



Driving Human Audio Experience

FISCAL YEAR 2018 PRESENTATION

April 12, 2019

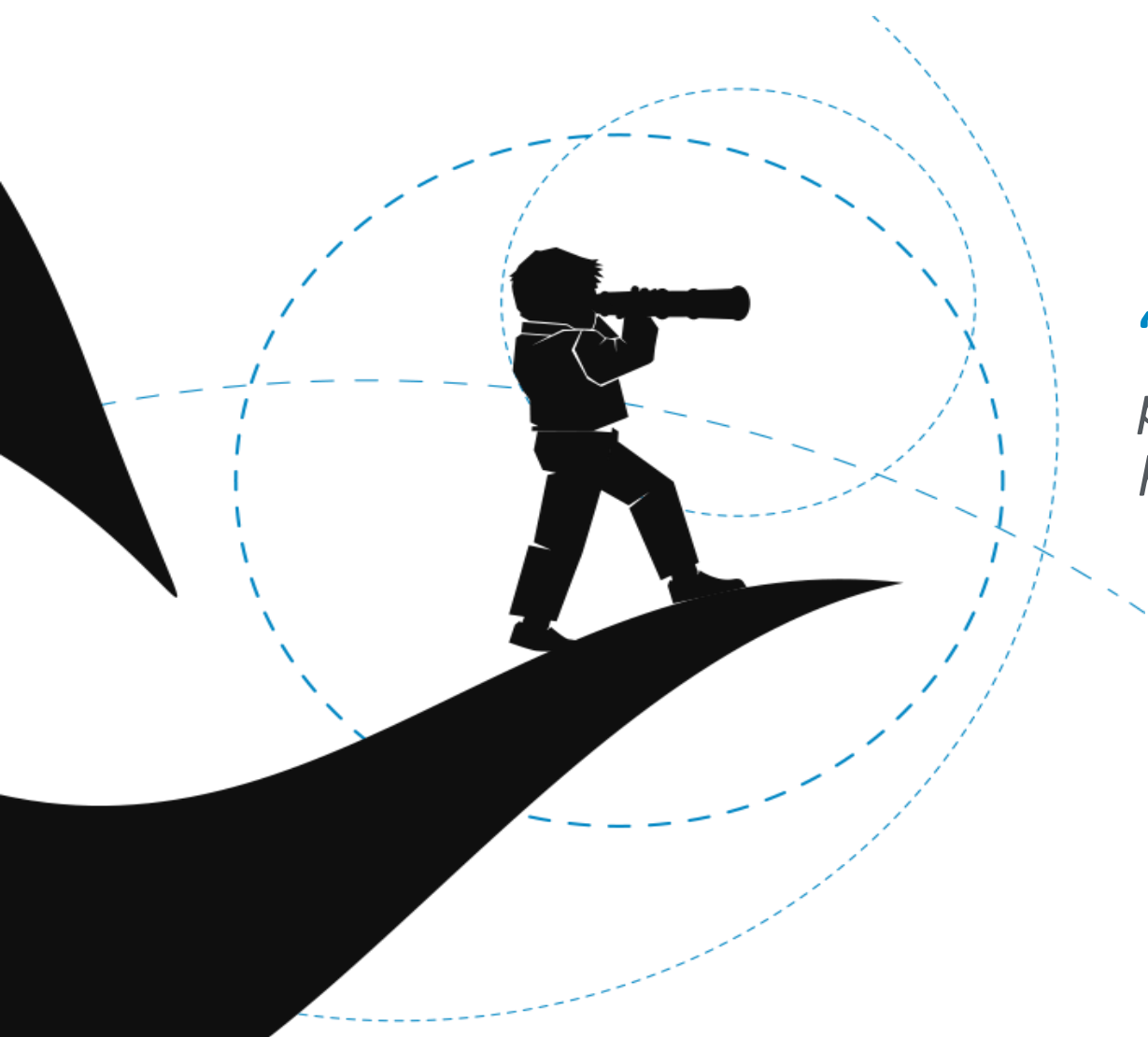
DISCLAIMER

“This Presentation contains certain forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of Powersoft S.p.A. (“**Powersoft**” or the “**Company**”) or cited from third party sources, are solely opinions and forecasts reflecting current views with respect to future events and plans, estimates, projections and expectations which are uncertain and subject to risks. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. If certain risks and uncertainties materialize, or if certain underlying assumptions prove incorrect, the Company may not be able to achieve its financial targets and strategic objectives. A multitude of factors which are in some cases beyond the Company’s control can cause actual events to differ significantly from any anticipated development. Forward-looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No one undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. Forward-looking statements speak only as of the date of this Presentation and are subject to change without notice. No representations or warranties, express or implied, are given as to the achievement or reasonableness of, and no reliance should be placed on, any forward-looking statements, including (but not limited to) any projections, estimates, forecasts or targets contained herein. Powersoft does not undertake to provide any additional information or to remedy any omissions in or from this Presentation. Powersoft does not intend, and does not assume any obligation, to update industry information or forward-looking statements set forth in this Presentation. This presentation does not constitute a recommendation regarding the securities of the Company.

This Presentation is not an offer, or a solicitation of an offer, to buy, sell or exchange any securities in Italy, pursuant to Section 1, letter (t) and letter (v) of Legislative Decree no. 58 of February 24, 1998, or in any other country or state and is not a prospectus or an offer document within the meaning of Italian laws and regulations.”



OUR MISSION



“To make inspiring, reliable and innovative products that shape audio frontiers while helping customers be more successful”



INVESTMENT CASE



A worldwide recognized brand in Pro-Audio



A story of excellence and innovation



Reinforced structure to face future challenges



Board of proven experience for the new development phase



Sales growth above market, high operational marginality and excellent financial soundness



Great potential for further international expansion



INDEX

- OVERVIEW
- PRODUCTS
- BUSINESS MODEL
- MARKET
- FINANCIALS
- STRATEGY & OUTLOOK



WE ARE A WORLD TECHNOLOGICAL LEADER IN LIGHTWEIGHT, HIGH-POWER, ENERGY EFFICIENT PRO-AUDIO AMPLIFIERS



Specialized in design, production and marketing of high-end patented technologies for professional audio applications



24 international patents, main trademarks registered in over 30 Countries, many others are in the registration phase



Pioneer in switch-mode technology, worldwide credited as a standard setter industry innovator



Presence in 80 countries, with a wide network of distributors, and 35 certified technical service centers



Consolidated Financials prepared in accordance with IAS/IFRS principles and audited by KPMG



2013: Elite Company at the Italian Stock Exchange
2018: Innovative SME
Since Dec. 17, 2018: Listed on the AIM Market



A HISTORY OF GROWTH

1995-1998

BIRTH AND DEVELOPMENT

Luca Lastrucci, his brother, Claudio, and their mutual friend Antonio Peruch, began by designing amplifiers

They succeeded in making a Class D amplifier with very high levels of power

1998-2008

COMPANY GROWTH

Product and sales network consolidation

First company to introduce high power amplification modules to be used inside active loudspeakers

US market entry with the foundation of Powersoft US

2008-2018

CONSOLIDATION AND DIVERSIFICATION

Today Powersoft is a **world technological leader company** for the professional audio market

Their state-of-the-art amplifiers can be found in an array of markets and are used by the world's **leading tour sound companies**

Significant investments to **strengthen the organizational structure**

DEC. 17, 2018

IPO

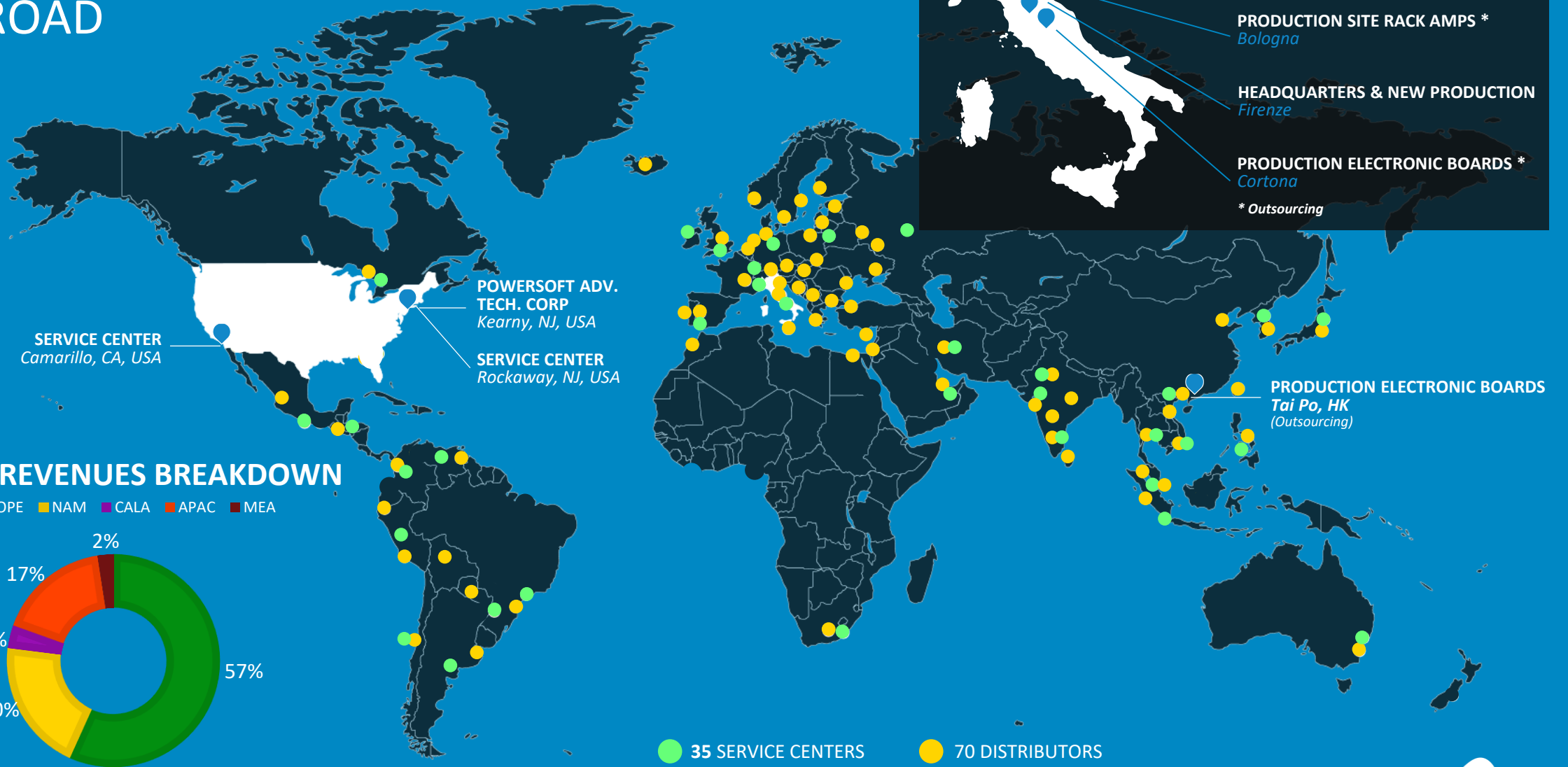
Powersoft is listed on **AIM Italia**, market dedicated to **dynamic and competitive SMEs**, which are looking for capital in order to finance their growth.

