B&C Speakers Group

Interim Financial Report

as of 30 June 2024

Prepared in conformity with the
International Financial Reporting Standards
endorsed by the European Union

Contents

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www.bcspeakers.com

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

THE B&C SPEAKERS GROUP – Corporate bodies

Board of Directors

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

Board of Auditors

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

Financial Reporting Manager

Francesco Spapperi

Independent auditing firm

PricewaterhouseCoopers S.p.A.

Introduction to the consolidated interim financial report at 30 June 2024

INTRODUCTION

The Consolidated Interim Financial Report at 30 June 2024 (hereafter, also "Interim Report"), was prepared in line with Italian Legislative Decree 58/1998, as amended, and with the CONSOB Issuers Regulations.

The Interim Report consists of the report on operations, which contains the Directors' observations on operating trends and business developments during the first half of 2024, and the condensed consolidated interim financial statements.

The present condensed consolidated interim financial statements for the B&C Speakers Group at 30 June 2024 were prepared pursuant to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and endorsed by the European Union and were drawn up in conformity with IAS 34 "Interim Financial Reporting". These condensed consolidated interim financial statements therefore do not include all the information required of the annual financial statements and must be read together with the annual financial statements prepared for the financial year ended 31 December 2023.

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

During the first half of 2024, the Parent Company continued its buyback programme, involving treasury shares, in accordance with the resolution passed by the Shareholders' Meeting held on 29 April 2024, which renewed the mandate to purchase treasury shares for another 12 months. At 30 June 2024, it held 6,574 treasury shares, equal to 0.06% of the share capital. The weighted average purchase price of shares in the portfolio is € 16.17.

At the date of this report (September 2024), the number of Treasury shares owned has changed with respect to 30 June 2024 and amounts to 17,118, equal to 0.16% of the share capital. For your information we can note that the Parent Company B&C Speakers S.p.A. is controlled by R&D International S.r.l. which performs work of direction and coordination.

The equity interest held by the holding Research & Development International S.r.l. represented, at 30 June 2024, 54.00% of the share capital; further information on relations with the holding are contained in the rest of the report.

Report on operations for the half ending on 30 June 2024

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

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

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

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

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

Highlights

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

Income statement highlights

(€ thousands)	**1st half 2024**	**1st half 2023**
Revenues	51,247	48,542
Ebitda	11,480	12,059
Ebit	10,191	11,024
Net profit	11,833	8,138

Balance sheet highlights

(€ thousands)	**30 June 2024**	**31 December 2023**
Non current Assets	14,923	14,602
Non current liabilities	10,897	13,262
Current assets	74,092	71,746
Current liabilities	27,822	26,876
Net working Capital	46,270	44,870
Net Equity	50,296	46,210

Cash flow statement highlights

(€ thousands)	**1st half 2023**	**1st half 2022**
Operating cash flow	7,988	8,940
Cash flow from investing activities	(1,304)	(563)
Cash flow from financial activities	(10,720)	(11,728)
Cash flow for the period	(4,037)	(3,351)

Net financial position

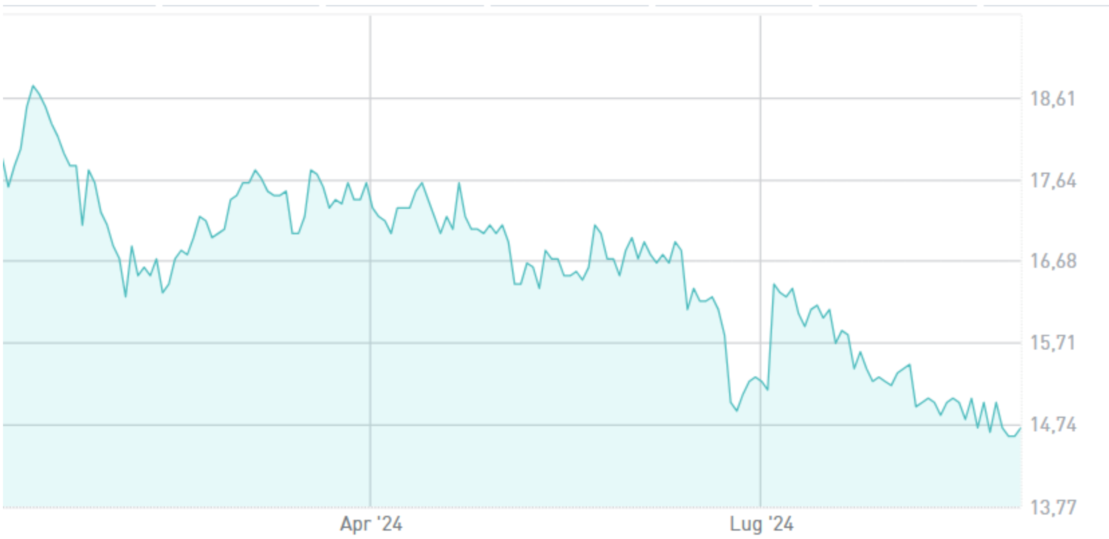
(€ thousands)	30 June 2024	31 December 2023
Current net financial position	8,202	10,029
Total net financial position	(1,807)	(652)

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 28 June 2024 (the last open market day of the half), the reference price for B&C Speakers S.p.A. (BEC) shares stood at € 15.10 and consequently market capitalisation amounted to about € 166.1 million.

The following shows the share performance of B&C Speakers SpA during the period from January - August 2024.



Macroeconomic Situation

At the beginning of 2024, signs of a stronger global economy were seen, which were stronger in the area of services. In the United States, consumption continued to be particularly strong and employment grew in excess of expectations. On the other hand, aggregate demand remained weak in China, in part due to the continued real estate crisis.

At the beginning of 2024, GDP in the Eurozone continued to stagnate due to industrial weakness, in the face of signs of recovery in the services sector. The downward trend in consumer inflation continued, above all with respect to non-energy industrial goods and food products.

The cost of credit remained high, holding back demand for business and household loans. The high perceived risk for banks contributed to keeping the criteria for loans restrictive.

Based on the most recent estimates issued by the IMF, in 2024 global GDP will continue to grow by just over 3 percent, in part held back by restrictive monetary policies. Tensions in the Middle East have only had limited impacts on international exchange, at least for the moment. The most recent estimates found in the latest Bank of Italy Economic Bulletin suggest that international commerce will grow by 2.4 percent. Nonetheless, risks for the global economy are still significant, associated with the possible worsening of ongoing conflicts.

Industry scenario

Following the COVID-19 crisis, the professional audio sector is experiencing an extremely rapid recovery in its reference market, with a surge of live events and concerts.

Given this situation, the first half of 2024 confirmed the positive trends seen in the sector. Additionally, prospects in the next three years remain positive, with very interesting growth levels.

Group economic performance

Overall economic performance in the first half of 2024 continued to improve with respect to the first half of 2023. This was reflected in the Group's performance, which saw growth during the half in question compared to the first half of 2023. Additionally, note the number of new orders received during the half, which continued to grow with respect to the same period in 2023.

To better present the trend in operations in relation to the first half of financial year 2024 compared with the same period of the previous year, a table showing these results is provided below:

Economic trends - Group B&C Speakers

(€ thousands)	**6 months 2024**	***Incidence***	**6 months 2023**	***Incidence***
Revenues	51,247	*100.00%*	48,542	*100.0%*
Cost of sales	(32,041)	*-62.52%*	(30,468)	*-62.8%*
Gross margin	**19,207**	***37.48%***	**18,073**	***37.2%***
Other revenues	159	*0.31%*	170	*0.3%*
Cost of indirect labour	(3,428)	*-6.69%*	(2,490)	*-5.1%*
Commercial expenses	(640)	*-1.25%*	(479)	*-1.0%*
General and administrative expenses	(3,818)	*-7.45%*	(3,216)	*-6.6%*
Ebitda	**11,480**	***22.40%***	**12,059**	***24.8%***
Depreciation and Amortization	(1,289)	*-2.52%*	(1,035)	*-2.1%*
Writedowns	-	*0.00%*	0	*0.0%*
Earning before interest and taxes (Ebit)	**10,191**	***19.89%***	**11,024**	***22.7%***
Writedown of investments in non controlled associates	-	*0.00%*	-	*0.0%*
Financial costs	(659)	*-1.29%*	(981)	*-2.0%*
Financial income	994	*1.94%*	785	*1.6%*
Earning before taxes (Ebt)	**10,526**	***20.54%***	**10,828**	***22.3%***
Income taxes	1,202	*2.35%*	(2,715)	*-5.6%*
Profit for the year	**11,728**	***22.89%***	**8,113**	***16.7%***
Minority interest	0	*0.00%*	0	*0.0%*
Group Net Result	**11,728**	***22.89%***	**8,113**	***16.7%***
Other comprehensive result	105	*0.20%*	26	*0.1%*
Total Comprehensive result	**11,833**	***23.09%***	**8,138**	***16.8%***

Note:

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

provisions and writedowns as resulting from the aforesaid consolidated income statement. EBITDA is a measure that the Issuer uses to monitor and assess the Group's operating performance.
EBIT (earnings before interest and taxes) represents the consolidated profit/loss before taxes, financial expenses and income as shown in the income statement tables prepared by the Directors in drawing up the financial statements in accordance with the IASs/IFRSs.
EBT (earnings before taxes) represents the consolidated profit/loss before taxes as shown in the income statement tables prepared by the Directors in drawing up the consolidated financial statements in accordance with the IASs/IFRSs.

