	24.4%	5,029	21.1%
Depreciation and Amortization	(715)	-2.8%	(634)	-2.7%
Writedowns	-	0.0%	0	0.0%
Earning before interest and taxes (Ebit)	5,583	21.6%	4,395	18.4%
Writedown of investments in non controlled associates	-	0.0%	-	0.0%
Financial costs	(646)	-2.5%	(358)	-1.5%
Financial income	215	0.8%	490	2.1%
Earning before taxes (Ebt)	5,153	19.9%	4,527	19.0%
Income taxes	(1,421)	-5.5%	(1,269)	-5.3%
Profit for the year	3,732	14.4%	3,257	13.7%
Minority interest	0	0.0%	0	0.0%
Group Net Result	3,732	14.4%	3,257	13.7%
Other comprehensive result	(198)	-0.8%	76	0.3%
Total Comprehensive result	3,534	13.7%	3,333	14.0%

Note:

This interim report presents and comments on certain financial figures and certain reclassified schedules not defined within the IFRS.

These amounts are defined below in compliance with the provisions in CONSOB Communication (DEM 6064293) of 28 July 2006, as subsequently amended (CONSOB Communication 0092543 of 3 December 2015, implementing the ESMA/2015/1415 guidelines).

The alternative performance indexes listed below should be used as additional information with respect to that foreseen in the IFRS, to assist the users of the financial report to better comprehend the Group's economic, capital and financial performance. Please note that the adjustment methods used by the Group to calculate these figures have remained constant over the years. We also note that they could differ from methods used by other companies.

EBITDA (earnings before interest taxes depreciation and amortisation) is defined by the Issuer's Directors as the "profit 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 writedowns as resulting from the aforesaid consolidated income statement. EBITDA is a measure that the Issuer uses to monitor and assess the Group's operating performance.

EBIT (earnings before interest and taxes) represents the consolidated profit/loss before taxes, financial expenses and income as shown in the income statement tables prepared by the Directors in drawing up the financial statements in accordance with the IASs/IFRSs.

EBT (earnings before taxes) represents the consolidated profit/loss before taxes as shown in the income statement tables prepared by the Directors in drawing up the consolidated financial statements in accordance with the IASs/IFRSs.

Revenue

Consolidated revenues are equal to Euro 25.83 million, up 8.3% compared to the value for the first three months of 2024, when it stood at Euro 23.86 million.

The collection of new orders during the three months of 2025 reached the value of 30.3 million, a figure practically in line with the value collected by the Group during the first quarter of 2024 (when 30.5 million euros were collected).

Below is the full breakdown by region for the first three months of 2025, compared to the same period in 2024 (amounts in euro):

Revenues per geographic area (values in Euro/thousand)	1Q 2025	%	1Q 2024	%	Difference	Difference %
Latin America	1,021	4%	1,657	7%	(636)	-38.4%
Europe	13,946	54%	11,429	48%	2,517	22.0%
Italy	1,348	5%	1,566	7%	(219)	-14.0%
North America	4,673	18%	4,743	20%	(70)	-1.5%
Middle East & Africa	236	1%	171	1%	66	38.5%
Asia & Pacific	4,606	18%	4,292	18%	314	7.3%
Total	25,830	100%	23,858	100%	1,971	8.3%

Cost of sales

The cost of sales showed an improvement in its incidence on revenues during the first three months of 2025 compared to the same period of 2024, going from 63.0% to 59.1%. This positive trend was determined by a favorable sales mix which, together with the usual internal efficiency in terms of component cost management, determined an efficiency recovery equal to 4.4 percentage points compared to the corresponding period of 2024; on the other hand, the incidence of direct personnel costs showed a slight increase (0.5 percentage points compared to the corresponding period of 2024).

Indirect Personnel

Despite an increase of 10.8% in absolute terms in the cost of indirect personnel, compared to the same period in 2024, its impact on revenues remained substantially unchanged, going from 7.0% to 7.1%.