Since the first day of listing, Powersoft's shares registered an increase of **46%**, overperforming the FTSE AIM Italia by **30%** and the FTSE MIB by **39%**

OVERVIEW

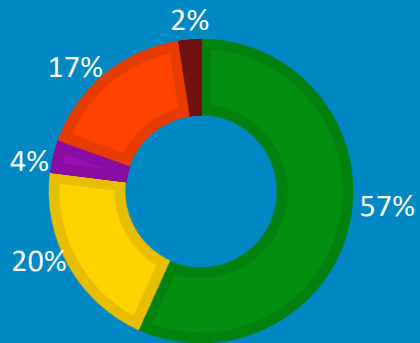


STRONG INTERNATIONAL PRESENCE: MORE THAN 91% OF SALES GENERATED ABROAD



2018 REVENUES BREAKDOWN

■ EUROPE ■ NAM ■ CALA ■ APAC ■ MEA



GOVERNANCE & GROUP ORGANIZATION

BOARD OF DIRECTORS

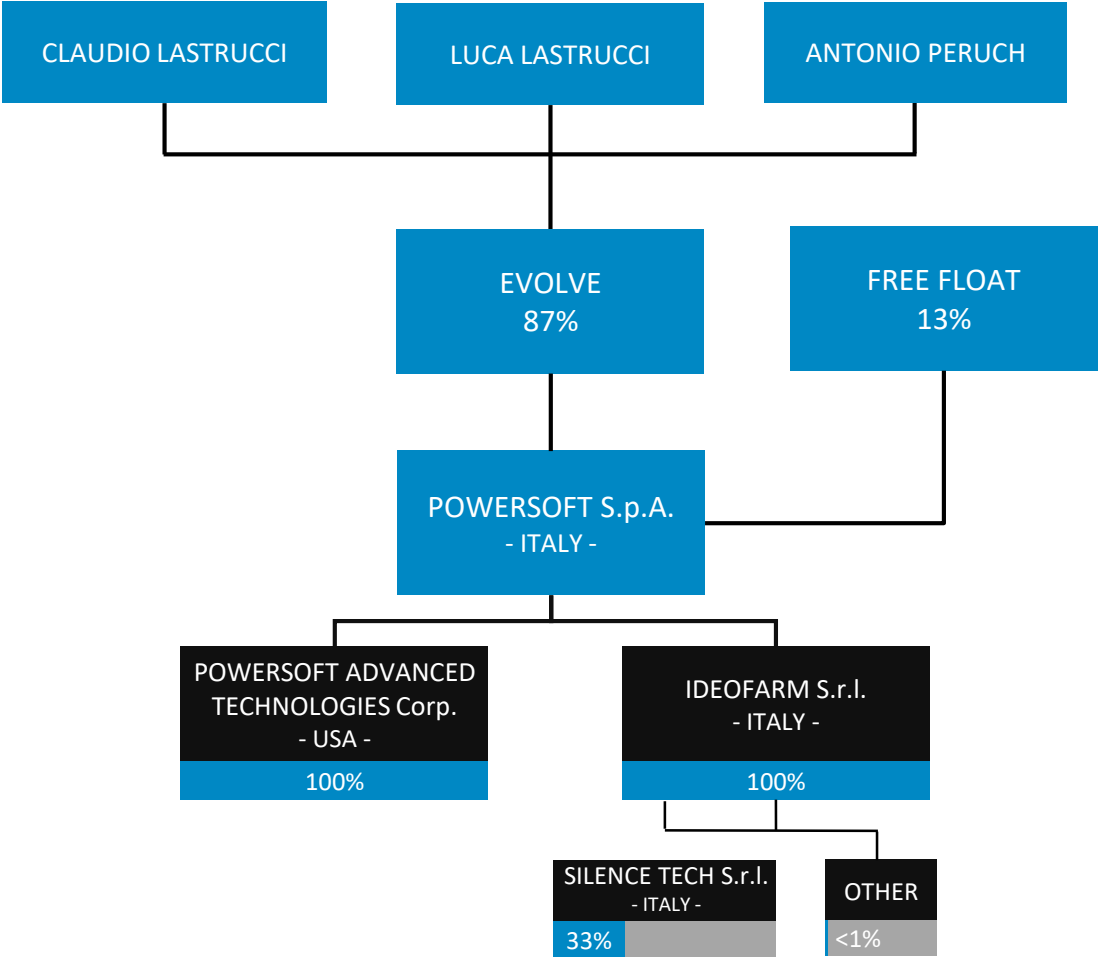
- Carlo Lastrucci**
Chairman
- Luca Lastrucci**
CEO

Claudio Lastrucci
Director
- Antonio Peruch**
Director

Luca Giorgi
Director
- Paolo Blasi**
Independent Director

Lorenzo Lepri
Non-executive Director

SHAREHOLDING AND GROUP ORGANIZATION CHART



AUDIT FIRM



BOARD OF STATUTORY AUDITORS

- Luigi Fazzini**
Chairman
- Carlo Consigli**
Standing Statutory Auditor

Massimiliano Manfredi
Standing Statutory Auditor



A SUCCESSFUL IPO



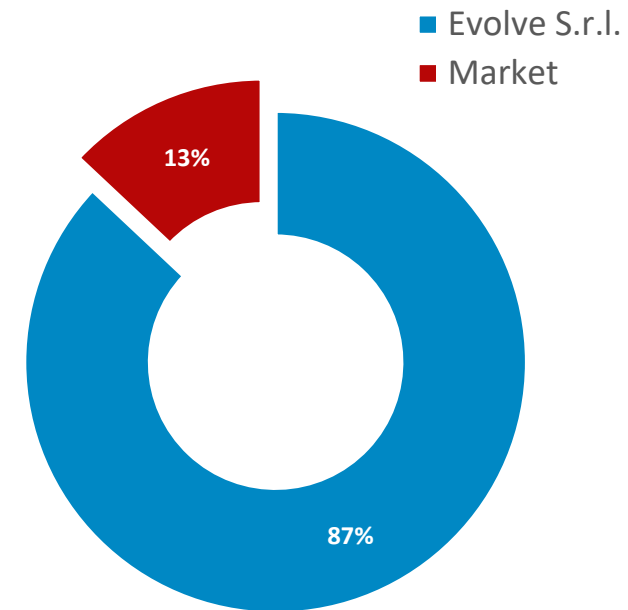
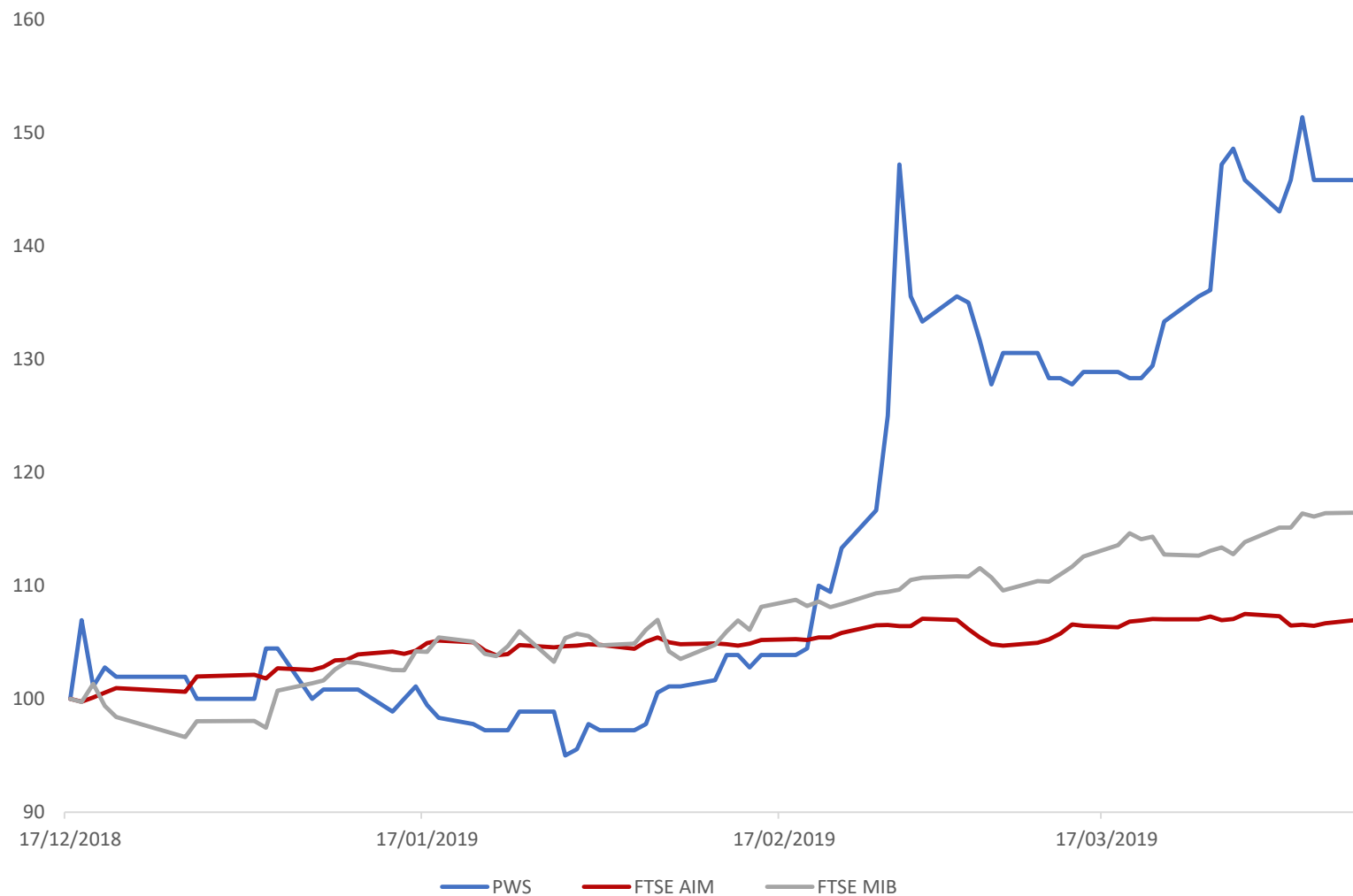
IPO FIGURES	
Number of shares pre-IPO	1,417,500
Shares newly issued	1,350,000
Greenshoe	67,500
Warrant	647,550
Outstanding shares post-IPO	10,900,000
Free Float	13%
Issue Price (€)	3.60
Market Cap (€/M) @ IPO	39.2

- The Placement has generated an overall demand higher than the offer, mostly from leading institutional investors
- Negotiations started on December 17, 2018

<<We are proud to have succeeded in going forward with this path in a phase of the financial market characterized by strong volatility. The fact that there was a higher demand than supply testifies to the appreciation from the financial community towards our company and the projects we have in the pipeline>> Luca Lastrucci CEO