Revenue

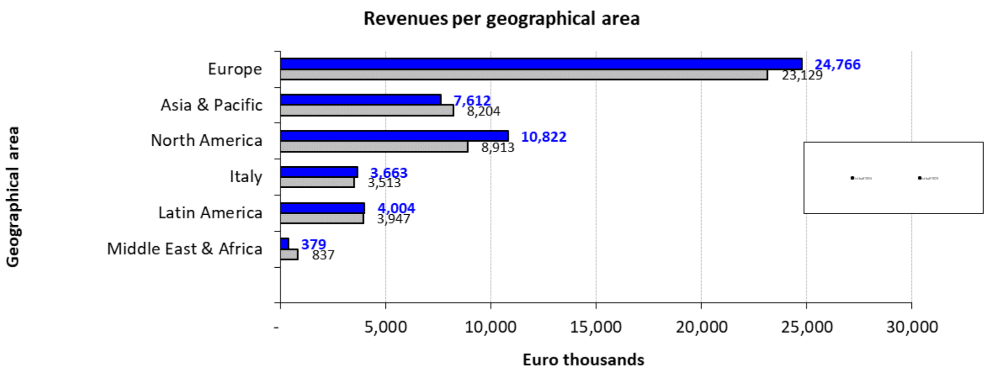
New orders received, which continued to grow during the first half of 2024, made it possible to reverse the trend in revenues seen in the first half of the year, allowing the Group to achieve revenues of € 51.2 million during the half, up by 5.6% with respect to the same period in 2023.

The new subsidiaries contributed € 6.3 million to sales during the quarter.

Growth in turnover was in large part driven by European and North American customers.

Below is a full breakdown by geographic area for the first half of 2024, compared with the same period in 2023 (amounts in €):

Geographical Area	1st half 2024	%	1st half 2023	%	Change	Change %
Latin America	4,004,485	7.8%	3,946,663	8.1%	57,822	1%
Europe	24,766,440	48.3%	23,128,674	47.6%	1,637,766	7%
Italy	3,663,457	7.1%	3,513,022	7.2%	150,435	4%
North America	10,822,330	21.1%	8,913,217	18.4%	1,909,114	21%
Middle East & Africa	378,655	0.7%	836,642	1.7%	(457,987)	-55%
Asia & Pacific	7,611,750	14.9%	8,203,644	16.9%	(591,894)	-7%
Total	**51,247,118**	**100.0%**	**48,541,862**	**100.0%**	**2,705,257**	**5.57%**



Cost of sales

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

During the first six months of 2024, the cost of sales remained substantially unchanged in terms of its impact on revenues with respect to the same period in 2023, going from 62.8% to 62.5%. This trend is due to: (i) a recovery of margins on the variable part of the cost of sales, due to normalisation of raw materials costs, which allowed an improvement of 2.3 margin points compared to the first half of the previous year, (ii) a drop of 1.7 percentage points as a result of the increased cost of personnel following the integration of the two new subsidiaries, and (iii) an increase in the impact of customs duties, which led to a loss of margin of about 0.3 percentage points.

Indirect Personnel

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

Indirect personnel costs rose as a percentage of revenues compared to the first six months of 2023, going from 5.1% to 6.7%. In absolute terms, the figure for the first six months of 2024 is up 37% on the first half of 2023, mainly due to the inclusion of the two new subsidiaries in the scope of consolidation.

Commercial expenses

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

Commercial expenses increased in absolute terms by 33.6% with respect to the first six months of 2023. This increase is mainly due to the inclusion of the two new subsidiaries in the scope of consolidation.

Administrative costs and overheads

Administrative costs and overheads rose by € 603 thousand with respect to the corresponding figure for 2023, also increasing in terms of their impact on revenues, from 6.6% to 7.5%. The increase in administrative costs and overheads is entirely associated with the inclusion of the two new subsidiaries in the scope of consolidation. In fact, with the scope unchanged with respect to the first half of 2023, administrative costs and overheads fell by 4.8%.

EBITDA and EBITDA Margin

As a result of these trends, EBITDA for the first six months of 2024 was € 11.5 million, down by € 0.6 million (-4.8%) with respect to the same period in 2023.

The EBITDA margin for the first six months of 2024 was equal to 22.4% of revenues, compared to 24.8% in the same period in 2023. The dilution of margins is due to the inclusion of the two new subsidiaries, whose margins are lower than those of B&C Speakers. With the same scope as the first half of 2023, the EBITDA margin would be 24.7%.

Depreciation and amortisation

Depreciation and amortisation of property, plant and equipment, intangible assets and rights of use increased compared to the first six months of 2023, amounting to € 1.3 million (€ 1 million in the first six months of 2023). This increase is mainly due to the inclusion of the two new subsidiaries.

EBIT and EBIT margin

EBIT for the first six months of 2024 amounted to € 10.2 million, down by 7.5% with respect to the same period in 2023 (when the amount was € 11 million). The EBIT margin was 19.9% of revenue (22.7% in the same period of 2023).

Group Net Profit

The Group's net profit at the end of the first half of 2024 amounted to € 11.7 million and represents 22.9% of consolidated revenue, with a total increase of 44.6% compared to the corresponding period in 2023. This trend is in part due to the effects of the tax benefits obtained following the renewal of the Patent Box ruling request filed with the Revenues Agency (which occurred during the half in question with reference to tax period 2020 and the following four tax periods), which led to a positive impact of € 3,957 thousand on the income statement for the year.

Equity and financial trend

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

Reclassified Balance sheet *(€ thousands)*	**30 June 2024**	**31 December 2023**	**Change**
Property, plant & Equipment	**11,044**	**10,798**	**246**
Inventories	28,537	27,624	913
Trade receivables	25,450	18,150	7,301
Other receivables	3,692	5,288	(1,595)
Trade payables	(14,944)	(10,824)	(4,120)
Other payables	(3,685)	(4,489)	804
Working capital	**39,051**	**35,748**	**3,302**
Provisions	**(888)**	**(2,581)**	**1,693**
Invested net working capital	**49,206**	**43,965**	**5,241**
Cash and cash equvalents	10,368	14,613	(4,245)
Investments in associates	-	-	-
Goodwill	2,318	2,318	-
Short term securities	7,027	6,979	48
Other financial receivables	579	580	(1)
Financial assets	**20,292**	**24,489**	**(4,197)**
Invested net non operating capital	**20,292**	**24,489**	**(4,197)**
NET INVESTED CAPITAL	**69,498**	**68,454**	**1,044**
Equity	50,296	46,210	4,086
Short-term financial borrowings	9,193	11,563	(2,370)
Long-term financial borrowing	10,009	10,681	(672)
RAISED CAPITAL	**69,498**	**68,454**	**1,044**

Note:

Fixed Assets: these are defined by the Issuer's Directors as the value of multi-year assets (*property, plant and equipment, rights of use and other intangible assets*). Net Operating Working Capital is defined by the Issuer's Directors as the value of inventories, trade receivables and other receivables net of debts for supplies and other payables. 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.

Net Operating Invested Capital shows an increase of 5.2 million euro compared to 31 December 2023. This increase was mainly due to the combined effect of the following factors:

- an increase in fixed assets amounting to approximately € 0.2 million due to the combined effects of investments and amortisation/depreciation for the period;
- an increase in inventories of around € 0.9 million;
- an increase in trade and other receivables of around € 6.5 million, mainly due to an increase in trade receivables;
- an increase in trade and other payables of around € 4.1 million, mainly due to an increase in trade payables;
- a decrease in provisions, mainly associated with the full reimbursement of the employee benefit fund with reference to the subsidiary Eminence Speakers LLC, which occurred during the second quarter of the year in progress.

Net Non-Operating Capital Assets fell by € 4.2 million with respect to 31 December 2023. This decrease is mainly due to the drop in the Group's cash and cash equivalents, following the payment of dividends totalling € 7.7 million in May.

The other asset categories showed no change compared to 31 December 2023.

The overall *Net Financial Position* was negative at € 1.8 million, compared to a negative € 0.6 million at the end of 2023. As described above, the NFP worsened due to the payment of € 7.7 million in dividends in May.

Corporate structure

At 30 June 2024 the Group's workforce was 362 resources, compared with 344 resources at 31 December 2023.

Investments

Investments during the first half of 2024 were mainly focused on improving production lines and on ensuring the new Chinese subsidiary has suitable production structures.

Significant events during the first half of 2024

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

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

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

Business outlook

During the first half of this year, various development projects were launched in relation to the two new subsidiaries, Eminence Speakers LLC and B&C Speakers (Dongguan) Electronic Co. Ltd. Group management believes that the initial impacts of these current initiatives will be seen toward the end of the next financial year.

The number of new orders obtained in the initial part of 2024 has risen steadily compared to the same period in 2023, and this trend continued even after the end of the first half. Therefore, based on data regarding incoming orders, Group management believes that 2024 will end with better production and sales levels than those registered in 2023.

However, the expected results for 2024 could potentially be directly and indirectly affected by the consequences of the ongoing conflict between Russia and Ukraine, even though historically the Group has not had significant sales to Russian or Ukrainian customers.

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

Major shareholders and main data concerning the Issuer's shares

As of the date this interim financial report was prepared (September 2024), official data reveals the following major shareholders:

- **Research & Development International S.r.l**, which holds a 54.00% stake (parent company);
- Lazard Freres Gestion SAS, which holds 4.44%;
- Joh. Berenberg, Gossler & Co. KG, which holds 3.52%;
- First Capital S.p.A. which holds 3.20%
- Allianz Global Investors GmbH, which holds 2.42%.

