



**POWERSOFT: BOARD OF DIRECTORS APPROVES CONSOLIDATED HALF-YEAR REPORT
AT JUNE 30, 2023**

STRONG GROWTH IN FIRST HALF: ALL OPERATING AND FINANCIAL METRICS ON A SHARP RISE

CONSOLIDATED REVENUE EURO 33.1 MILLION (+68% YoY)

**EBITDA EURO 8.6 MILLION (+134% YoY) AND NET PROFIT EURO 5.2 MILLION ALMOST FOURFOLD
GROWTH (+273% YoY)**

POSITIVE (CASH) NFP EURO 15.0 MILLION

- Consolidated revenue at Euro 33.1 million, up by 68.0% versus Euro 19.7 million in first half 2022;
- EBITDA¹ at Euro 8.6 million, up by 133.7% versus Euro 3.7 million in first half 2022 (EBITDA margin 26.5% versus 19.2% in first half 2022);
- EBIT at Euro 7.3 million, up sharply by 187.0% versus Euro 2.5 million in first half 2022 (EBIT margin 22.3% versus 13.1% in first half 2022);
- Net profit at Euro 5.2 million, up strongly by 273.4% versus Euro 1.4 million in first half 2022;
- Net Financial Position at a positive (cash) Euro 15.0 million at June 30, 2023 versus Euro 24.3 million at December 31, 2022 and Euro 21.3 million at June 30, 2022.

Scandicci (Florence), September 28, 2023 - Powersoft S.p.A. (the "**Company**" or "**Powersoft**"), a global technology leader in audio amplification systems, signal processing and transducer systems for the pro-Audio sector, listed on Euronext Growth Milan, today approved the consolidated half-year report at June 30, 2023, prepared in accordance with IAS/IFRS and subject to limited audit.

In the words of Powersoft Group CEO Luca Lastrucci: *"The results of first half 2023 show strong revenue and margins growth, confirming our business model's credibility and underscoring the value and uniqueness of Powersoft's professional audio products for both Fixed Installation and Touring applications. In recent months we have secured major contracts with international players, continuing our growth and development plan, and further establishing our role as an increasingly strategic and reliable partner on the global stage. We have expanded in the United States through our company Powersoft Advanced Technologies Corp., and have invested in the strategic and high-growth potential Asia Pacific regions, with representative offices, new hires and the goal of expediting our business penetration process. The launch of UNICA, our groundbreaking amplification product line, emphasizes the value and vision of our R&D investments. We are committed to providing increasingly green, high-performance solutions, now featuring remote control and management via our cloud platform. We are proud of the path taken so far and are confident that new challenges and significant opportunities lie ahead of us, thanks also to our ongoing investments in both technology and human resources, in Italy and in our main countries of operation"*.

¹ Powersoft defines EBITDA as Earnings Before Tax (EBT), as indicated in the consolidated statement of profit/(loss), gross of: (i) financial income and expense, (ii) amortization of intangible fixed assets, (iii) depreciation of tangible fixed assets, and (iv) allocations. Since EBITDA is not recognized as an accounting measure under the IAS-IFRS accounting standards adopted by the Company, its quantification may not be straightforward.

Results at June 30, 2023

Group performance

<i>(Euro thousands)</i>	30/06/2023	30/06/2022	Change	% change
Total revenue	33,065	19,685	13,380	68.0%
EBITDA	8,638	3,696	4,942	133.7%
EBIT	7,264	2,531	4,733	187.0%
Total net profit (loss)	5,236	1,402	3,834	273.4%

Total **consolidated revenue** in first half 2023 amounted to Euro 33.1 million, up by 68.0% versus Euro 19.7 million in first half 2022, confirming the success of the implemented penetration strategy.

The table below shows the breakdown by geographical area of Group revenue in first half 2023 versus the corresponding figure of 2022:

<i>(Euro thousands)</i>	30/06/2023	Percentage on revenue	30/06/2022	Percentage on revenue	Change	% change
EUROPE	16,749	51.5%	9,962	51.7%	6,787	68.1%
NAM	8,887	27.3%	5,652	29.3%	3,235	57.2%
APAC	5,938	18.2%	2,848	14.8%	3,090	108.5%
MEA	611	1.9%	581	3.0%	30	5.2%
CALA	359	1.1%	220	1.1%	139	63.2%
Revenue from sales	32,545	100.0%	19,262	100.0%	13,283	69.0%

Sales growth for the Group was notably strong in the U.S. and Asian markets, posting increases of 57.2% and 108.5% respectively versus first half 2022. The European market likewise experienced a substantial increase of 68.1% versus the same period of the prior year, propelled by all business lines.