STOCK PERFORMANCE SINCE IPO



Market: AIM Italia

Price (08/04/2019): €5.35

Market Cap (08/04/2019): €54.5 M

Average Daily Volume*: 7.8K

Note: *Last three months

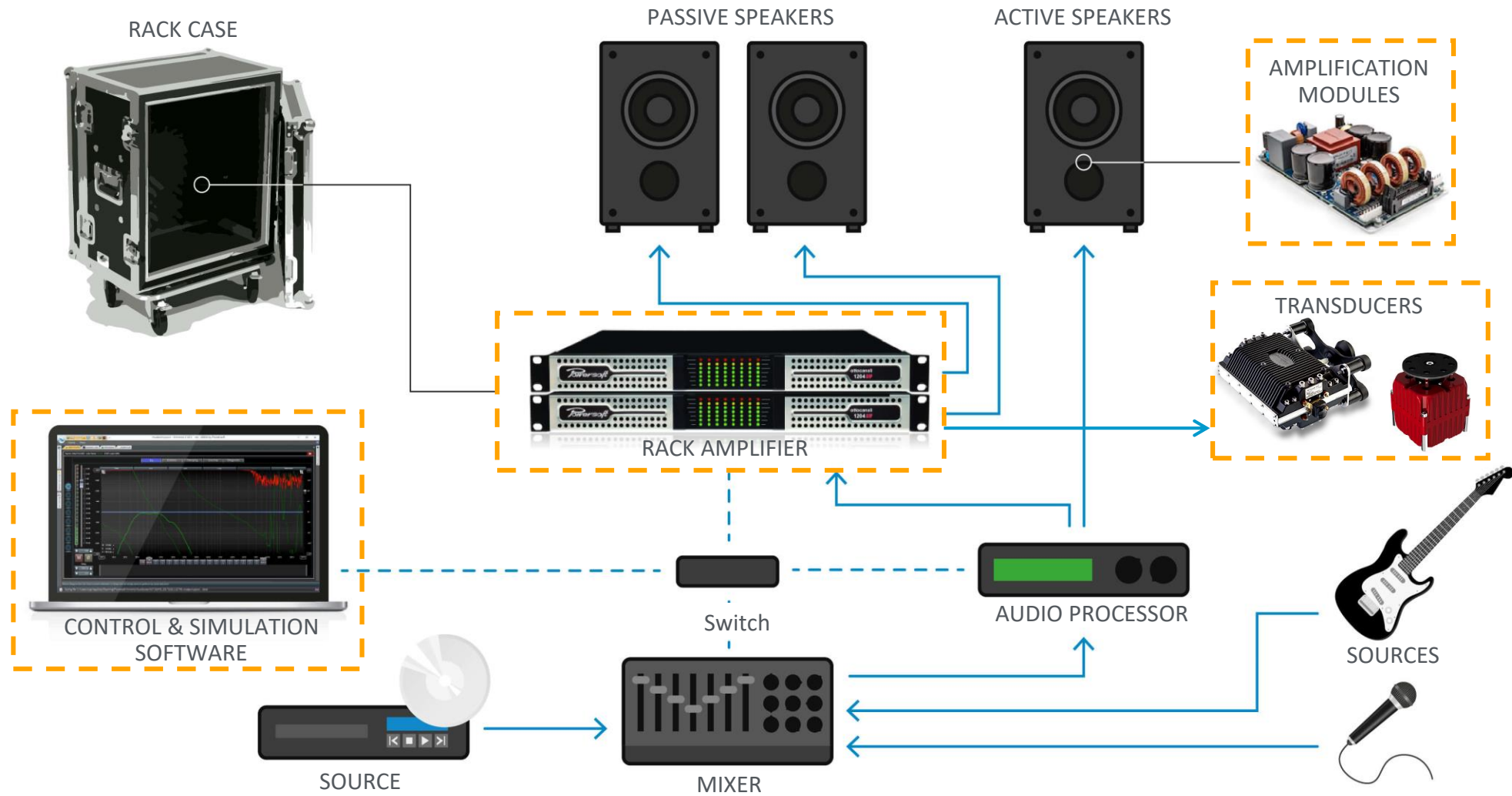


INDEX

- OVERVIEW
- PRODUCTS
- BUSINESS MODEL
- MARKET
- FINANCIALS
- STRATEGY & OUTLOOK



THE AUDIO SYSTEM



 Powersoft Products

PRODUCTS



A WIDE RANGE OF PRODUCTS...

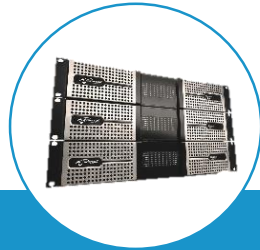


RACK AMPLIFIERS
FOR TOURING

COMPLETE SYSTEMS

High performance and power combined with reduced dimensions to facilitate portability and logistics

- T Series
- X Series
- K Series
- M Series

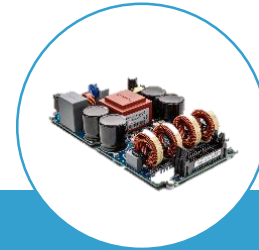


RACK AMPLIFIERS
FOR FIXED
INSTALLATIONS

COMPLETE SYSTEMS

A family of products designed specifically for applications where efficiency and reliability are a key requirement

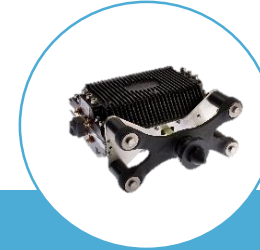
- Duecanali Series
- Quattrocanali Series
- Ottocanali Series



AMPLIFICATION
MODULES

COMPONENTS

Devices designed to provide very compact amplifiers and high configurability to facilitate integration into third-party (speakers) products



TRANSDUCERS

COMPONENTS

Innovative devices for acoustic transduction at very high efficiency for low frequencies

- Ipalmod
- M-Force
- M-Drive
- Mover



MULTIMEDIA

COMPLETE SYSTEMS

Multimedia device (audio, video, light, wireless, sensors, UMTS, ...) energy-efficient, functioning even without power connection, thanks to an internal battery and photovoltaic recharge. Programmable and controllable remotely for outdoor applications



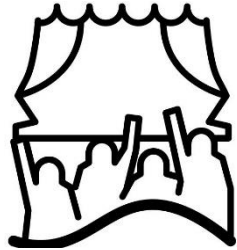
...TO MEET DIFFERENT MARKET SEGMENTS



HOSPITALITY

Low consumption, high engagement, uniform and non-invasive distribution of sound

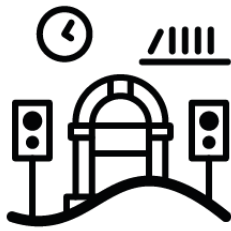
- Theme parks
- Resorts & Hotels
- Bars & Restaurants



TOURING

High power, minimum weight, maximum efficiency and reliability

- World Tours
- Live Events
- Concerts



RETAIL

Broad coverage, low consumption, flexibility and ease of use

- Malls
- Shopping Centres
- Shops



HOUSE OF WORSHIP

Uniform distribution of sound, clarity of acoustics, reliability and ease of use

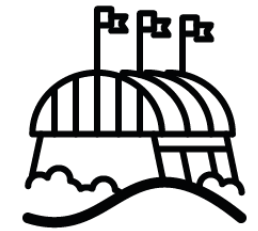
- Churches
- Mosques
- Other places of worship



CORPORATE

Reliable audio distribution systems, flexibility in the corporate environment

- Companies
- Offices
- Meeting rooms



VENUES

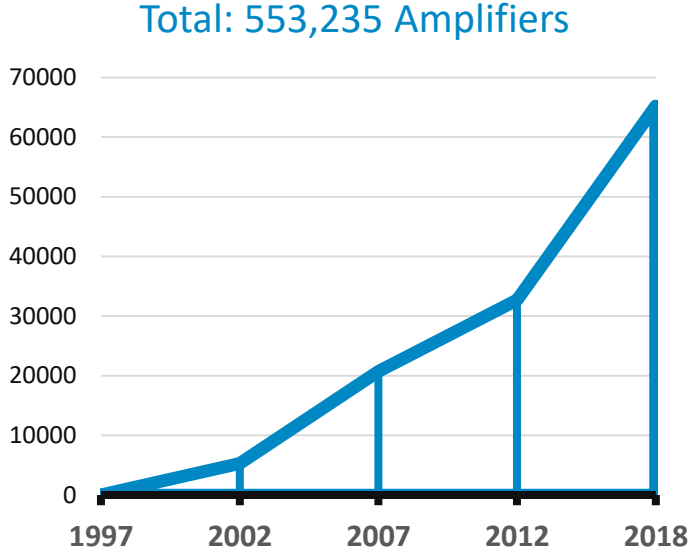
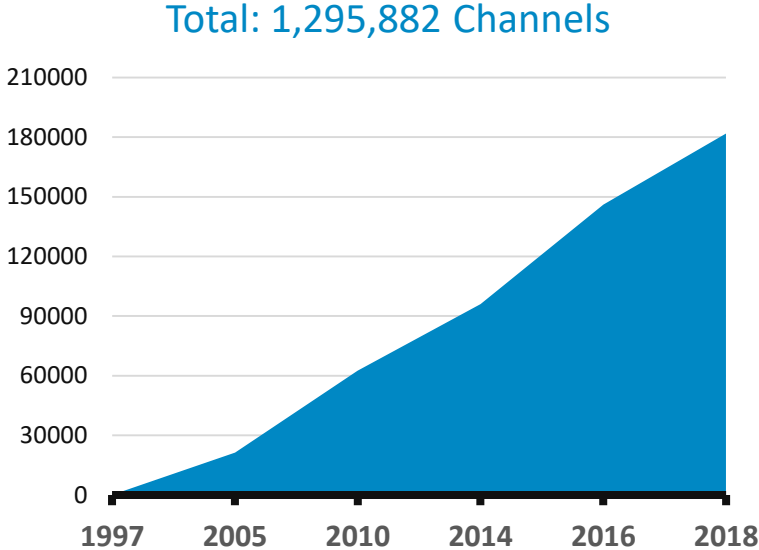
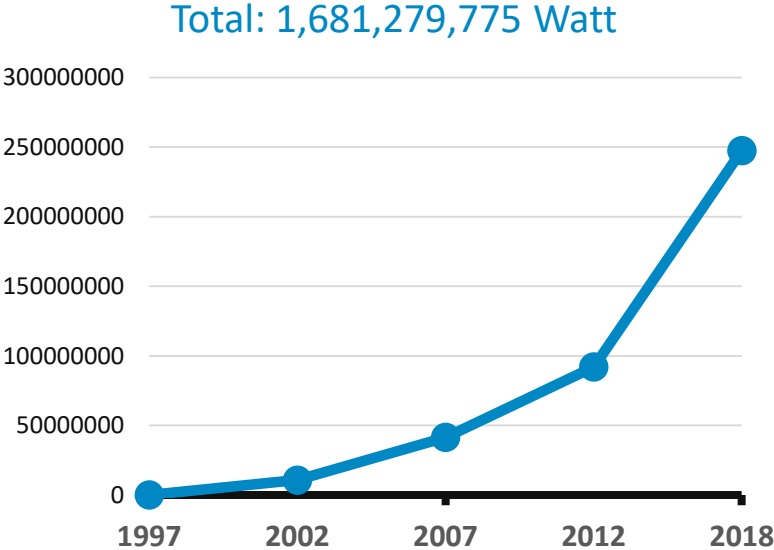
Power and reliability, audio quality, immersive and multi-zone experience

- Stadiums
- Theaters
- Convention Centres
- Museums
- Clubs



ON THE FIELD

Wide range of products sold all over the world, high audio power, high number of amplified channels*