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

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

- as at 30 June 2024, Director Lorenzo Coppini holds 50,000 shares in B&C Speakers S.p.A.;
- as at 30 June 2024, Director Alessandro Pancani holds 3,617 shares in B&C Speakers S.p.A.;
- as at 30 June 2024, Director Roberta Pecci holds 11,542 shares in B&C Speakers S.p.A.

Main risks and uncertainties to which the group is exposed

For a full breakdown of the main risks and uncertainties to which the Group is exposed, please see the Report on Operations in the consolidated financial statements at 31 December 2023.

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

Corporate Governance

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

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

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

- as at 30 June 2024 the regulatory requirements of Art. 36 of the Markets Regulation apply to the subsidiaries B&C Speakers NA LLC, B&C Speakers Brasil Ltda, Eminence Speakers LLC and B&C Speakers (Dongguan) Electronics Co. Ltd.
- appropriate procedures were adopted in order to ensure complete compliance with the aforesaid regulations.

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

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

Condensed consolidated interim financial statements at 30 June 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2024 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Values in Euro)*		*Notes*	30 June 2024	31 December 2023
ASSETS				
Fixed assets				
Tangible assets		*1*	4,790,125	3,872,531
Right of use		*2*	5,751,153	6,477,332
Goodwill		*3*	2,318,181	2,318,181
Other intangible assets		*4*	502,280	447,843
Deferred tax assets		*5*	981,904	906,969
Other non current assets		*6*	579,028	579,561
	related parties	*31*	*6,700*	*6,700*
Total non current assets			**14,922,671**	**14,602,417**
Currents assets				
Inventory		*7*	28,536,578	27,623,705
Trade receivables		*8*	25,450,410	18,149,825
Tax assets		*9*	1,311,177	190,315
Other current assets		*10*	9,284,994	11,168,904
Cash and cash equivalents		*11*	10,368,291	14,612,848
Total current assets			**74,951,450**	**71,745,597**
Total assets			**89,874,121**	**86,348,014**
LIABILITIES				
Equity				
Share capital		*12*	1,099,370	1,099,613
Other reserves		*12*	5,523,008	5,589,481
Foreign exchange reserve		*12*	462,761	365,116
Retained earnings		*12*	43,211,352	39,156,124
Total equity attributable to shareholders of the parent			**50,296,490**	**46,210,334**
Minority interest			-	-
Total equity			**50,296,490**	**46,210,334**
Non current liabilities				
Long-term borrowings		*13*	5,331,926	5,452,443
Long-term lease liabilities		*14*	4,676,598	5,228,386
	related parties	*31*	*2,034,972*	2,452,012
Severance Indemnities		*15*	845,037	2,537,875
Provisions for risk and charges		*16*	43,012	43,012
Total non current liabilities			**10,896,573**	**13,261,716**
Current liabilities				
Short-term borrowings		*17*	7,912,087	10,147,066
Short-term lease liabilities		*14*	1,281,272	1,416,216
	related parties	*31*	*875,489*	921,670
Trade liabilities		*18*	14,943,780	10,823,737
	related parties	*31*	*86,981*	*88,737*
Tax liabilities		*19*	859,064	1,011,163
Other current liabilities		*20*	3,684,854	3,477,782
Total current liabilities			**28,681,057**	**26,875,964**
Total Liabilities			**89,874,121**	**86,348,014**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE FIRST HALF OF 2024 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Values in Euro)		Notes	1 H 2024	1 H 2023
Revenues		22	51,247,119	48,541,861
Cost of sales		23	(32,040,610)	(30,468,416)
Other revenues		24	159,171	169,770
Cost of indirect labour		25	(3,427,927)	(2,489,662)
Commercial expenses		26	(639,502)	(478,825)
General and administrative expenses		27	(3,818,352)	(3,215,746)
Depreciation and amortization			(1,289,005)	(1,035,166)
Writedowns		28	-	0
Earning before interest and taxes			**10,190,893**	**11,023,817**
Writedown of investments in non controlled associates			-	-
Financial costs		29	(659,181)	(981,259)
	related parties	*31*	*(33,640)*	*(41,873)*
Financial income		29	994,308	785,471
Earning before taxes			**10,526,020**	**10,828,029**
Income taxes		30	1,202,470	(2,715,429)
Profit for the year (A)			**11,728,491**	**8,112,600**
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:				
Actuarial gain/(losses) on DBO (net of tax)		12	7,006	1,008
Other comprehensive income/(losses) for the year that will be reclassified in icome statement:				
Exchange differences on translating foreign operations		12	97,645	24,867
Total other comprehensive income/(losses) for the year (B)			**104,652**	**25,875**
Total comprehensive income (A) + (B)			**11,833,142**	**8,138,475**
Profit attributable to:				
Owners of the parent			11,728,491	8,112,600
Minority interest			-	-
Total comprehensive income atributable to:				
Owners of the parent			11,833,142	8,138,475
Minority interest			-	-
Basic earning per share		12	1.07	0.75
Diluted earning per share		12	1.07	0.75

CONSOLIDATED CASH FLOW STATEMENT AT 30 JUNE 2024 PREPARED IN CONFORMITY WITH THE IFRSs ADOPTED BY THE EUROPEAN UNION

Consolidated statement of cash flows	1 half 2024	2023	
A- Net current bank balances at the beginning of the period	**11,905**	**5,350**	
B- Cash flow from operating activities			
Profit/loss for the period (Including third parties Profit/loss)	11,833	8,138	
Income tax expense	(1,202)	2,715	
Depreciation and amortization	1,289	1,035	
Finance cost	659	981	
Interest income	(994)	(785)	
Net change in provisions for risk and charges and other provision relating to personell	16	16	
Change in provigion for leaving indemnities	(1,709)	1	
(increase) decrease in current trade and other current receivables	(5,348)	1,733	
(increase) decrease in deferred tax assets and liabilities	(75)	(141)	
(increase) decrease in inventory	(913)	(2,050)	
Increase (decrease) in current trade and other payables	4,536	(2,505)	
Net cash from/(used in) operating activities	**8,093**	**9,139**	
Paid interest costs	(516)	(800)	
Collected interest income	464	632	
Taxes paid	(52)	(31)	
Total (B)	**7,988**	**8,940**	
C- Cash flow from investing activities			
(Investments) in non current tangible assets	(1,367)	(478)	
Proceeds for sale of non current tangible assets	0	0	
Net (investments) in non current intangible assets	(138)	(80)	
Net (investments) in non current securities	1	(5)	
Proceeds from sale of current securities	200	0	
Total (C)	**(1,304)**	**(563)**	
D- Cash flow from financing activities			
(Outflow) from repayment of loans	(4,647)	(4,816)	
Inflow from borrowing activities	2,500	277	
(Outflow) from repayment of lease liabilities	(826)	(644)	**Note 1**
Purchase of treasury shares	(66)	(42)	
Dividend paid to shareholders	(7,681)	(6,503)	
Total (D)	**(10,720)**	**(11,728)**	
E- Cash flow for the period (B+C+D)	**(4,037)**	**(3,351)**	
F- Cash and cash equivalents at end of the period	**7,868**	**1,999**	

Note 1: the liquidity absorbed by repayment of rights of use liabilities includes absorption of liquidity attributable to transactions with the parent R&D International S.r.l. for € 463 thousand.

The following table shows the composition of the balance of net cash and cash equivalents at 30 June 2024 and at 30 June 2023:

Reconciliation between Net Cash and Cash & cash equivalent	30-Jun-24	30-Jun-23
Cash	10,368	6,987
Bank overdrafts	(2,500)	(4,988)
Total	**7,868**	**1,999**

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

We present below the changes in net equity that occurred in the first half of 2024 and in the first half of 2023.

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

	Share Capital	Legal Reserve	Share premium reserve	Extraordinary reserve	Exchange rate reserve	Foreign exchange reserve	Retained earnings	Net Group Equity	Minority interest	Total net Equity
Euro thousand										
Balance at January 1, 2023	**1,084**	**379**	**3,013**	**44**	**55**	**442**	**31,677**	**36,693**	**-**	**36,693**
Result of the period							**8,113**	**8,113**		**8,113**
Other comprehensive income/expenses						25	**0**	**25**		**25**
Totale other comprehensive income/expenses	**-**	**-**	**-**	**-**	**-**	**25**	**8,113**	**8,137**	**-**	**8,137**
Shareholders										
Dividend distribution							**(6,503)**	**(6,503)**	**-**	**(6,503)**
Treasury shares allocation	0		(42)				**-**	**(42)**		**(42)**
Other							**-**	**-**		**-**
Balance at June 30, 2023	**1,084**	**379**	**2,971**	**44**	**55**	**467**	**33,286**	**38,286**	**-**	**38,286**

Notes to the condensed consolidated interim financial report at 30 June 2024 prepared in conformity with the IFRSs adopted by the European Union

Accounting policies

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

The present condensed consolidated interim financial statements were drawn up in accordance with IAS 34 "Interim Financial Statements". These condensed interim financial statements do not include, therefore, all the information required in the annual financial statements and must be read together with the annual financial statements prepared for the financial year ended 31 December 2023.
The accounting standards adopted in preparing the present condensed consolidated interim financial statements are the same as those adopted in preparing the Group's annual consolidated financial statements for the financial year ended 31 December 2023.