Cost of sales mainly includes goods purchases and inventory changes, direct labour costs, transportation costs, customs duties and other minor direct costs. At June 30, 2023, this metric totaled Euro 17.1 million, up from the prior year (+68.8%), mainly due to the increase in volumes sold.

Cost of Sales at June 30, 2022 has been restated to consider the different accounting of Euro 0.4 million in costs for direct personnel and production facility costs.

The **Contribution Margin** amounted to Euro 16.0 million, up by 67.1% versus Euro 9.6 million in the first half of the prior year. The margin, as a percentage of revenue, increased from 49.7% to 49.1%. This change is basically attributable to the less than proportional increase in other revenue.

Consolidated EBITDA in first half 2023 totaled Euro 8.6 million, up by 133.7%, representing 26.5% of revenue and increasing from 19.2% in the first half of the prior year. In first half 2023, operating structure costs, personnel-related expense in particular, rose in absolute terms but less than proportionally compared to the same period last year. This increase reflects the ongoing investments in achieving the company's growth targets, specifically boosting sales volumes.

Consolidated EBIT stood at Euro 7.3 million, up from Euro 2.5 million in first half 2022, with an EBIT margin rising from 13.1% to 22.3%. This change is mainly attributable to the mentioned increase in EBITDA.

Financials closed at a negative Euro 17 thousand, showing an improvement from a negative Euro 505 thousand in first half 2022, primarily due to the fair-value revaluation of the securities portfolio.

Consolidated Net Profit amounted to Euro 5.2 million, up by 273.4% versus Euro 1.4 million in first half 2022 and accounting for 16.1% of sales.

Group statement of financial position

<i>(Euro thousands)</i>	30/06/2023	31/12/2022	Change	% change
Fixed capital	4,480	3,230	1,250	38.7%
Net working capital	8,739	4,589	4,150	90.4%
Net capital employed	12,064	6,884	5,180	75.2%
Net financial position	14,967	24,261	(9,295)	-38.3%
Total equity	(27,031)	(31,146)	4,115	-13.2%
Total sources	(12,064)	(6,884)	(5,180)	75.2%

Net working capital increased by 90.4% versus December 31, 2022, mainly due to the effect of:

- i. the increase in debt exposure towards suppliers, both as a result of the increase in sales volumes and the stocking policy implemented by the Group to reduce shortage risks;
- ii. the increase in trade receivables, mainly related to the increase in turnover in the six-month reporting period;
- iii. the increase in inventory, raw materials and semi-finished products in particular, stemming from a business strategy aimed at mitigating the risk of procurement delays and ensuring the availability of goods to meet anticipated customer demand.

The Group's **net financial position** at June 30, 2023 stood at a positive (net cash) Euro 15.0 million versus Euro 24.3 million at December 31, 2022. The NFP primarily consists of Euro 14.1 million in cash, portfolio securities for Euro 5.3 million, and debit items of Euro 4.5 million, mainly related to operating lease payables recorded due to IFRS application and payables to Simest.

Consolidated equity at June 30, 2023 came to Euro 27.0 million versus Euro 31.1 million in the prior year.

Significant events in the first half

On **January 25, 2023**, Powersoft advanced its U.S. market growth plan by appointing Thomas Howie as Business Development Manager. Howie, a highly regarded professional, brings over 15 years of experience in developing and managing vertical markets within the large sports installation and theme park industry for top-tier brands. He will develop relationships and explore new opportunities with decision-makers in the AV industry sectors, while also monitoring market and technology trends. Additionally, he will support the sales team with projects and tenders.