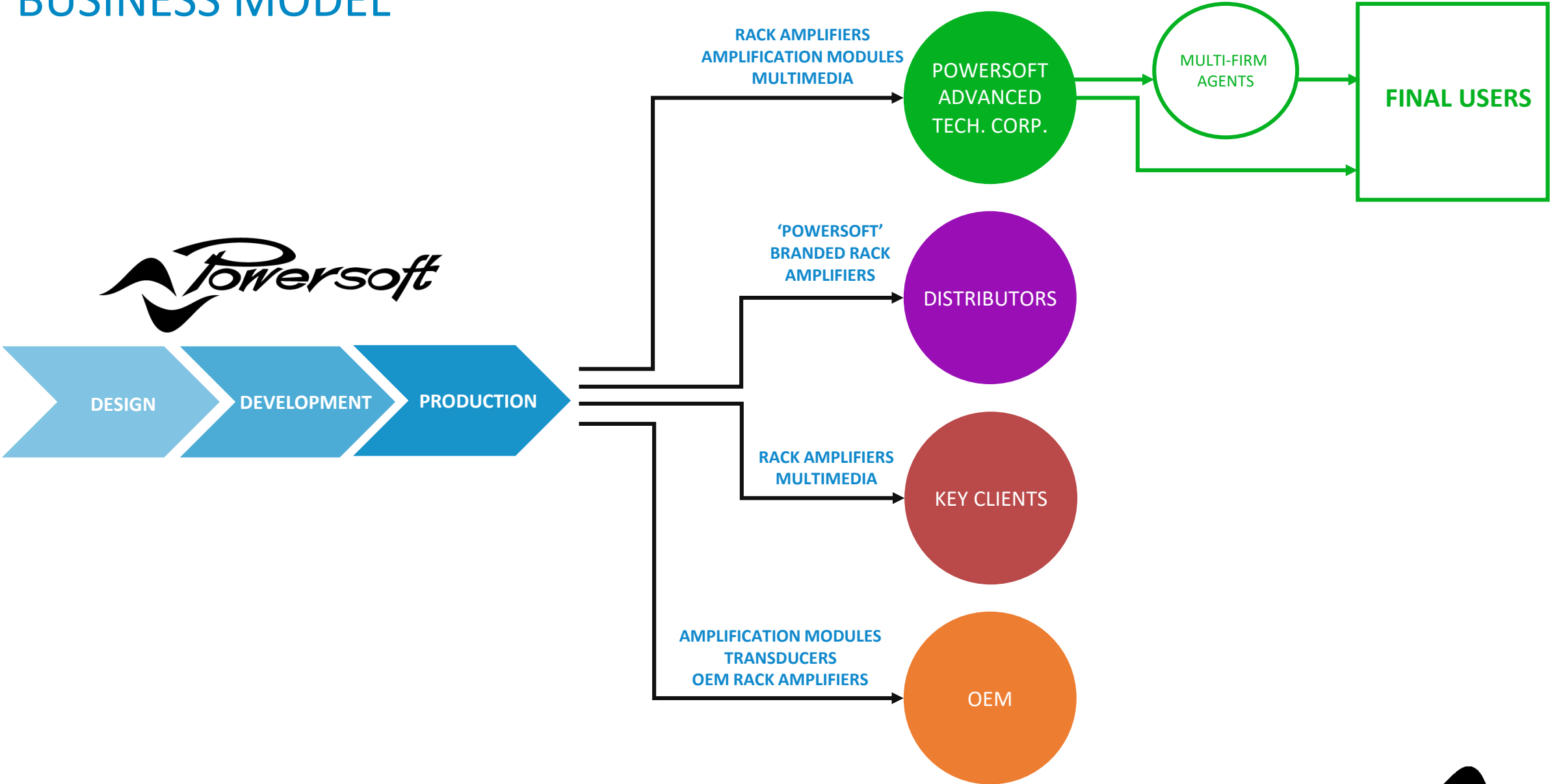


INDEX

- OVERVIEW
- PRODUCTS
- BUSINESS MODEL
- MARKET
- FINANCIALS
- STRATEGY & OUTLOOK



BUSINESS MODEL

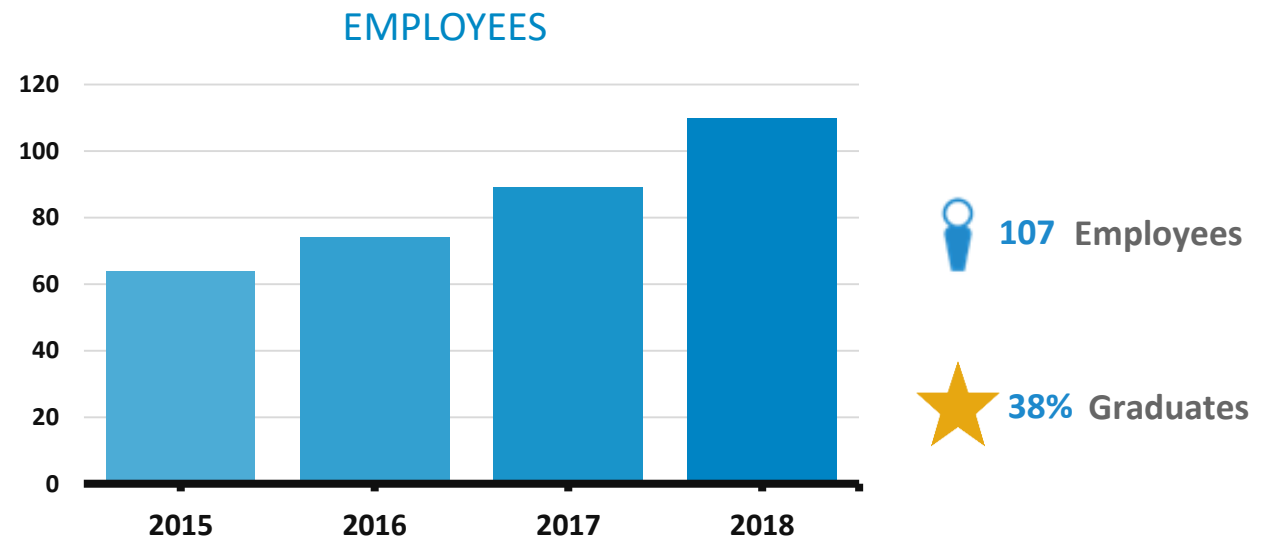


REINFORCED STRUCTURE TO FACE FUTURE CHALLENGES

Our highly-skilled and multi-disciplined personnel is engaging in **Research and Development**, technical assistance, marketing, sales, logistics, and warehouse duties.

The initial concept, electronic and mechanical projects, firmware and software, signal processing, algorithms and testing are **entirely developed within the headquarters**, both for certification purposes and to assure excellent operations in the most demanding conditions.

- New highly-skilled and multi-disciplined personnel
- ERP (**Oracle**): strengthened and fully operational
- «**Lean**» **Production**: fully operational N° 5 lines
- Almost **30%** involved in **R&D**



A STORY OF EXCELLENCE AND INNOVATION IN R&D

Development of **breakthrough technology** that has changed the landscape of professional audio.

INNOVATOR IN SWITCH-MODE TECHNOLOGY

Class-D reliable and effective

PATENTED TECHNOLOGY

- Pulse Width Modulation (PWM)
- Power Factor Correction (PFC)
- Differential Pressure Control (DPC)
- Smart Rails Management (SRM)

GREEN AUDIO POWER

- Environmental sustainability
- Eco-friendly production sites
- Solar power (lower carbon footprint)



BUSINESS MODEL

 ~8%
OF 2018 REVENUES
INVESTED IN R&D

 24
INTERNATIONAL
PATENTS

 29
R&D EMPLOYEES
(~ 30% OF EMPLOYEES)

AWARDS



ARMONÍAPLUS



QUATTROCANALI



OTTOCANALI



OTTOCANALI



X SERIES



M SERIES HDSP



DEVA



OTTOCANALI
12K4



OTTOCANALI
1204



K10



2019 NEW PRODUCTS



- **T Series:** huge processing power amp (up to 6KW for chs) and portability for small to medium sized live shows



- **Mover:** shaker unit to be used in conjunction with a sound source (amplifier) for a new dimension of entertainment



- **X4L:** the smartest and most powerful amplifier yet



- **Loto:** add state of the art processing power to any powered loudspeaker



IDEOFARM

- **Accelerator of Ideas** where engineers, designers and potential new Powersoft employees develop their innovative and disruptive ideas;
- **Research and possible development of innovative technologies**, mainly for applications in the **Digital Audio / Video Entertainment** sector (for example **Mover**);
- Point of contact between **Research Centers, Universities** and the **world of work**;
- Internal Incubator that provides its **expertise, laboratories, equipment, instruments** (3D printers, climatic chamber, testing system, ...), **CAD, simulators**.



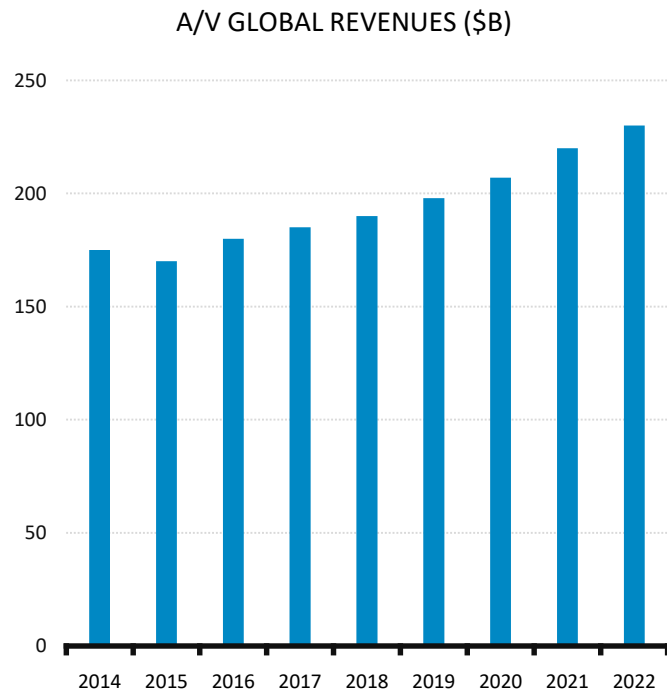
INDEX

- OVERVIEW
- PRODUCTS
- BUSINESS MODEL
- MARKET
- FINANCIALS
- STRATEGY & OUTLOOK

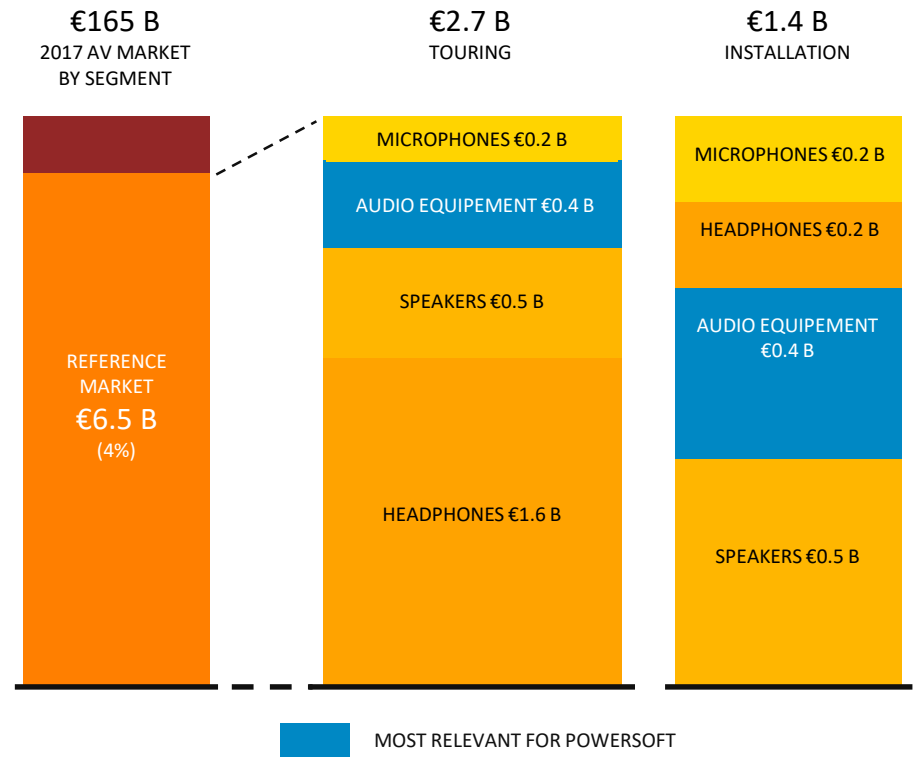
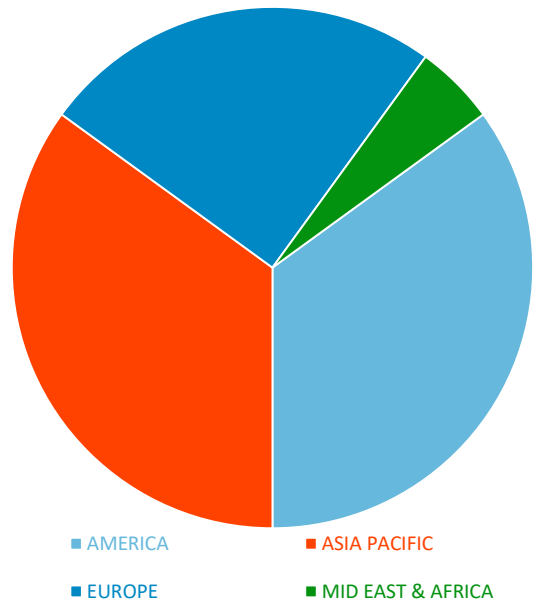


AUDIO-VIDEO MARKET ESTIMATED TO BE WORTH €165 BILLIONS

Within an enormous audio equipment market, the addressable market for Powersoft's most relevant products and solutions both in Touring and Fixed Installation, account for ~€800 M.