While preparing the condensed consolidated interim financial statements, the Parent Company's Management made assessments, estimates and assumptions which have an effect on the value of revenue, costs and assets and liabilities and the disclosure related to the potential assets and liabilities at the reference date. It should be noted that, as these are estimates, they may differ from the actual results that may be obtained in the future.
Certain valuation processes, in particular the more complex ones such as determining any impairment losses on non-current assets are generally carried out completely only on preparation of the year-end consolidated financial statements, when all the necessary information is available, except in cases when there is evidence of impairment that requires an immediate measurement of losses.

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

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

Limited auditing of the condensed consolidated interim financial report for the B&C Speakers Group at 30 June 2024 was entrusted to PricewaterhouseCoopers S.p.A.

Update on the impacts of armed conflicts

With reference to armed conflicts in course, note that the results for the first half of 2024 did not see any direct impacts from the conflicts in Ukraine and the Middle East. In fact, the Group has no history of significant turnover from Russian, Ukrainian or Middle Eastern customers.

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

B&C Speakers S.p.A. Management is carefully monitoring developments in this scenario to understand the possible political, economic and other types of implications that this could have on the Company.

Taking the above into account, as well as the financial structure, existing liquidity, banking facilities available and the order portfolio at December 2024, Management does not see any significant uncertainties regarding the existence of the prerequisites for business continuity, as the Parent Company and the Group have the ability to meet their obligations and continue operating as a functioning entity for the foreseeable future.

Accounting standards, amendments and interpretations applied from 1 January 2024

Below are amendments and interpretations of accounting standards and criteria which took effect as from 1 January 2024:

- Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Supplier Finance Arrangements, which add disclosure and “signpost” requirements in addition to previously existing disclosure requirements, asking entities to provide qualitative and quantitative information about finance agreements with suppliers. These amendments describe the features of an agreement about which an entity must provide information, with two objectives: adding information to the notes in the financial statements that allow stakeholders to assess how the supplier finance arrangements influence the entity's liabilities and cash flows and to understand the effects of the supplier finance arrangement on the entity's exposure to liquidity risk and how the entity may be impacted if the arrangements were no longer available.

- Amendments to IAS 1 – Presentation of financial statements: classification of liabilities as current or non-current, which requires companies to classify a liability as “non-current” where there is no unconditional right to defer payment for at least twelve months from the reporting date. The International Accounting Standards Board (IASB) eliminated the requirement for this right to be “unconditional”.

- Amendments to IAS 1 - Presentation of financial statements: Non-current liabilities with covenants, through which the IASB again confirmed that solely covenants that must be complied with by an entity as of the reporting date, or prior, impact the classification of a liability as current or non-current. Covenants which refer to a subsequent period do not impact this classification. Nonetheless, companies are asked to provide information useful in helping stakeholders to understand whether there could be a risk that the said liabilities could come due within twelve months of the reporting date.

- Amendments to IFRS 16 - Leasing: Lease liability in a sale and leaseback, to improve the requirements for sale and leaseback operations, specifying the valuation of the liabilities deriving from a sale and leaseback, to guarantee that the seller/lessor does not recognise any profit or loss relative to the right of use which is retained.

The Group did not see any significant impacts on its equity, economic or financial situation associated with application of the aforementioned standards.

IFRS accounting standards, amendments and interpretations approved by the European Union but not yet mandatory and not adopted in advance by the Group at 30 June 2024

Below are the other standards and interpretations which, as of the time this document was prepared, had been issued but were not yet effective:

- Amendments to IAS 21 – Effects of changes in foreign exchange rates. Lack of exchangeability, to provide a guide to specify when a currency can be exchanged and how to determine the exchange rate when it is not; the amendments specify when a currency can be exchanged with another and when it cannot be, and how an entity should estimate the spot rate when a currency cannot be exchanged. Additionally, when a currency cannot be exchanged, an entity must provide information that allows readers of its financial reports to evaluate whether the lack of exchangeability influences, or can be expected to influence, the entity's financial performance, financial position and/or cash flow.

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

  Through these amendments, the IASB has also introduced additional disclosure requirements, in particular with reference to investments in equity instruments classified as FVOCI.
  The amendments apply to financial statements for financial years starting from 1 January 2026.

The Group does not foresee any significant impacts on its equity, economic or financial situation from application of the aforementioned standards. Note that no accounting standards and/or interpretations have been applied in advance, which will be obligatorily applicable in subsequent financial years, or which have not yet been endorsed by the EU.

Also note the following standards for which the endorsement process is in progress.

- IFRS 18 "Presentation and Disclosure in Financial Statements". In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statement, the new standard on presentation and disclosure in financial statements, which pays particular attention to the update of the income statement schedule. The new key concepts introduced in IFRS 18 involve:
  - the structure of the statement of profit or loss;
  - information requested in the financial statements for certain economic result measurements which are reported outside of the entity's financial statements (i.e. Management-defined Performance Measures - MPM); and

- the general aggregation or disaggregation rules for the items to be applied to the primary financial statements and to the notes in general.

IFRS 18 will replace IAS 1, but many of the elements included in the current framework will remain unchanged, with limited modifications. IFRS 18 will not have any impacts on the recognition or measurement of financial statement items, but may modify what an entity indicates as its "operating profit or loss", which is not expressly defined by the standard.

IFRS 18 will apply to financial years beginning from 1 January 2027, and will also apply to the comparative information provided.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures. In May 2024, the IASB issued a new standard for subsidiaries: IFRS 19 Subsidiaries without Public Accountability: Disclosures, with the aim of simplifying the preparation of financial statements for eligible subsidiaries, allowing the same to apply the IFRS with reduced disclosure requirements. These reduced disclosure requirements are intended to balance the informational needs of the users of eligible subsidiary financial statements (i.e. subsidiaries without public accountability and held by a parent or ultimate parent company which prepares consolidated financial statements available for public use in line with the IFRS) with the need for the preparers of these financial statements to reduce expenses.
  Eligible subsidiaries can choose to apply IFRS 19 as from financial years beginning on 1 January 2027; early application is allowed.

Consolidation scope

The interim report at 30 June 2024 prepared according to the IFRSs includes line by line the financial statements of the Parent Company and of the companies of the B&C Speakers Group.

The companies within the scope of consolidation at 30 June 2024 are the following:

Companies	Country	Group structure at 30 June 2024			Group structure at 31 December 2023		
		Direct	Indirect	Total	Direct	Indirect	Total
B&C Speaker S.p.A.	Italy	Parent Company			Parent Company		
Eighteen Sound S.r.l.	Italy	100%	-	100%	100%	-	100%
B&C Speaker NA LLC	USA	100%	-	100%	100%	-	100%
B&C Speaker Brasil LTDA	Brasil	100%	-	100%	100%	-	100%
Eminence Speakers LLC	Stati Uniti	100%	-	100%	100%	-	100%
B&C Speakers (Dongguan) Electronics Ltd	Cina	100%	-	100%	100%	-	100%

With reference to subsidiaries, there were no changes in the scope of consolidation compared to 31 December 2023.

The exchange rates applied in the conversion of financial statements in currencies other than the euro in the first half of 2023, at 31 December 2023 and in the first half of 2024 are shown in the table below:

Currency	30-Jun-24		31-Dec-23		30-Jun-23	
	Avg exch.	Final exch.	Avg exch.	Final exch.	Avg exch.	Final exch.
EURO/USD	1.081	1.070	1.081	1.105	1.081	1.087
EURO/REAL	5.492	5.891	5.401	5.362	5.483	5.279
EURO/RMB	7.801	7.750	7.660	7.851	-	-

Operating segments

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

Analysis of the breakdown of the main items of the consolidated balance sheet at 30 June 2024

1. Property, plant and equipment

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

(In euros)

Historic cost	31-Dec-23	Additions	Reclassification	Foreign exch.	(Decreases)	30-Jun-24
Land and buildings	2,500,748	13,208	-	80,727	-	2,594,683
Photovoltaic System and other minor	1,358,782	93,477	87,223	-	-	1,539,482
Lightweight construction	124,925	74,141	-	-	-	199,066
Plants and machinery	13,865,652	288,660	150,743	151,321	-	14,456,377
Industrial equipment	8,546,699	240,824	49,950	31,408	-	8,868,881
Various equipment	1,656,383	327,734	-	(892)	-	1,983,225
Fixed assets in progress	190,601	348,463	(287,915)	-	-	251,149
Total	**28,243,791**	**1,386,507**	**-**	**262,564**	**-**	**29,892,862**

Accumulated depreciation	31-Dec-23	Depreciation	Reclassification	Foreign exch.	(Decreases)	30-Jun-24
Land and buildings	1,645,403	21,784	-	53,208	-	1,720,396
Photovoltaic System and other minor	969,737	34,068	-	-	-	1,003,805
Lightweight construction	92,259	6,679	-	-	-	98,939
Plants and machinery	12,248,465	260,014	-	145,223	-	12,653,701
Industrial equipment	7,958,108	153,008	-	1,392	-	8,112,508
Various equipment	1,457,063	55,196	-	906	-	1,513,165
Fixed assets in progress	-	-	-	-	-	-
			-	-	-	
Total	**24,371,036**	**530,749**	**-**	**200,729**	**-**	**25,102,513**

Net value	31-Dec-23	Increases	Reclassification	Foreign exch.	Depreciation	(Decreases)	30-Jun-24
Land and buildings	856,311	13,208	-	27,519	(21,784)	-	875,254
Photovoltaic System and other minor	389,044	93,477	87,223	-	(34,068)	-	535,675
Lightweight construction	31,923	74,141	-	-	(6,679)	-	99,385
Plants and machinery	1,616,743	288,660	150,743	6,098	(260,014)	-	1,802,230
Industrial equipment	588,590	240,824	49,950	30,016	(153,008)	-	756,372
Various equipment	199,318	327,734	-	(1,798)	(55,196)	-	470,058
Fixed assets in progress	190,603	348,463	(287,915)	-	-	-	251,151
	-	-	-	-	-	-	-
Total	**3,872,531**	**1,386,507**	**-**	**61,836**	**(530,749)**	**-**	**4,790,125**

The most significant changes that occurred during the first half of 2024 mainly refer to investments made on the production lines in order to increase their efficiency and to the supply of suitable production structures to the new Chinese 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 30 June 2024, the Group had rights of use for € 5,751 thousand (€ 6,477 thousand at 31 December 2023), broken down as follows:

- Rights of use for properties of € 5,737 thousand, relative to medium/long-term property lease contracts;

- Rights of use for vehicles of € 14 thousand, relative to medium/long-term lease contracts for company cars.