Commercial expenses

Commercial expenses increased slightly in absolute terms compared to the first three months of 2024 (by € 70 thousand), nonetheless keeping their impact on revenues substantially unchanged.

Administrative costs and overheads

Administrative costs and overheads rose by € 235 thousand with respect to the corresponding figure for 2024, however, their impact on revenues remained more or less stable, going from 8.0% to 8.3%.

EBITDA and EBITDA Margin

As a result of these trends, EBITDA for the first three months of 2025 was € 6.30 million, an increase of € 1.27 million (25.3%) compared to the same period in 2024.

The EBITDA margin for the first three months of 2025 was 24.4% of revenues, compared to 21.1% for the same period in 2024.

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible assets, and rights of use increased slightly compared to the first three months of 2024, amounting to € 0.71 million (€ 0.63 million in the first three months of 2024).

EBIT and EBIT margin

EBIT for the first three months of 2025 amounted to € 5.58 million, an increase of 27.0% compared to the same period in 2024 (when it amounted to € 4.39 million). The EBIT margin was 21.6% of revenue (18.4% in the same period of 2024).

Total Comprehensive Result

The Group Comprehensive Income at the end of the first three months of 2025 amounts to Euro 3.53 million and represents a percentage of 13.7% of consolidated revenues with an overall increase of 6.0% compared to the corresponding period of 2024.

Group Net Profit

The Group's net profit at the end of the first three months of 2025 amounts to Euro 3.7 million and represents a percentage of 14.4% of consolidated revenues with an overall increase of 14.6% compared to the corresponding period of 2024.

Reclassified Balance sheet (€ thousands)	30 March 2025	31 December 2024	Change
Property, plant & Equipment	11,913	12,409	(496)
Inventories	30,516	29,953	563
Trade receivables	21,199	20,128	1,071
Other receivables	4,899	5,237	(338)
Trade payables	(11,234)	(9,982)	(1,252)
Other payables	(3,648)	(3,662)	14
Working capital	41,732	41,674	57
Provisions	(917)	(904)	(13)
Invested net working capital	52,728	53,179	(451)
Cash and cash equivalents	11,467	9,314	2,154
Investments in associates	-	-	-
Goodwill	2,318	2,318	-
Short term securities	7,325	7,283	42
Other financial receivables	631	622	9
Financial assets	21,741	19,537	2,204
Invested net non operating capital	21,741	19,537	2,204
NET INVESTED CAPITAL	74,469	72,716	1,753
Equity	58,201	55,195	3,006
Short-term financial borrowings	8,245	8,144	101
Long-term financial borrowing	8,023	9,377	(1,354)
RAISED CAPITAL	74,469	72,716	1,753

Note:

Fixed assets are defined by the Issuer's Directors as the value of the 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. **Funds** are the value of bonds linked to employee severance indemnities and director severance pay. **Invested net working capital** is the value of financial assets and other financial receivables as described above. **Raised capital** is the value of net equity of the Group and the total indebtedness of the Group.

A number of comments on the classification of assets and liabilities according to their operational destination are presented below.

Net Operating Invested Capital shows a decrease of Euro 0.4 million compared to December 31, 2024. This decrease is mainly due to the combined effect of the following factors:

- a decrease in fixed assets of approximately Euro 0.5 million due to the effect of depreciation for the period;
- an increase in warehouse stocks of approximately Euro 0.5 million due to the increase in the Group's turnover;
- an increase in trade and other receivables of approximately Euro 0.7 million mainly attributable to the increase in trade receivables resulting from the increased turnover;
- an increase in trade payables of approximately Euro 1.2 million mainly attributable to the increase in trade payables and resulting from the increase in production volumes;

Net Non-Operating Invested Capital increased by Euro 2.2 million compared to 31 December 2024. The increase is almost entirely attributable to the increase in the Group's liquid assets resulting from the excellent cash generation from operating activities in the period (equal to

Euro 4.2 million).

The other asset categories did not show any changes compared to 31 December 2024.