DISTRIBUTION OF GLOBAL REVENUES AV

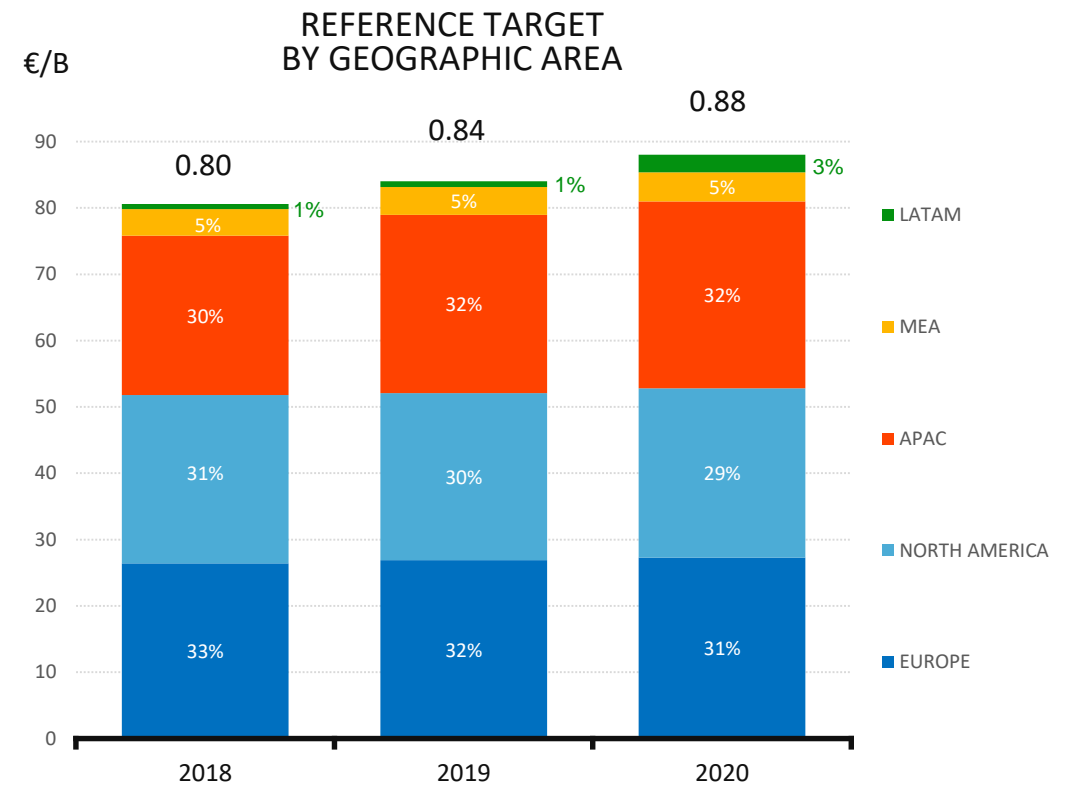
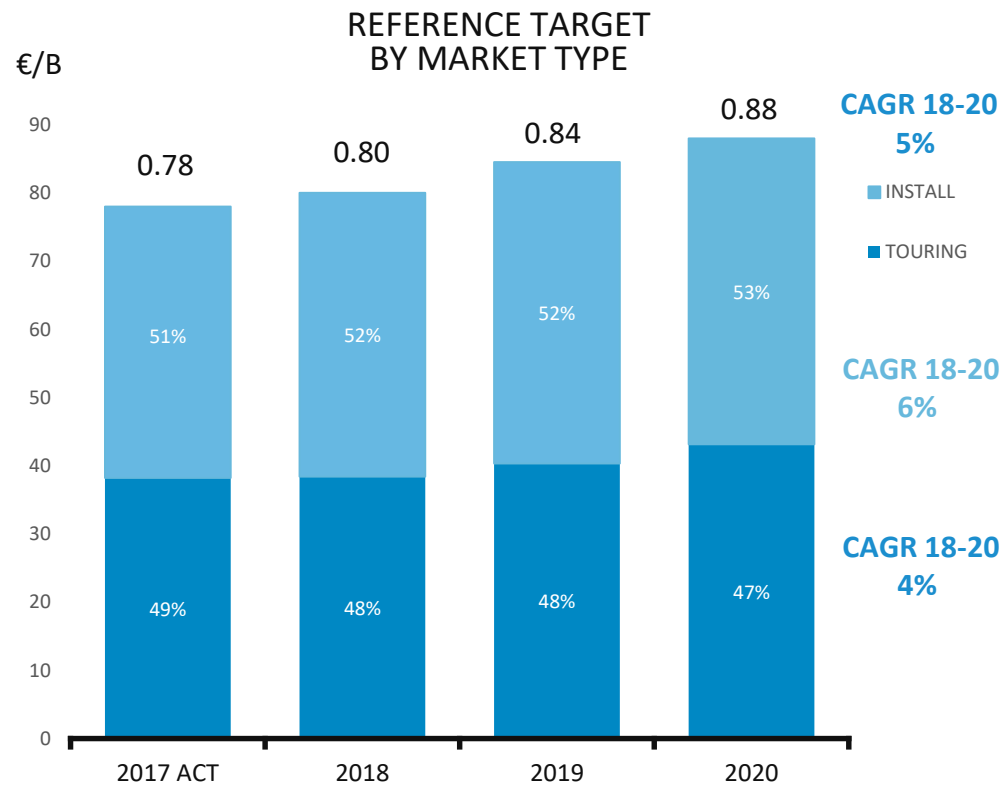


Data source: primary consultancy company on IOTA Avixa data



AN EXPECTED MARKET'S ORGANIC GROWTH OF 5% CAGR

- Professional audio market (**Fixed Installations and Touring**) estimated at €800 million expected to grow: **+5% CAGR 2018 -2020**
- **Increase number of live shows** with growth in quality expectations in terms of audio
- **Continuous development of large sports and entertainment facilities**



Data source: primary consultancy company on IOTA Avixa data



INDEX

- OVERVIEW
- PRODUCTS
- BUSINESS MODEL
- MARKET
- FINANCIALS
- STRATEGY & OUTLOOK



2018 HIGHLIGHTS



BUSINESS

- **Successful IPO** on the Italian Stock Exchange, **AIM segment**
- **Excellent revenues** growth in all three markets: **Fixed Installation, Touring and Amplification Modules**
- Robust contribution from the US market to the Group's international expansion (**+36% YoY**)



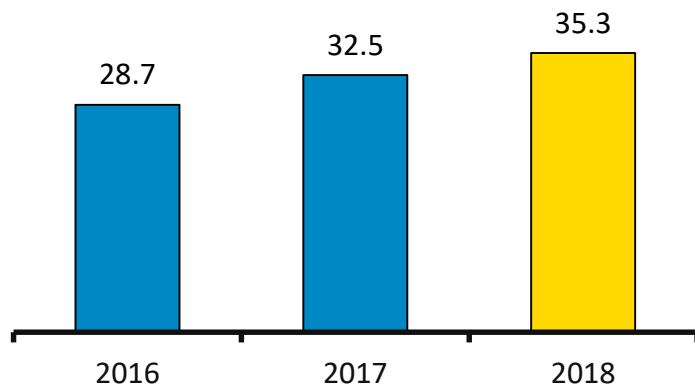
FINANCIALS

- **2018 Sales Revenues** at €33.5 M (+9.7% YoY)
- **2018 EBITDA** at €5.4 M (+11.8%); **EBITDA margin** from 15.7% to 16.0%
- **2018 Net profit** at €2.5 M (+20.4%)
- **2018 Net Financial Position (Cash)** at €8.3 M
- **2018 Net Equity** at €15.4 M

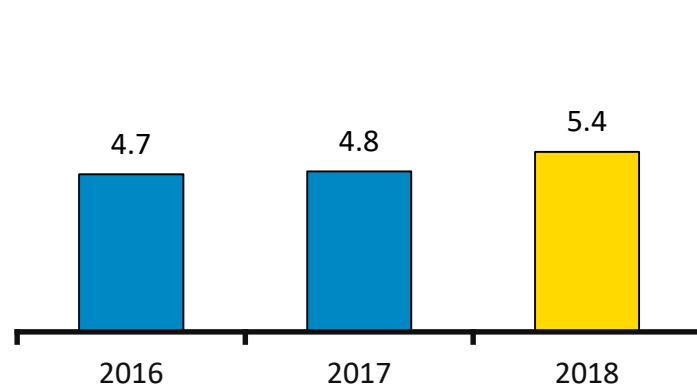


FINANCIAL HIGHLIGHTS IFRS

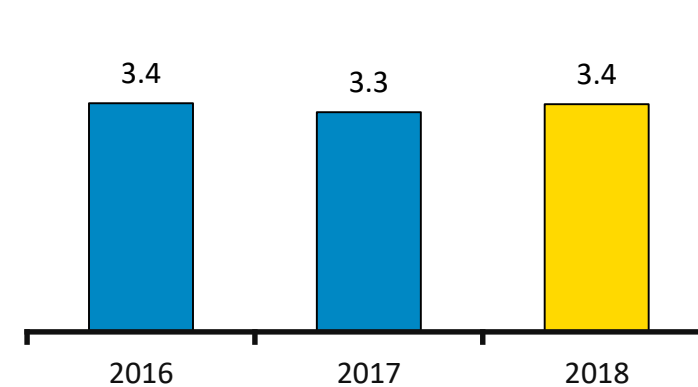
REVENUES €/M



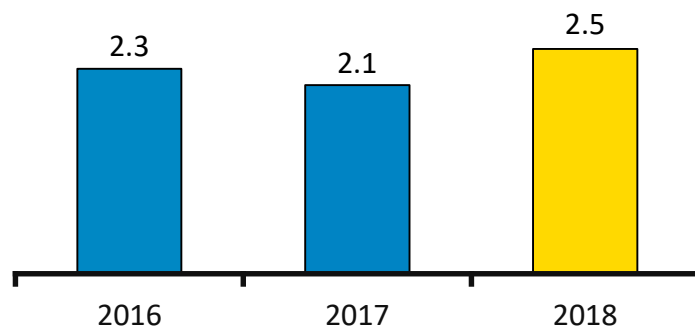
EBITDA €/M



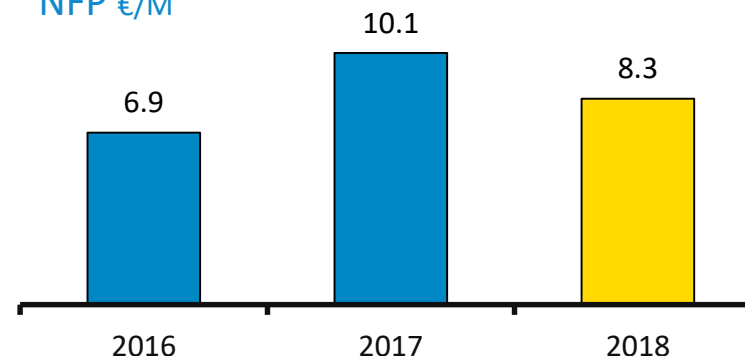
EBIT €/M



NET PROFIT €/M



NFP €/M



A solid equity and financial condition, which allows to respond with flexibility and speed to changing commercial and industrial needs and to face future investment and growth goals