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

3. Goodwill

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

(In euros)

Goodwill	30-Jun-24	31-Dec-23
Goodwill on Eighteen Sound S.r.l.	924,392	924,392
Goodwill on B&C Speakers Usa NA LLC	1,393,789	1,393,789
Writedowns	-	-
Total goodwill	**2,318,181**	**2,318,181**

The item Goodwill saw no changes with respect to 31 December 2023 and refers to:

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

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

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

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

The assumptions made while preparing the business plan used for the impairment test conducted on during preparation of the annual financial statements, approved by the Board of Directors on 05 March 2024, did not change significantly during the period in question, also taking into account the results seen by the aforementioned CGUs during the first half of 2024. The measurements performed by the group did not identify, as of the reporting date, indicators that would lead management to deem it necessary to update the impairment test conducted at 31 December 2023 and approved by the Parent Company's Board of Directors on 05 March 2024 in support of the recognition of goodwill.

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

4. Other Intangible assets

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

(In euros)

Other intangible fixed assets	31-Dec-23	Additions	Reclassifications	Depreciation	30-Jun-24
Patent rights	354,513	99,267	-	72,980	380,800
	31,360			10,380	20,980
Intangible assets in progress	61,970	60,130	- 21,600.00	-	100,500
Total	**447,843**	**159,397**	**- 21,600.00**	**83,360**	**502,280**

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

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

5. Deferred tax assets

At 30 June 2024, this item reflects deferred tax assets, net of deferred tax liabilities, totalling € 981 thousand (€ 907 thousand at 31 December 2023).

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

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

6. Other non-current assets

The item is made up of:

(In euros)

Other non current assets	30-Jun-24	31-Dec-23	Change	% Change
Insurance poilcies	508,348	508,348	-	0%
Guarantee deposits	59,678	59,678	-	0%
Ires refund receivables	6,700	6,700	-	0%
Others	4,302	4,835	(533)	-11%
Total non current assets	**579,028**	**579,561**	**(533)**	**0%**

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

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

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

7. Inventories

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

(In euros)

Inventories	30-Jun-24	31-Dec-23	Change	% Change
Row materials and consumables	9,851,723	8,752,207	1,099,516	13%
Work in progress and semi-finished	16,494,786	16,291,094	203,692	1%
Finished goods	5,030,030	5,396,333	(366,303)	-7%
Gross Total	**31,376,539**	**30,439,634**	**936,905**	**3%**
Provision for inventory writedowns	(2,839,961)	(2,815,929)	(24,032)	1%
Net Total	**28,536,578**	**27,623,705**	**912,873**	**3%**

The value of inventories is shown net of provisions for inventory writedowns of € 2,839 thousand, with the following changes during the half:

Change in provision for inventory writedowns	31-Dec-23	Increase	Use	Foreign Exchange	30-Jun-24
Provision for inventory writedowns	2,815,929	245,737	- 268,153.62	46,448	2,839,960
Total	**2,815,929**	**245,737**	**- 268,153.62**	**46,448**	**2,839,960**

Provisions for inventory writedowns have been estimated as a result of an analysis on the recoverability of stock values.

The gross value of inventories at 30 June 2024 was up slightly compared to 31 December 2023 due to the increase in stock achieved to support higher Group production levels.

8. Trade receivables

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

(In euros)

Trade receivables	30-Jun-24	31-Dec-23	Change	Change %
Trade receivables	26,015,560	18,725,573	7,289,987	39%
(Provision for doubtful accounts)	(565,150)	(575,748)	10,598	-2%
Total	**25,450,410**	**18,149,825**	**7,300,585**	**40%**

The gross value of trade receivables increased, in part due to the concentration of sales during the third quarter of the year and in part due to trade receivables associated with the Chinese subsidiary which, at 31 December 2023, did not yet have any credit positions as it was still in the start-up stage. Lastly, there are no significant exposures with Russian or Ukrainian customers.

9. Current tax assets

The assets in question amount to € 1,311 thousand at 30 June 2024 (€ 190 thousand at 31 December 2023). This balance indicates the Group's net creditor position with reference to current taxes, which includes the tax benefits obtained by the parent company following the renewal of the Patent Box ruling request filed with the Revenues Agency (which occurred during the half in question with reference to tax period 2020 and the following four tax periods), and led to the recognition of a positive impact of € 3,957 thousand on the income statement for the year, reducing the payable for current taxes.

10. Other current assets

Other current assets can be broken down as follows:

(In euros)

Other current assets	30-Jun-24	31-Dec-23	Change	% Change
Receivables towards supplier	174,246	352,318	(178,073)	-51%
Securities	7,026,683	6,978,641	48,042	1%
Other tax receivables	995,071	2,785,378	(1,790,307)	-64%
Other minor receivables	352,380	382,148	(29,768)	-8%
Total other receivables	**8,548,380**	**10,498,485**	**(1,950,105)**	**-19%**
Total prepaid expenses and accrued income	**736,614**	**670,419**	**66,195**	**10%**
Total current assets	**9,284,994**	**11,168,904**	**(1,883,910)**	**-17%**

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 (€ 248 thousand) is recognised as financial income in the income statement. A portion of the securities portfolio has been used in a pledge guaranteeing existing bank overdrafts.

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

The item prepayments and accrued income includes the fair value of IRS hedging contracts in place at 30 June 2024, for € 107 thousand, and other accrued income for assistance and insurance fees.

11. Cash and cash equivalents

In line with the requirements established in CONSOB communication DEM/6064293 dated 28 July 2006 and in compliance with the Guidelines on disclosure requirements pursuant to Regulation EU 2017/1129 (the "Prospectus Regulation") issued by ESMA and explicitly referenced by CONSOB in its Call to Attention no. 5/21 dated 29 April 2021, the Group's net financial position at 30 June 2024 is as follows:

(values in Euro thousands)	30 June 2024 (a)	31 December 2023 (a)	Change %
A. Cash	10,368	14,613	-29%
C. Other current financial assets	7,027	6,979	1%
D. Cash and cash equivalent (A+C)	**17,395**	**21,592**	**-19%**
E. Bank overdrafts	(2,500)	(2,708)	-
F. Current portion of non current borrowings	(6,693)	(8,855)	-24%
G. Current borrowingse (E+F)	**(9,193)**	**(11,563)**	**-20%**
H. Current net financial indebtness (G+D)	**8,202**	**10,029**	**-18%**
I. Non current financial indebtness	(10,009)	(10,681)	-6%
L. Non current financial indebtness	**(10,009)**	**(10,681)**	**-6%**
M. Total financial indebteness (H+L)	**(1,807)**	**(652)**	**177%**

(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. The amounts of these at 30 June 2024 and 31 December 2023 are detailed in the table below.

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

	30-Jun-24	31-Dec-23
Cash and cash equivalents at end of the period	**7,868**	**11,904**
Current portion of non current borrowings	(5,412)	(7,439)
Non current borrowings	(5,332)	(5,452)
Securities held for trading	(1,281)	(1,416)
Other financial current borrowings	(4,677)	(5,228)
Other financial non current borrowings	7,027	6,979
Total net financial position	**(1,807)**	**(652)**

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

12. NET EQUITY

Share capital

Share capital came to € 1,099 thousand at 30 June 2024. Following the continuation of the share buy-back plan, at 30 June 2024, the Parent Company held 6,574 treasury shares, equal to 0.06% of the share capital. At the time this report was prepared (September 2024), the number of treasury shares owned has changed with respect to 30 June 2024 and amounts to 17,118, equal to 0.16% of the share capital. The following table shows the changes, in the first half of 2024, to the number of shares outstanding of the Parent Company:

Reconciliation of the number of outstanding shares	Outstanding shares (n.)
December 31, 2023	**10,996,432**
Treasury shares purchased	(29,298)
Treasury Shares sold	26,292
June 30, 2024	**10,993,426**

Other reserves

This item, equalling € 5,523 thousand at 30 June 2024, comprises the legal reserve for € 379 thousand, the extraordinary reserve for € 44 thousand, the reserve for unrealised exchange gains for € 55 thousand and the share premium reserve for € 5,046 thousand.