On **January 31, 2023**, Powersoft unveiled UNICA, an innovative and groundbreaking amplification platform, at the "Integration System Europe - ISE" trade show in Barcelona, the major event for

audiovisuals and systems integration. UNICA represents Powersoft's third generation of amplification and processing, with Cloud connectivity. Based on 5 new patents, the UNICA platform facilitates easy integration with existing systems for end users. It is designed for easy customization and configuration, ultimately reducing operating and maintenance costs. In this context, UNICA was recognized as the best product in the relevant category. At the same event, Powersoft announced its finalist position for the Inavation Awards, hosted by Inavate magazine and ISE, in the Best Manufacturer category worldwide, an award it subsequently won.

On **February 1, 2023**, the Company announced that 10,340 new ordinary shares were granted in the period between January 15 and 31, 2023 as a result of the exercise of 10,340 options to service the "2018-2020 Incentive Plan".

On **March 1, 2023**, the Company appointed Massimo Ghedini (former Finance & IR Manager) to the new role of Chief Financial Officer. Mr. Ghedini will retain his role as IR Manager.

On **April 3, 2023**, the Company announced that 54,340 new ordinary shares were granted in the period between March 29 and 31, 2023 as a result of the exercise of 54,340 options to service the "2018-2020 Incentive Plan".

On **May 16, 2023**, Powersoft announced an agreement with Vega Global, a leading name in Digital Workplace solutions in audiovisual, video conferencing, and collaboration technologies, to supply professional amplifiers to expand and strengthen the audio solutions it offers to end customers. The long-term supply agreement spans 16 regions in the APAC and MEA areas where Vega Global operates. Powersoft will grant direct access to its portfolio of amplifiers: Duecanali and Quattrocanali Series, Mezzo Series, and the new cloud-based UNICA platform.

On **June 16, 2023**, the Company announced that 3,200 new ordinary shares were granted in the period between June 1 and 15, 2023 as a result of the exercise of 3,200 options to service the "2018-2020 Incentive Plan". As a result of the exercise of a total of 67,880 options, as indicated above, Powersoft S.p.A.'s share capital amounts to Euro 1,235,205.45 divided into a total of 11,796,212 ordinary shares with a free float of 19.64%.

On **June 27, 2023**, Powersoft announced a partnership with Bose Professional, a global leader in professional audio solutions, to develop the new Bose Professional PowerShareX series of adaptive power amplifiers. The new Bose Professional PowerShareX series of amplifiers, featuring three models with Dante digital audio, deliver 1200, 2400, and 4800 watts of power on four channels. This series evolves from the existing PowerShare range, offering elevated power levels and extra features, including enhanced energy efficiency. This improvement results in power savings and diminished environmental impact, hallmarks of Powersoft's renowned technology.

Events after first half 2023

On **July 27, 2023**, Powersoft announced it was bolstering its presence in Japan by opening a representative office. This expansion aims to accelerate business penetration in Japan, a strategic market identified for its significant growth potential. The new Japanese office is based in Tokyo and joins the Italian headquarters in Scandicci, the operations office in the U.S., and the representative office in China.

On **August 7, 2023**, Powersoft announced the reinforcement of its team in China by appointing Miao Wang as Solution Engineer and relocating to the new offices in Beijing. Miao Wang's appointment is aimed at driving the Group's growth in China by exploring the market and establishing new business relationships. Concurrently, moving the representative office from Shenzhen to Beijing reflects the Group's strategic decision to strengthen its presence in the People's Republic of China, offering a more extensive response to market needs.

On **September 7, 2023**, the Company announced a partnership with Strong Technical Services (STS) and STRONG/MDI Screen Systems, both subsidiaries of Strong Global Entertainment, a prominent international entertainment company. This partnership entails the resale, integration, and installation of Powersoft products within STRONG/MDI's Seismos Immersive product line, a revolutionary interactive flooring system deployed in various attractions worldwide.

Business outlook

The results achieved in first half 2023 show an improvement in key operating and financial metrics, driven by both the Install and pro-Audio sectors in Powersoft Group's main geographies of operation, with margins currently exceeding pre-pandemic levels.

The Group remains vigilant on the ongoing Russia-Ukraine crisis and its potential new macroeconomic ramifications. However, to date, it believes that these factors have limited direct effects on revenue and financial exposure.

Attention remains high on the procurement of raw materials, electronic components in particular, as well as on production and transportation costs, which continue to pose critical challenges.