INCOME STATEMENT

IFRS €/K

Income Statement	2018	2017	YoY %
Sales Revenues	33,467	30,504	9.7%
Other Revenues	1,794	1,965	-8.7%
Total Revenues	35,261	32,469	8.6%
Cost of sales	(19,337)	(18,671)	3.6%
Gross Margin	15,924	13,798	15.4%
<i>% revenues</i>	<i>47.6%</i>	<i>45.2%</i>	
Internal works	886	769	15.3%
Commercial expenses	(1,710)	(1,492)	14.6%
Personnel costs	(6,952)	(5,691)	22.2%
G&A	(2,795)	(2,596)	7.7%
EBITDA	5,353	4,788	11.8%
<i>% revenues</i>	<i>16.0%</i>	<i>15.7%</i>	
EBIT	3,380	3,273	3.2%
<i>% revenues</i>	<i>10.1%</i>	<i>10.7%</i>	
EBT	3,504	3,125	12.2%
<i>% revenues</i>	<i>10.5%</i>	<i>10.2%</i>	
Taxes	(984)	(1,032)	-4.6%
Net Income	2,520	2,093	20.4%

- **Sales Revenues** up 9.7% to €33.5 M primarily thanks to all product families sales growth in US
- **Gross Margin steadily improving at 47.6%** (+240 bps vs 2017)
- **Operating expenses up by 17.3% to €10.6 M.**
 - ✓ **R&D on revenues** up to around 8.0% (€2.6 M of which €0.9 M capitalized)
 - ✓ **Commercial Expenses on revenues** from 4.9% to 5.1% due to the strengthening of sales organization and enhanced marketing activities,
 - ✓ **G&A increased by 7.7%**, moving from 8.5% to 8.4% on revenues, to reflect new organization post-IPO
- **EBITDA margin at 16.0% mainly** thanks to improved Gross Margin and cost optimization.
- Tax Rate at 28.09%, lower than previous year
- **Net income at €2.5 M**

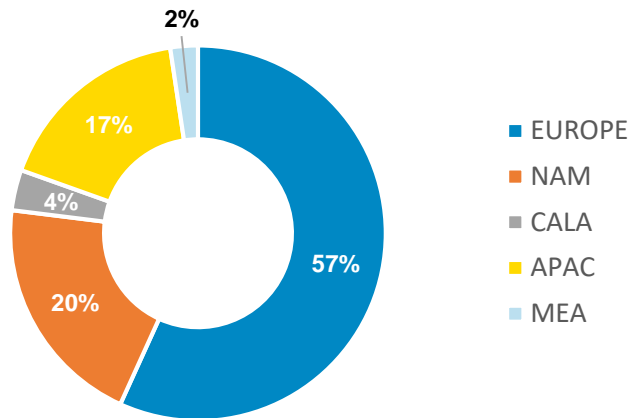


REVENUES GROWTH

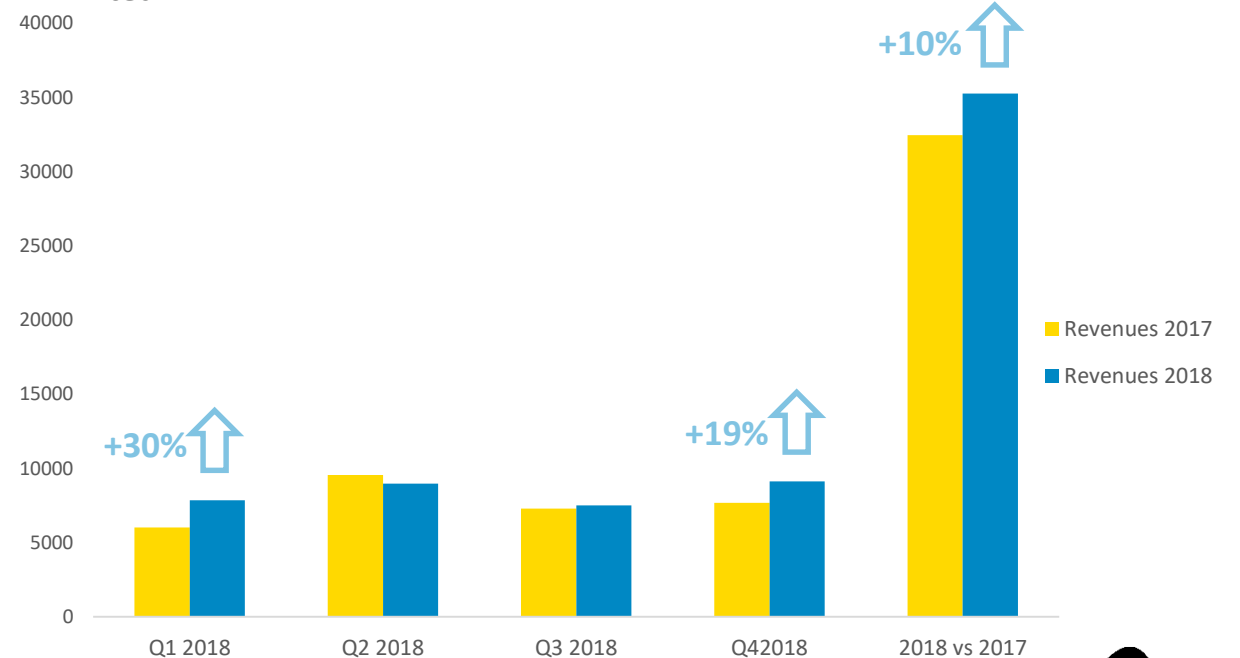
IFRS €/K

	31/12/2018	%	31/12/2017	%	% YoY
EUROPE	19,014	57%	17,872	59%	6%
NAM	6,749	20%	4,949	16%	37%
CALA	1,168	4%	1,328	4%	-12%
APAC	5,743	17%	5,443	18%	6%
MEA	794	2%	912	3%	-13%
Totale	33,467	100%	30,504	100%	10%

Revenues Breakdown 2018 by Country

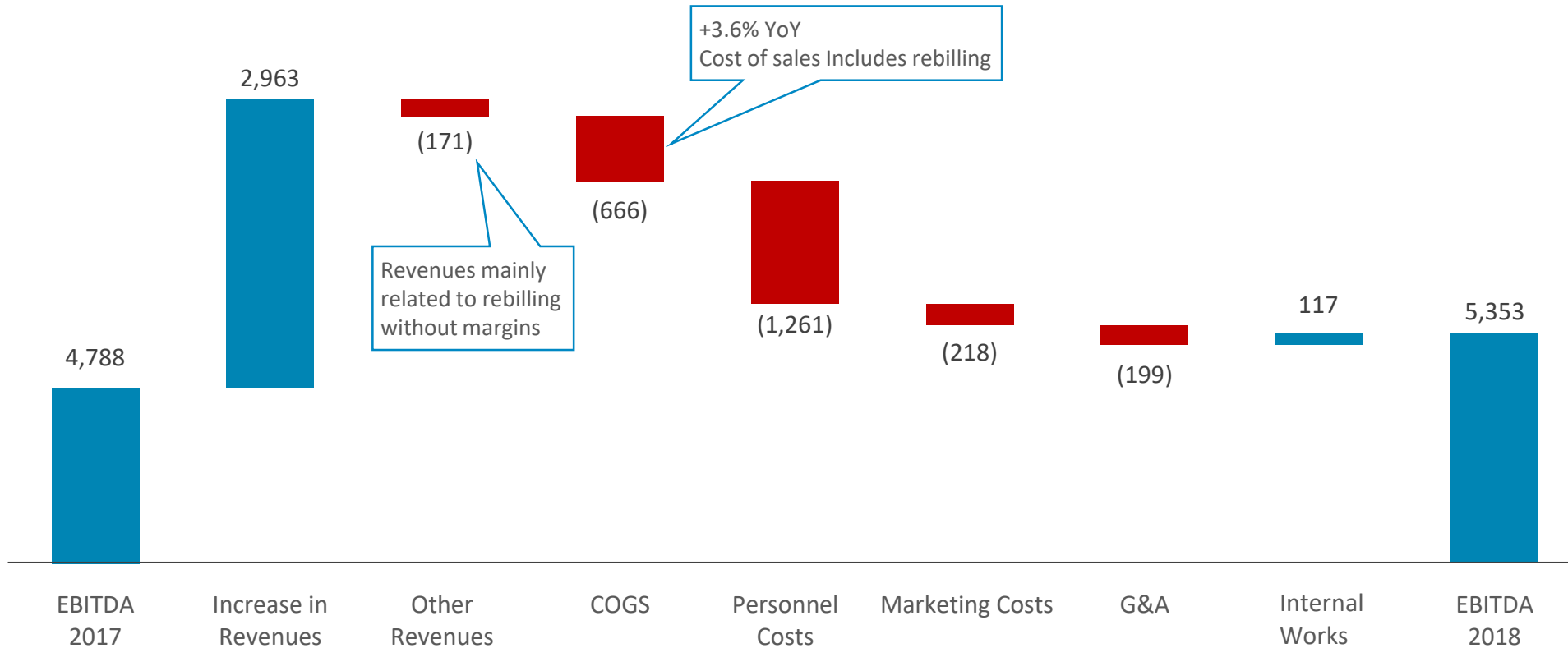


- Sales growth primarily in the sector of rack amplifiers (fixed installation and touring) and amplifier modules sold to the main speaker manufacturers
- Growth driven by marketing actions, both direct and through seminars, as well as by the greater and more incisive presence at the main international exhibitions
- Strong growth in US as a result of Group reorganization and new local team



EBITDA BRIDGE

IFRS €/K



- **EBITDA +11.8% YoY to €5.4M** mainly due to an improved Revenues mix and higher margins generated by value added products
- **Personnel Costs:** increase due to strengthening of production and distribution structure, as well as corporate structure for IPO