In particular, the share premium reserve, initially established when the Parent Company's ordinary shares were placed, fell by € 66 thousand during the half in question, following the recognition of operations carried out on treasury shares.

Foreign Exchange reserve

This item amounted to € 462 thousands as at 30 June 2024 and includes the exchange differences arising from conversion of the financial statements in foreign currencies. This reserve increased by € 98 thousand due to the recognition of other statement of comprehensive income items relating to the conversion of financial statements into foreign currency.

Retained earnings reserves

This item includes the following reserves:

Retained earnings

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

Actuarial measurement reserve for employee benefit funds

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

Result of the period

This item comprises the net result for the period of € 11,728 thousand and other profit/(loss) for the period, for a positive value of € 7 thousand relative to the component deriving from the actuarial measurement of severance indemnity. This financial component is shown, net of the relevant tax effect, in the other components of the statement of comprehensive income.

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

	Foreign exchange reserve	Retained earnings	Total Group	Minority interests	Total other comprehensive income/(losses)
Euro Thousand					
June 30, 2024					
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:					
Actuarial gain/(losses) on DBO (net of tax)		7	7		7
Total	-	**7**	**7**	-	**7**
Other comprehensive income/(losses) for the year that will be reclassified in icome statement:					
Exchange differences on translating foreign operatic	97		97	-	97
Total	97	-	97	-	97
Other comprehensive income/(losses) for the year:	**97**	**7**	**104**	**-**	**104**
June 30, 2003					
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:					
Actuarial gain/(losses) on DBO (net of tax)		1	1		1
Total	-	1	1	-	1
Other comprehensive income/(losses) for the year that will be reclassified in icome statement:					
Exchange differences on translating foreign operatic	25		25	-	25
Total	25	-	25	-	25
Other comprehensive income/(losses) for the year:	**25**	**1**	**26**	**-**	**26**

	June 30, 2024			June 30, 2023		
	Gross value	Fiscal effect	Net value	Gross value	Fiscal effect	Net value
Euro thousand						
Actuarial gain/(losses) on DBO	10	(3)	7	2	(1)	1
Exchange differences on translating foreign operatic	97		97	25		25
Other comprehensive income/(losses)	**106**	**(3)**	**104**	**27**	**(1)**	**26**

Earnings per share

Earnings per share have been calculated as per IAS 33. The value of this indicator is € 0.87 per share (€ 0.75 in the first half of 2023). This indicator has been calculated by dividing the profit or loss attributable to the shareholders of the Parent company by the weighted average of the ordinary shares in issue during the period (no. 10,993,426 in the first half of 2024). There were no significant dilutive factors.

13. Long-term borrowings

The item is made up of:

(In euros)

Long-term borrowings	30-Jun-24	31-Dec-23	Change	Change %
Loan BNL 6169054	625,000	1,041,667	(416,667)	-40%
Loan BNL 6177935	2,142,857	-	2,142,857	
Loan Intesa 0IC1076967680	574,149	860,406	(286,257)	-33%
Loan Banca Intesa garantito	-	360,135	(360,135)	-100%
Loan BNL garantito	-	357,143	(357,143)	-100%
Loan Intesa 0IC1011858979	-	357,850	(357,850)	-100%
Loan Intesa 0IC1021541583	1,594,008	1,940,176	(346,168)	-18%
Loan Simest - PP33867	300,000	360,000	(60,000)	-17%
Loan Simest - FM46888	9,821	19,642	(9,821)	-50%
Loan Simest - FM47037	-	6,325	(6,325)	-100%
Loan Simest - EC50949	16,842	33,683	(16,842)	-50%
Loan BNL 6173021	69,250	115,416	(46,166)	-40%
Total long-term borrowings	**5,331,926**	**5,452,443**	**(120,517)**	**-2%**

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

Change in borrowings	31-Dec-23	Refunds	New borrowings	Reclassification current portion	30-Jun-24
Non current portion					
Bank borrowings	5,452,443	-	2,500,000	(2,620,517)	5,331,926
Total non current borrowings	**5,452,443**	**-**	**2,500,000**	**(2,620,517)**	**5,331,926**
Curent portion					
Bank borrowings	7,438,616	(4,647,348)	-	2,620,517	5,411,785
Total current borrowings	**7,438,616**	**(4,647,348)**	**-**	**2,620,517**	**5,411,785**
Totale current and non current	**12,891,059**	**(4,647,348)**	**2,500,000**	**-**	**10,743,711**

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

(In euros)

Loan details	Finanziamento BNL 6173021	Finanziamento 0IC1021541583	Finanziamento Banca Intesa garantito	Finanziamento BNL garantito
Lender	Banca Nazionale del Lavoro S.p.A.	Intesa S. Paolo S.p.A.	Intesa S. Paolo S.p.A.	Banca Nazionale del Lavoro S.p.A.
Originl amount	277,000	2,500,000	2,500,000	2,500,000
Contract date	17-Feb-23	30-Aug-23	17-Jun-20	22-Jun-20
Due date	17-Feb-26	30-Aug-27	17-Jun-25	16-Jun-25
N. installments	12	42	10	7
N. advanced installments	-	6	3	3
Periodicity	quarterly	monthly	half-yearly	half-yearly
Interest rate	Euribor 3M (base 360) floor zero + spread 1%	Euribor 1M (base 360) floor zero + spread 0,95%	Euribor a 6 months + spread 0,7%	Euribor a 6 months + spread 0,7%
Current Portion	92,333	740,257	719,268	714,286
Non current portion	69,250	1,594,008	-	-

Loan details	Finanziamento Intesa 0IC1011858979	Finanziamento BNL 6169054	Finanziamento Unicredit 0IC1076967680	Finanziamento BNL 6177935
Lender	Intesa S. Paolo S.p.A.	Banca Nazionale del Lavoro S.p.A.	Intesa S. Paolo S.p.A.	Banca Nazionale del Lavoro S.p.A.
Originl amount	2,500,000	2,500,000	2,000,000	2,500,000
Contract date	19-May-21	22-Mar-22	25-Feb-22	10-Apr-24
Due date	19-May-25	22-Mar-26	25-Feb-26	10-Apr-28
N. installments	7	12	8	14
N. advanced installments	1	4	-	2
Periodicity	half-yearly	quarterly	half-yearly	quarterly
Interest rate	Euribor 6 months + spread 0,65%	Euribor a 3 months + spread 0,85%	Euribor a 6 months + spread 0,90%	Euribor a 4 months + spread 0,85%
Current Portion	715,464	833,333	571,970	357,143
Non current portion	-	625,000	574,149	2,142,857

Loan details	Finanziamento Intesa 0IR1017977389	Finanziamento Simest - PP33867	Finanziamento Simest - FM46888	Finanziamento Simest - FM47037	Finanziamento Simest - EC50949
Lender	Intesa S. Paolo S.p.A.	Sace Simest	Sace Simest	Sace Simest	Sace Simest
Originl amount	2,500,000	480,000	93,418	25,300	101,587
Contract date	25-Oct-22	31-Mar-21	30-Sep-21	30-Sep-21	12-May-22
Due date	25-Oct-24	31-Dec-27	15-Oct-25	15-Oct-25	12-Nov-25
N. installments	24	8	6	6	6
N. advanced installments	-	5	2	2	2
Periodicity	monthly	half-yearly	half-yearly	half-yearly	half-yearly
Interest rate	2.37%	0.55%	0.55%	0.55%	0.55%
Current Portion	424,917	180,000	19,643	9,489	33,683
Non current portion	-	300,000	9,821	-	16,842

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

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

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

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

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

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

Derivative instruments details	**Banca Intesa (guaranteed)**	**BNL (guaranteed)**
Counterpart	Intesa S.Paolo S.p.A.	BNL Group
Type of contract	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedging of interest variability risk associated with the Banca Intesa loan	Hedging of interest variability risk associated with the BNl Group loan
Original amount	2,500,000	2,500,000
Periodicity	Half-yearly	Half-yearly
Bank Interest Rate	Euribor 6 months	Euribor 6 months
Company Interest Rate	0.09%	0.05%
Contract date	17 June 2020	22 June 2020
Due date	17 June 2025	16 June 2025
Mark to market amount at June 30, 2023	19,700	19,244

Derivative instruments details	**BNL 6169054**	**Banca Intesa**
Counterpart	BNL Group	Intesa S.Paolo S.p.A.
Type of contract	Interest Rate Swap (IRS)	Interest Rate Swap (IRS)
Purpose	Hedging of interest variability risk associated with the BNl Group loan	Hedging of interest variability risk associated with the Banca Intesa loan
Original amount	2,500,000	2,000,000
Periodicity	Quarterly	Half-yearly
Bank Interest Rate	Euribor 6 months	Euribor 6 months
Company Interest Rate	1.05%	1.00%
Contract date	12 April 2022	12 April 2022
Due date	22 March 2026	25 February 2026
Mark to market amount at June 30, 2023	32,522	36,046

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

At 30 June 2024, financial liabilities for rights of use, calculated by discounting the value of lease fees due, amounted to € 5,958 million, of which € 4,677 million classified under non-current liabilities and € 1,281 million classified under current liabilities.

The change with respect to 31 December 2023 is linked to the net effects of the payment of instalments coming due during the half.

Non-current liabilities include financial liabilities with maturity dates exceeding five years for € 1,415 thousand.