The overall *Net Financial Position* is positive and equal to Euro 2.52 million against a negative value of Euro 0.92 million at the end of the 2024 financial year. As specified above, the evolution of the NFP was positively affected by the excellent cash generation from operating activities which allowed the improvement of the NFP indicated above while continuing to meet the financial needs related to the repayment of existing loans and the investment activity of the period.

5 Statement of changes in equity

The following table shows the changes in shareholders' equity from 1 January 2025 to 31 March 2025 (*in thousands of euro*):

	Share Capital	Legal Reserve	Share premium reserve	Extraordinary reserve	Exchange rate reserve	Foreign exchange reserve	Retained Earnings	Net Group Equity	Minority interest	Total net Equity
<i>Euro thousand</i>										
Balance January 1, 2025	1,091	379	3,636	44	55	728	49,263	55,195	-	55,195
Result of the period							3,732	3,732		3,732
Other comprehensive income/expenses						(198)	(0)	(198)		(198)
Totale other comprehensive income/expenses	-	-	-	-	-	(198)	3,732	3,534	-	3,534
<i>Shareholders</i>										
Allocation of previous year result					-		-	-		-
Dividend distribution							-	-		-
Treasury shares allocation	(3)		(525)				-	(528)		(528)
Balance march 31, 2025	1,087	379	3,111	44	55	531	52,995	58,201	-	58,201

6 Net Financial Position

In line with the requirements established in CONSOB communication DEM/6064293 dated 28 July 2006 and in compliance with the Guidelines on disclosure requirements pursuant to Regulation EU 2017/1129 (the "Prospectus Regulation") issued by ESMA and explicitly referenced by CONSOB in its Call to Attention no. 5/21 dated 29 April 2021, the Group's net financial position at 31 March 2025 is as follows:

<i>(values in Euro thousands)</i>	31 march 2025 (a)	31 december 2024 (a)	Change
A. Cash	11,467	9,314	23%
C. Other current financial assets	7,325	7,283	1%
D. Cash and cash equivalent (A+C)	18,792	16,597	13%
E. Current financial indebttness	(2,592)	(2,595)	
F. Current portion of non current borrowings	(5,652)	(5,549)	2%
G. Current borrowingse (E+F)	(8,245)	(8,144)	1%
H. Current net financial indebttness (G+D)	10,548	8,453	25%
I. Non current financial indebttness	(8,023)	(9,377)	-14%
L. Non current financial indebttness	(8,023)	(9,377)	-14%
M. Total financial indebttness (H+L)	2,524	(924)	-373%

Note: The net financial position, calculated by the Parent Company management as detailed above, is not identified as an accounting measurement under the Italian Accounting Standards or the IFRSs endorsed by the European

Commission. Therefore, the measurement criteria may not be consistent with that adopted by other operators and/or groups and may, therefore, not be comparable. Moreover, the definition may differ from that established by the Issuer's loan contracts.

As highlighted above, the operating activity of the first three months of the financial year determined a significant generation of liquidity (4.2 million Euro) which allowed the achievement of the above-mentioned improvement in the overall net financial position.

7 Significant events after 31 March 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 5 May, with record date 6 May and payment on 7 May).

8 Outlook for the 2025 financial year

The international economic situation, in which uncertainty is the dominating factor, due to the possible consequences of reciprocal tariffs between the USA and China, makes it difficult to predict the evolution of the reference markets in the coming months. However, a general climate of client trust can be confirmed. The critical issues in the supply chain caused by the temporary halt to magnet exports from China in response to the duties applied by the US could generate difficulties in meeting delivery times due to delays in supplies.

The results expected for 2025 could potentially be affected by the direct and indirect effects of the consequences of the war currently underway between Russia and Ukraine, even if historically the Group does not have a significant turnover from Russian or Ukrainian customers.

In this scenario, the Group will continue to work to meet commitments and objectives, continuing to adopt all necessary measures to manage the direct and indirect effects of the risk factors mentioned above.