BALANCE SHEET

IFRS €/K

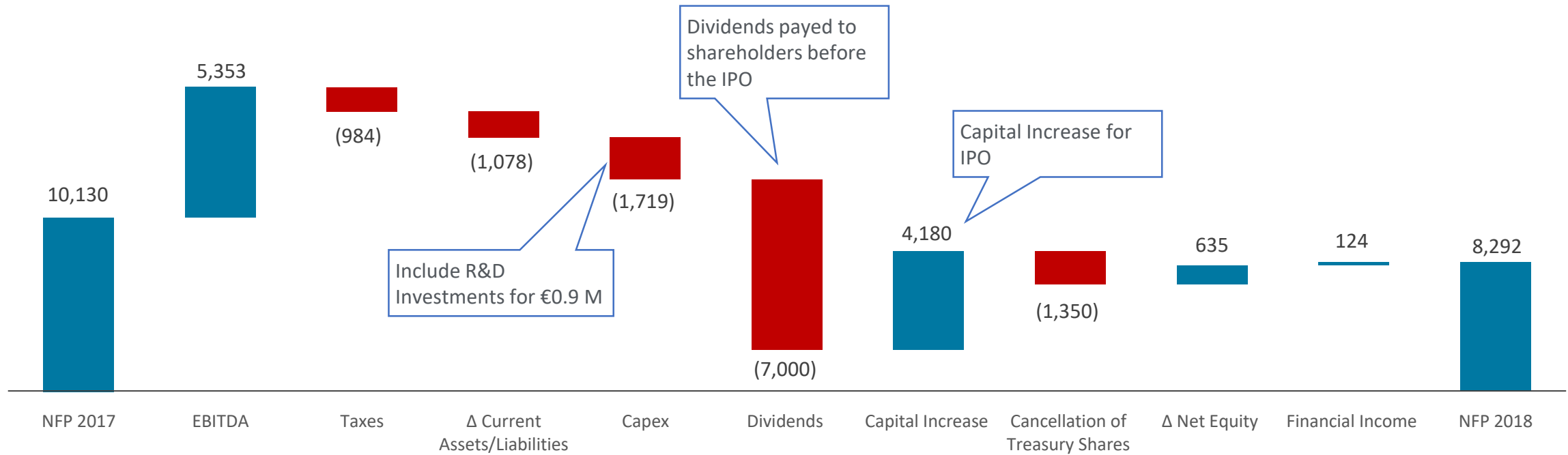
€/000	2018	2017		2018	2017
Total Fixed Assets	2,384	2,120	Net Financial Position	8,292	10,130
Inventory	7,998	5,364			
Trade receivables	5,513	4,840			
Other current assets	2,140	2,060			
Trade payables	(7,688)	(5,806)			
Other current liabilities	(2,333)	(2,191)			
Net Working Capital	5,627	4,267	Net Equity	(15,419)	(16,434)
Other non-current assets (liabilities)	(884)	(83)			
Total Assets	7,127	6,303	Total Liabilities	(7,127)	(6,303)

- **Net Working Capital:** Increase mainly due to additional inventories, partially offset by an increase in trade payables.
- **Net Equity:** Affected by dividends, capital increase and listing costs



BRIDGE NFP

IFRS €/K



TAX THEMES

PATENT BOX

- On June 20, 2016, Powersoft submitted to the Italian tax authorities a ruling to benefit from the «Patent Box» tax treatment covering the 2016-2020 period
- On February 23, 2018 the Direzione Regionale Toscana allowed Powersoft to enter into the final contradictory phase to then finalize and agreement with the tax authority
- While it is not possible to assert the exact timing of the response and/or its final outcome, Powersoft believes there are solid grounds for its request of such tax treatment

TAX CREDIT ON R&D

- Recent tax regulations (including Decreto Destinazione Italia, Piano Nazionale Industria 4.0, Legge di bilancio 2019) have introduced several favourable tax treatments for investments in R&D aimed at incentivizing product and process innovation
- Powersoft started a detailed analysis supported by a tier 1 tax advisor to assess the opportunity to benefit from these tax treatments, starting from the 2015-2018 period

No benefit from Patent Box or Tax Credit on R&D is currently reflected in the Financials



INDEX

- OVERVIEW
- PRODUCTS
- BUSINESS MODEL
- MARKET
- FINANCIALS
- STRATEGY & OUTLOOK

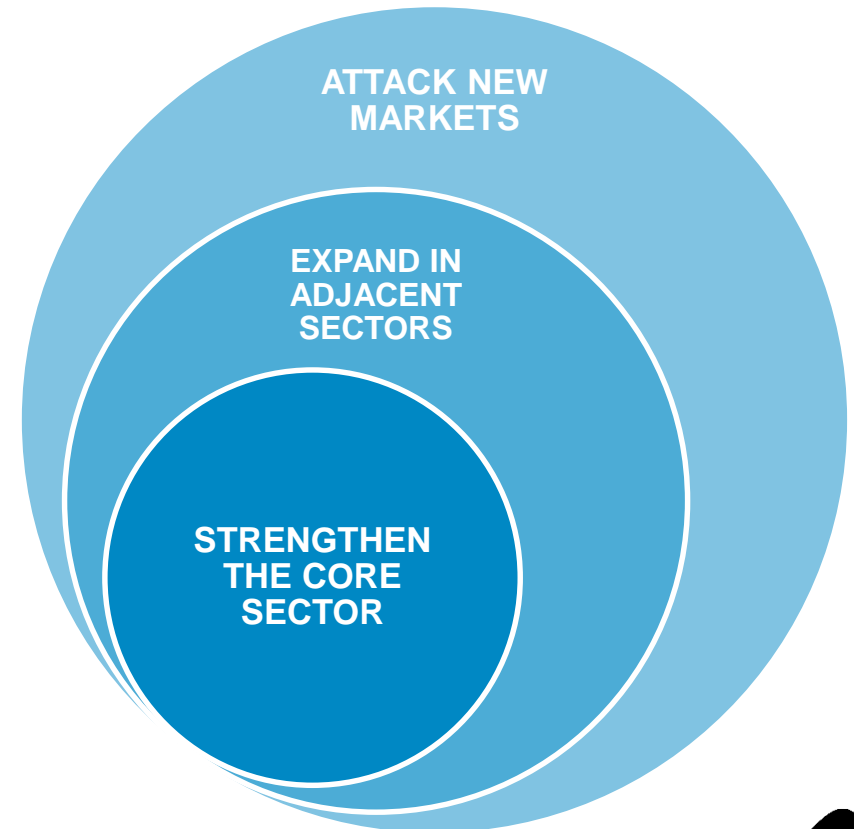


LEVERAGING ON THE IPO FOR NEW SUCCESSES

Powersoft is a solid and structured company that wants to accelerate its **growth path** focusing on **strengthening the "CORE" business and expanding on adjacent segments and new markets**

Also thanks to the listing on AIM, should allow Powersoft aims to:

- **increase market share** in core segment
- **diversify into adjacent sectors** with greater growth potential by adding solutions to the value chain
- **enhance financial soundness** for international tenders and in negotiations with bigger and more structured customers
- **continue to innovate** by leveraging on R&D capabilities to introduce new leading-edge products
- **attract high-potential talents and senior management**
- **grow via partnerships and M&A**



2019 OUTLOOK

- Consolidate growth trend on revenues
- Focus on Innovation, energy efficiency
- Strong new products pipeline
- Expected returns from products recently launched: new Mover, T Series, Loto DSP
- Growth mostly driven by North America and Asia



CASE HISTORY



LIVE CONCERT TOURING

CHALLENGE:

Clarity and routing capabilities, with incredible amounts of output power, whilst keeping the system small.

SOLUTION:

3x X4 Series Amplifier Platform, driving the new Rat Sound's Superwedges.



RED HOT CHILI PEPPERS
WORLD TOUR



CONGRESS CENTER SYSTEM

CHALLENGE:

Design speech and music system for concert hall and 10 congress venues.

SOLUTION:

6x **Ottocanali DSP+Dante**, 2x **X4** and 1x **X8** to drive the main speaker and monitor sets. **Armonia Software** configuration.



QUEEN ELISABETH HALL
ANTWERP



Install
awards
2017
FINALIST



SPORT EVENT & LIVE SHOW

CHALLENGE:

Deliver flawless and immersive sound experience for 68.500 seats.

SOLUTION:

Over a **120 K10 Amplifier Platforms**, plus **8x M-Force Subwoofers**, drawing power exclusively from generators.



SUPERBOWL 50 HALF
SANTA CLARA

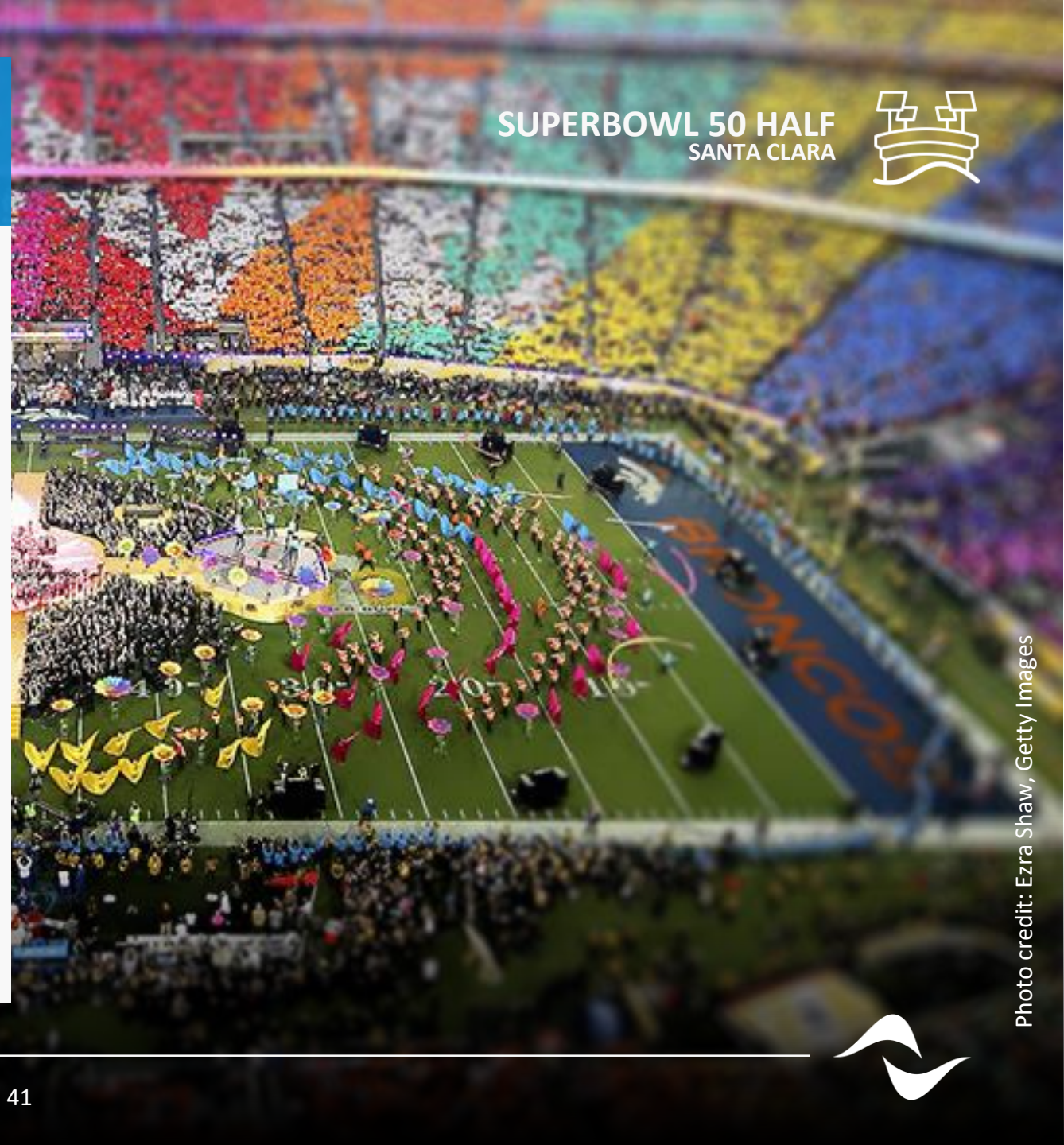


Photo credit: Ezra Shaw, Getty Images



RELIGIOUS SITE

CHALLENGE:

Deliver clear and distinct sound over a radius of 5 kilometers

SOLUTION:

K Series, over a million Euro cost amplification.