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

15. Provisions for personnel and similar

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

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

The present value of liabilities for severance indemnity, in accordance with IAS 19, is € 318 thousand (€ 2,027 thousand at 31 December 2023, of which € 314 thousand relative to severance indemnity for the Italian companies and € 1,713 thousand relative to the employee benefits fund for the subsidiary Eminence Speakers LLC). Beyond the change in the provision for severance indemnity, the decrease is also due to the full reimbursement of the employee benefits fund for the subsidiary Eminence Speakers LLC.

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

Technical parameters	30-Jun-24
Technical annual discounting rate	3.49%
Annual inflation rate	2.00%
Tasso annuo incremento TFR	3.00%

With regard to the evaluation of the discount rate, the reference used was the IBoxx Corporate AA index of June 2024 with a duration from 7 to 10 years (in line with the average duration of the evaluated group).

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

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

Sensitivity analysis

	DBO 30-june-2024
Turnover rate +1%	313,547
Turnover rate -1%	311,830
Inflation rate + 0,25%	316,221
Inflation rate - 0,25%	309,292
Discount rate + 25%	307,710
Discount rate - 25%	317,896

Estimated future payments

Year	Amount
1	37,751
2	33,720
3	32,731
4	31,673
5	30,579

Service Cost and Duration

Service Cost	0.00
Duration	8.04

Provisions for Directors' Severance Pay at 30 June 2024 amounted to € 527 thousand (€ 411 thousand at 31 December 2023) and, in order to recognise them, for each Director, provisions were set aside for the portion matured during the period on the basis of the existing agreement. The change since 31 December 2023 is the consequence of provisioning during the period.

16. Provisions for risks and charges

At 30 June 2024 the item, of € 40 thousand (unchanged from 31 December 2023), contains provisions to cope with the risk of warranty support for the Group's products.

17. Short-term borrowings

The item is made up of:

(In euros)

Short term borrowings	30-Jun-24	31-Dec-23	Change	Change %
Loan 0IC1021541583	740,257	559,824	180,433	32%
Loan Banca Intesa garantito	719,268	717,267	2,001	0%
Loan BNL garantito	714,286	714,286	0.05	0%
Loan Intesa 0IC1011858979	715,464	714,992	472	0%
Loan BNL 6177935	357,143	-	357,143	
Loan Intesa 0IR1017977389	424,917	1,056,047	(631,131)	-60%
Loan BNL flussi	-	1,000,000	(1,000,000)	-100%
Loan Intesa 0IC1076967680	571,970	570,883	1,087	0%
Loan BNL 6169054	833,333	833,333	-	0%
Loan BNL flussi	-	1,000,000	(1,000,000)	-100%
Loan BNL 6173021	92,333	92,333	-	0%
Loan Simest - PP33867	180,000	120,000	60,000	50%
Loan Simest - FM46888	19,643	19,642	1	0%
Loan Simest - FM47037	9,489	6,325	3,164	50%
Loan Simest - EC50949	33,683	33,683	-	0%
Short-term borrowings	**5,411,785**	**7,438,616**	**(2,026,831)**	**-27%**
Bank overdrafts	2,500,302	2,708,450	**(208,148)**	**-8%**
Total	**7,912,087**	**10,147,066**	**(2,234,979)**	**-22%**

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

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

18. Trade payables

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

(In euros)

Trade payables	30-Jun-24	31-Dec-23	Change	% Change
Trade payables	14,943,780	10,823,737	4,120,043	38%
Total trade payables	**14,943,780**	**10,823,737**	**4,120,043**	**38%**

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

19. Current tax liabilities

At 30 June 2024, the item of € 859 thousand (€ 1,011 thousand at 31 December 2023) and reflects the net debt position of some Group companies (see Note 9).

20. Other current liabilities

The item is made up of:

(In euros)

Other current liabilities	30-Jun-24	31-Dec-23	Change	% Change
Due to social security funds	297,462	517,414	(219,952)	-43%
Unused vacation time and holidays	887,807	955,867	(68,060)	-7%
Due to personnel	785,746	801,861	(16,115)	-2%
Other tax liabilities	169,535	280,026	(110,491)	-39%
Other liabilities	1,598,845	922,614	676,231	73%
Total current liabilities	**3,739,395**	**3,477,782**	**261,613**	8%

The item "Unused vacation time and holidays" includes accruals for the thirteenth month bonus as well as the payable for remaining holidays at 30 June 2024.

The category of “Due to personnel” includes payables for salary and retribution not yet paid at 30 June 2024 and settled within the third working day of the next month.

The item “Other payables” mainly includes the payable for directors’ fees (€ 150 thousand) as well as advances received from customers.

21. Commitments, guarantees and pending disputes

At 30 June 2024, as at 31 December 2023, no guarantees had been given to third parties by companies within the Group, with the exception of a portion of the securities portfolio which has been pledged as a guarantee for existing bank overdrafts.

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

Analysis of the breakdown of the main items of the consolidated income statement closed at 30 June 2024

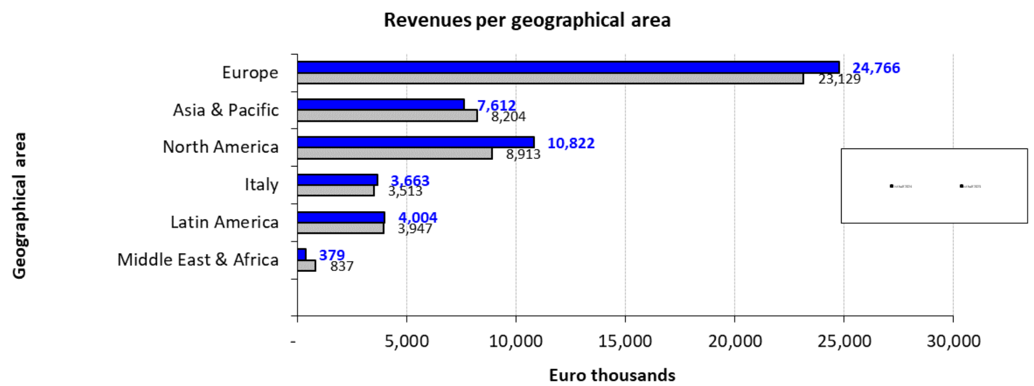
22. Revenue

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

(In euros)

Geographical Area	1st half 2024	%	1st half 2023	%	Change	Change %
Latin America	4,004,485	7.8%	3,946,663	8.1%	57,822	1%
Europe	24,766,440	48.3%	23,128,674	47.6%	1,637,766	7%
Italy	3,663,457	7.1%	3,513,022	7.2%	150,435	4%
North America	10,822,330	21.1%	8,913,217	18.4%	1,909,114	21%
Middle East & Africa	378,655	0.7%	836,642	1.7%	(457,987)	-55%
Asia & Pacific	7,611,750	14.9%	8,203,644	16.9%	(591,894)	-7%
Total	**51,247,118**	**100.0%**	**48,541,862**	**100.0%**	**2,705,257**	**5.57%**

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



New orders received, which continued to grow during the first half of 2024, made it possible to reverse the trend in revenues seen in the first half of the year, allowing the Group to achieve revenues of € 51.2 million during the half, up by 5.6% with respect to the same period in 2023.

The new subsidiaries contributed € 6.3 million to sales during the quarter.

Growth in turnover was in large part driven by European and North American customers.

In the first half of 2024, two clients were responsible for turnover above 10% of the total. They account for 14% and 18% of turnover for the half.

23. Cost of sales

The item is as follows (amounts in €):

Cost of sales	I half 2024	I half 2023	Change	Change %
Consumption of production materials	23,752,903	23,592,918	159,985	1%
Direct labour	6,411,070	5,241,780	1,169,290	22%
Freight	1,380,169	1,181,983	198,186	17%
Duties, commissions and other minor costs	496,469	451,735	44,734	10%
Totale Cost of Sales	**32,040,611**	**30,468,416**	**1,572,195**	**5%**

The increase in the cost of sales was essentially determined by the increase in purchase volumes needed to support higher production volumes, also following the expansion in the Group perimeter.

Despite the increase in the cost of sales in absolute terms, it remained substantially constant in terms of its impact on revenue when compared to the same period in 2023, going from 62.8% to 62.5%. This trend was due to a recovery of margins on the variable part of the cost of sales, due to normalisation of raw materials costs, which counteracted the decrease in margins due to the increased impact of personnel costs following the integration of the two new subsidiaries.

24. Other revenue

This category, which amounts to € 159 thousand for the first half of 2024 (€ 170 thousand in the first half of 2023), mainly refers to recovery of expenses.

25. Indirect Personnel

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

Cost of indirect labour	I half 2024	I half 2023	Variazione	Variazione %
Retribution	2,835,203	1,952,444	882,759	45%
Social charges	493,899	446,590	47,309	11%
Severance indemnity	98,825	90,629	8,197	9%
Total cost of indirect labour	**3,427,927**	**2,489,662**	**938,265**	**38%**

The increase in the cost of indirect personnel compared to the same period in 2023 is due for € 810 thousand to the expansion of the Group's scope, with the remaining amount associated with the hiring of new technical and production employees.

26. Commercial expenses

Commercial expenses came to € 639 thousand (€ 479 thousand in the first half of 2023) and mainly refer to commercial consulting and the cost of commercial activities at trade fairs.

This cost item increased by € 100 thousand following the expansion of the Group's perimeter. The remaining portion of the increase is due to additional commercial consulting fees.