9 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 March 2025 the listed price for shares in B&C Speakers S.p.A. (BEC) was 15.95 euro and therefore capitalisation was approximately 193.6 million euro.

The following table illustrates the performance of B&C Speakers S.p.A.'s stock from January to April 2025.



Consolidated statement of financial position and statement of comprehensive income at 31 March 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Values in Euro)	31 March 2025	31 December 2024
ASSETS		
Fixed assets		
Tangible assets	5,106,432	5,095,272
Right of use	6,236,216	6,692,427
Goodwill	2,318,181	2,318,181
Other intangible assets	570,810	621,360
Deferred tax assets	982,264	1,050,595
Other non current assets	630,884	622,199
	<i>related parties</i>	6,700
Total non current assets	15,844,787	16,400,034
Currents assets		
Inventory	30,515,723	29,952,836
Trade receivables	21,199,404	20,128,062
Tax assets	410,533	1,531,488
Other current assets	10,831,097	9,938,214
Cash and cash equivalents	11,467,213	9,313,627
Total current assets	74,423,970	70,864,227
Total assets	90,268,757	87,264,261
LIABILITIES		
Equity		
Share capital	1,087,198	1,090,507
Other reserves	3,588,342	4,113,008
Foreign exchange reserve	530,698	728,382
Retained earnings	52,994,840	49,263,330
Total equity attributable to shareholders of the parent	58,201,078	55,195,227
Minority interest	-	-
Total equity	58,201,078	55,195,227
Non current liabilities		
Long-term borrowings	2,998,827	3,820,239
Long-term lease liabilities	5,024,670	5,557,150
	<i>related parties</i>	1,808,890
Severance Indemnities	872,641	859,546
Provisions for risk and charges	44,483	44,483
Total non current liabilities	8,940,621	10,281,418
Current liabilities		
Short-term borrowings	6,770,359	6,762,957
Short-term lease liabilities	1,474,205	1,380,620
	<i>related parties</i>	969,825
Trade liabilities	11,234,101	9,981,831
	<i>related parties</i>	88,141
Tax liabilities	249,214	103,809
Other current liabilities	3,399,179	3,558,399
Total current liabilities	23,127,058	21,787,616
Total Liabilities	90,268,757	87,264,262

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

3 months 2025 3 months 2024

Revenues	25,829,884	23,858,450
Cost of sales	(15,277,937)	(15,035,188)
Other revenues	83,552	54,015
Cost of indirect labour	(1,843,871)	(1,663,824)
Commercial expenses	(348,817)	(275,291)
General and administrative expenses	(2,144,276)	(1,909,614)
Depreciation and amortization	(715,433)	(633,650)
Writedowns	-	0
Earning before interest and taxes	5,583,102	4,394,897
Writedown of investments in non controlled associates	-	-
Financial costs	(645,672)	(358,270)
	<i>related parties</i>	
	(16,064)	(17,423)
Financial income	215,159	490,060
Earning before taxes	5,152,590	4,526,687
Income taxes	(1,420,658)	(1,269,462)
Profit for the year (A)	3,731,932	3,257,225
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	(423)	(1,333)
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	(197,684)	77,051
Total other comprehensive income/(losses) for the year (B)	(198,107)	75,718
Total comprehensive income (A) + (B)	3,533,825	3,332,943
Profit attributable to:		
Owners of the parent	3,731,932	3,257,225
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	3,533,825	3,332,943
Minority interest	-	-
Basic earning per share	0.34	0.30
Diluted earning per share	0.34	0.30

Certification of Financial Reporting Manager pursuant to Article 154-bis, paragraph 2 of Italian Legislative Decree No. 58/1998.

The Financial Reporting Manager, Francesco Spapperi, declares, pursuant to Article 154-bis, paragraph 2 of the Consolidated Financial Law, that the accounting information contained in this document, "Interim report as at 31 March 2025", corresponds to the company's accounting documents, books and records.

The Financial Reporting Manager

Francesco Spapperi