STADIUM SYSTEM

CHALLENGE:

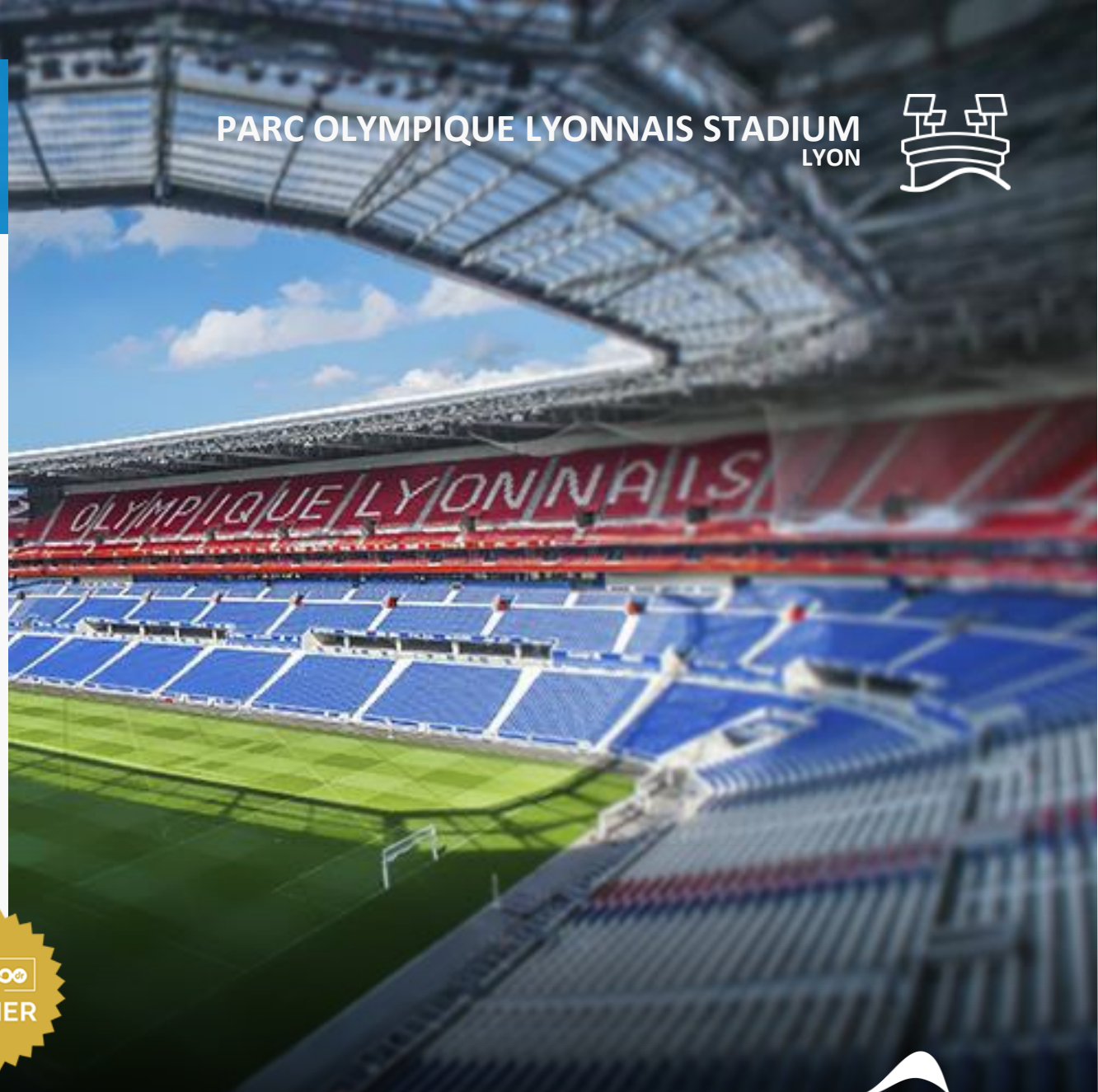
Drive the new EAW PA system for nearly 56,000 seats.

SOLUTION:

4x 4K4 Ottocanali and 14x 12K4 Ottocanali



PARC OLYMPIQUE LYONNAIS STADIUM
LYON



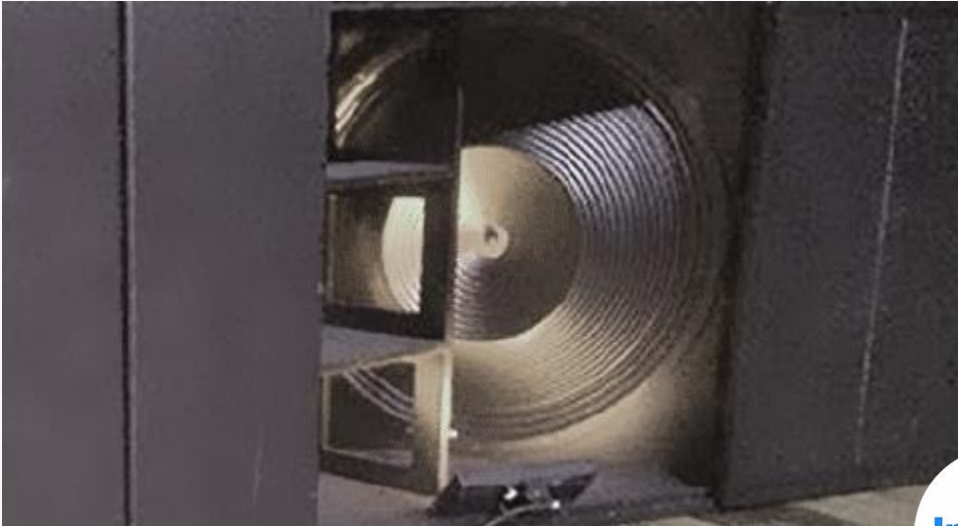
CLUB SYSTEM

CHALLENGE:

Creating earth crushing sub bass by the largest subwoofer club install.

SOLUTION:

6x **40-inch subwoofers**, each one using push-pull motor that is able to move 1,000 lbs of force.



AVALON CLUB
LOS ANGELES



ZOO COMMUNICATION

CHALLENGE:

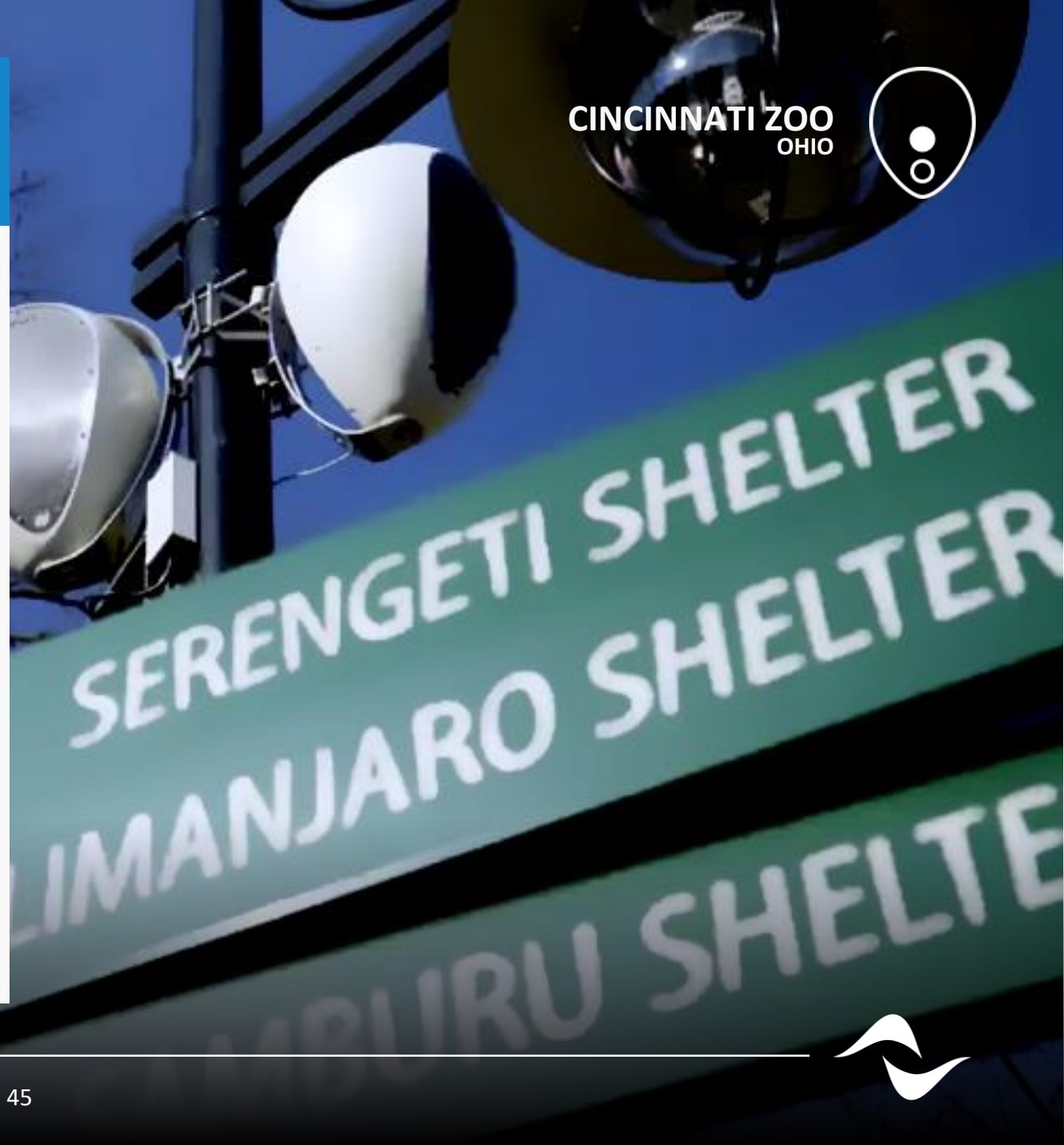
Providing pristine sounding music throughout the zoo campus and solving communication and messaging challenges.

SOLUTION:

60x Deva HD, 40x Deva Audio, 50x Deva Passive.



CINCINNATI ZOO
OHIO



CONTACTS



HEADQUARTER

Powersoft S.p.A.
Via E. Conti, 5 - Scandicci (Fi) 50018 - Italy
OFFICE: +39 055 7350230
www.powersoft.it



INVESTOR RELATIONS

CDR Communication S.r.l.
Vincenza Colucci
Investor Relations Manager
Tel: +39 335 6909547
vincenza.colucci@cdr-communication.it



NOMAD

Banca Finnat Euramerica S.p.A.
Roma, Piazza del Gesù, 49
www.bancafinnat.it



NEXT EVENTS

- **April 11, 2019**
FY2018 results
- **May 14, 2019**
Shareholders' meeting
- **May 27, 2019**
AIM Conference Milan
- **June 30, 2019**
H12019 results





THANKS!

The information contained in these documents is confidential and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of Powersoft S.p.A. All forecasts included in this document are subject to risks and uncertainties of Powersoft itself and of markets. All forecasts are based on currently available information and reflect our management expectations. All forecasts reflect market parameters, assumptions and other fundamentals which could change and therefore influence the future results. All the forecasts are based on an hypothesis of organic growth and commercial and regulatory stability.