27. Administrative and General expenses

Administrative costs and overheads totalled € 3,818 thousand (€ 3,216 thousand in the first half of 2023) and increased with respect to the corresponding figure from the first half of 2023 as a direct consequence of the expansion of the Group's perimeter. If the scope of consolidation was unchanged with respect to the first half of 2023, administrative costs and overheads would have fallen by € 154 thousand due to the elimination of the non-recurring costs incurred in the first half of 2023 associated with the acquisition and establishment of the two new subsidiaries.

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

The item is as follows (amounts in €):

Amortization, depreciation and writedowns	I half 2024	I half 2023	Change	Change %
Amortization of intangibles assets	83,359	79,446	3,914	5%
Depreciation of tangible assets	450,079	356,142	93,937	26%
Depreciation of right of use	755,566	599,578	155,988	26%
Total amortizations and depreciations	**1,289,005**	**1,035,166**	**97,851**	**9%**
Total value write-backs (write-downs) of trade and other receivables	-	-	-	

Depreciation and amortisation of property, plant and equipment, intangible fixed assets and rights of use increased due to the expansion of the Group’s perimeter with respect to the first half of 2023.

During the first half of 2024, there were no situations involving significant delays in receivables that made it necessary to carry out specific provisioning in terms of the expected loss.

29. Financial income and expenses

Financial income totals € 994 thousand (€ 785 thousand in the first half of 2023) and mainly includes financial income deriving from the fair value measurement of securities held for liquidity purposes for € 248 thousand, realised exchange gains for € 266 thousand, unrealised exchange gains for € 204 thousand and interest income from current accounts for € 18 thousand.

Financial expenses totalled € 664 thousand (€ 981 thousand in the first half of 2023) and mainly include the presumed loss deriving from fair value measurement of derivative contracts for € 57 thousand, realised exchange losses for € 593 thousand, unrealised exchange losses for € 35 thousand and interest payable on loans, bank overdrafts and rights of use for € 294 thousand (with € 110 thousand relating to financial expenses associated with measurement of leasing contracts in accordance with IFRS 16).

30. Taxes for the period

This item, including current and deferred taxes, is positive at € 1,202 thousand, compared to the negative € 2,715 thousand recognised in the first half of 2023. This trend is due to the effects of the tax benefits obtained following the renewal of the Patent Box ruling request filed with the Revenues Agency, which occurred during the half in question with reference to tax period 2020 and the following four tax periods. The tax benefit recognised during the half comes to € 3,957 thousand.

The tax burden for the period, net of the effect reported above, and calculated on the basis of the best estimate of the annual tax rate expected for the entire financial year, amounts to Euro 2,755 thousand and represents 26.2% of the Result before taxes (25.1% in the first half of 2023).

31. Transactions with related parties and subsidiaries under their management

The transactions that occurred during the first half of 2023 with related parties are summarised below together with information on transactions with related parties on the basis of the requirements of CONSOB Communication DEM/6664293 of 28 July 2006.

The related parties were identified by the Directors as the holding company Research & Development International S.r.l., a company which provides management and coordination over the issuer and has its with registered office in Florence, Italy at Viale dei Mille no. 60, Tax ID 02342270481, share capital € 90 thousand and, at 30 June 2024, holds 54% of the shares of B&C Speakers S.p.A.

Economic transactions

(In euros)

Financial costs	Total	Research & Development Intl. Srl	Total related parties	Incidence %
I half 2024	(659,181)	(33,640)	(33,640)	5%
I half 2023	(981,259)	(41,873)	(41,873)	4%

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

Financial Relationships

(In euros)

Other non current assets	Total	Research & Development Intl. Srl	Total related parties	Incidence %
30 june 2024	579,028	6,700	6,700	1%
31 december 2023	579,561	6,700	6,700	1%

Long-term lease liabilities	Total	Research & Development Intl. Srl	Total related parties	Incidence %
30 june 2024	(4,676,598)	(2,034,972)	(2,034,972)	44%
31 december 2023	(5,228,386)	(2,452,012)	(2,452,012)	47%

Short-term lease liabilities	Total	Research & Development Intl. Srl	Total related parties	Incidence %
30 june 2024	(1,281,272)	(875,489)	(875,489)	68%
31 december 2023	(1,416,216)	(921,670)	(921,670)	65%

Trade liabilities	Total	Research & Development Intl. Srl	Total related parties	Incidence %
30 june 2024	(14,943,780)	(86,981)	(86,981)	1%
31 december 2023	(10,823,737)	(88,737)	(88,737)	1%

The creditor position of Research & Development International S.r.l. existing at 30 June 2024, is related to the credit for an IRES rebate which arose in 2012 following the rebate application made by the Holding for the financial years in which the Group companies availed themselves of tax consolidation.

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

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

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

32. Transactions deriving from non-recurring operations

Pursuant to the CONSOB Communication dated 28 July 2006, it is noted that during the first half of 2024 no non-recurring operations occurred.

33. Transactions deriving from atypical and/or unusual operations

Under the terms of CONSOB Communication dated 28 July 2006, we can specify that during the first half of 2024 the Group did not engage in any atypical and/or unusual operations, as defined in the said Communication.

34. Information on financial risks

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

Group itself.

Currency exchange risks

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

In the first half of 2024, the Group continued to make significant purchases abroad, particularly in Asia; the value of purchases made in foreign currencies (USD and RMB) is summarised as follows:

- purchases in US dollars equal to 13.3 million whose corresponding value in Euros (calculated according to the average exchange rate for the period) is equal to € 12.3 million.
- purchases in RMB equal to 13.2 million whose corresponding value in Euros (calculated according to the average exchange rate for the period) is equal to € 1.7 million.

Meanwhile, during the first half of 2024, the Group invoiced clients in foreign currency. More specifically, within the *Revenue* item, the elements paid in foreign currency (USD, RMB and REAL) are listed below:

- turnover in US dollars equal to 18.4 million whose corresponding value in Euros (calculated according to the average exchange rate for the period) is equal to € 17.1 million;
- turnover in RMB equal to 21.4 million whose corresponding value in Euros (calculated according to the average exchange rate for the period) is equal to € 2.8 million.
- turnover in REAL equal to 2.5 million whose corresponding value in Euros (calculated according to the average exchange rate for the period) is equal to € 0.5 thousand.

These figures show that purchases in foreign currency account for approximately 39% of total purchases (30% in the first half of 2023), while sales in foreign currency account for 40% of the Group's turnover (31% in the first half of 2023).

Considering that which is set out above, an increase/decrease of 3% in the Euro would generate potential gains of € 146 thousand and losses of € 138 thousand, respectively.

Within the equity items, the equivalent in Euros of trade receivables entered in US dollars amounted to € 10.1 million at 30 June 2024 (the total value at 31 December 2023 was € 6.3 million), while the equivalent value of trade payables denominated in US dollars at 30 June 2023 was € 5.4 million (the total value at 31 December 2023 was € 3.6 million).

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 € 120 thousand and losses of € 128 thousand, respectively.

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 36% 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 30 June 2024, with the associated costs and profits entered in the income statement.

Credit risk

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

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

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

Interest rate risk

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

Liquidity risk

At 30 June 2024, the Group had a negative Net Financial Position of € 1.8 million (negative at € 0.6 million at 31 December 2023). This is the result of a current NFP which is positive at around € 8.2 million (positive at € 10 million at 31 December 2023), and non-current financial debt of € 10 million (€ 10.6 million at 31 December 2023). For the characteristics of the loans in question, reference should be made to Note 13.

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

35. Hierarchical levels of the fair value measurement

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

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

The table below shows the assets and liabilities measured at fair value as at 30 June 2024, according to the hierarchical level of fair value measurement:

Hierarchical level of Fair Value measurement	Level 1	Level 2	Level 3
Financial assets			
Other current assets	7,026,683	-	-
Total	**7,026,683**	-	-
Financial liabilities			
Interest Rate Swap	-	107,512	-
Total	**-**	**107,512**	-

We note that, with respect to 31 December 2023, there were no movements between the various fair value levels.

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

36. Subsequent events

At the time this interim report was prepared, no other events had occurred after 30 June 2024 which required full reporting in this report.

37. Publication authorisation

This document was published on 10 September 2024, authorised by the Chief Executive Officer.

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

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

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

- the effective application of the administrative and accounting procedures for formation of the condensed interim financial statements during the first half of 2024.

2. We can also confirm that:

2.1 the condensed consolidated interim financial statements:

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

- correspond to the information in the accounting ledgers;

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

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

Florence, 10 September 2024

Lorenzo Coppini | Francesco Spapperi

Independent Auditors' Report

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REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the shareholders of
B&C Speakers SpA

Foreword

We have reviewed the accompanying condensed consolidated interim financial statements of B&C Speakers SpA and its subsidiaries (the B&C Speakers Group) as of 30 June 2024, comprising the consolidated statement of financial position, consolidated statement of comprehensive income, statement of changes in the consolidated shareholders' equity, consolidated cashflow statement and related notes. The directors of B&C Speakers SpA are responsible for the preparation of the condensed consolidated interim financial statements in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our work in accordance with the criteria for a review recommended by Consob in Resolution No. 10867 of 31 July 1997. A review of condensed consolidated interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of the B&C Speakers Group as of 30 June 2024 are not prepared, in all material respects, in accordance with International Accounting Standard 34 applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Florence, 10 September 2024

PricewaterhouseCoopers SpA

Signed by

Federico Bitossi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.