Throughout the remainder of the current year, Powersoft will continue its international growth plan, with a specific emphasis on regions with the greatest growth potential. These include the U.S. and Asian markets, where the Group is enhancing its presence and visibility through recent hires, the relocation of the new Chinese office to Beijing, and the opening of a representative office in Tokyo, Japan. The Group also remains committed to technological innovation through continuous R&D investments, enabling it to effectively meet market demands with innovative, compact, powerful, and energy-efficient products. The recent international agreements with prominent industry leaders highlight this commitment.

Based on the results achieved in the first part of the year and the current indicators of future performance, business is expected to grow also in the latter part of the current year, with full-year results showing strong improvement versus the prior year.

Filing of Documents

The documents related to the Consolidated Half-Year Report at June 30, 2023, as required by current regulations, will be made publicly available within the time limits of law, at the company's registered office, and will be available for consultation on the company website www.powersoft.com (*Investor Relations* section) and on the Borsa Italiana website (*Stocks/Documents* section), within the time limits of applicable laws and regulations.

This press release contains forward-looking statements concerning Powersoft Group's intentions, beliefs, or current expectations regarding the financial results and other aspects of the Group's activities and strategies. Readers of this press release should not place undue reliance on these forward-looking statements as the final results could differ materially from those contained in said forecasts, due to a variety of factors, most of which beyond the Group's control.

This press release is available in the *Investor Relations/Comunicati Stampa Corporate e Finanziari* section on www.powersoft.com.

ABOUT POWERSOFT:

Powersoft S.p.A. was established in 1995 by two brothers, Luca and Claudio Lastrucci, and Antonio Peruch, is headquartered in Scandicci/Florence, and is a global technology leader in audio amplification systems, signal processing and transducer systems for the pro-Audio sector. The Group primarily focuses on providing lightweight power amplifiers known for their high efficiency and exceptional audio quality to customers both domestically and globally. Distribution in the North American (U.S.) market is handled by Powersoft Advanced Technologies Corp., currently a wholly-owned subsidiary, while marketing in other regions (South-America, Asia, Europe and Rest of the World) is managed by a network of multi-brand distributors and through management relationships. The Group currently employs over 110 skilled resources and boasts extensive worldwide sales. Research and Development activities are conducted in-house within the Group, while production is facilitated through a combination of internal production lines and carefully-chosen suppliers operating both in Italy and abroad.

For further information

Euronext Growth Advisor

Banca Finnat Euramerica S.p.A.

Angelo De Marco
Piazza del Gesù 49 - Palazzo Altieri - Rome
Tel. +39 06 69933215
a.demarco@finnat.it

Investor Relations

Powersoft S.p.A.

Massimo Ghedini
Tel. + 055 735 0230
ir@powersoft.com

CDR Communication S.r.l.

Vincenza Colucci
Tel. +39 335 6909547
vincenza.colucci@cdr-communication.it

Eleonora Nicolini

Tel. +39 333 9773749
eleonora.nicolini@cdr-communication.it

Specialist

Banca Profilo S.p.A.

Alessio Muretti
Via Cerva 28 - Milan
Tel. +39 02 584081
alessio.muretti@bancaprofilo.it

Media Relations

CDR Communication S.r.l.

Marianna Tremolada
Tel. +39 348 2423039
marianna.tremolada@cdr-communication.it

ATTACHED ARE THE POWERSOFT GROUP INCOME STATEMENT, STATEMENT OF FINANCIAL POSITION, STATEMENT OF CASH FLOWS AND NET FINANCIAL POSITION AT JUNE 30, 2023

INCOME STATEMENT

€/000	30/06/2023	Percentage on revenue	30/06/2022	Percentage on revenue
Revenue	32,545	100.0%	19,262	100.0%
Other revenue	520	1.6%	423	2.2%
Cost of sales	(17,069)	-52.4%	(10,110)	-52.5%
GROSS CONTRIBUTION MARGIN	15,995	49.1%	9,574	49.7%
Increases for internal work	683	2.1%	490	2.5%
Business expense	(1,181)	-3.6%	(680)	-3.5%
Personnel	(4,986)	-15.3%	(4,095)	-21.3%
General and administrative expense	(1,874)	-5.8%	(1,593)	-8.3%
EBITDA	8,638	26.5%	3,696	19.2%
Amortization and depreciation	(1,121)	-3.4%	(893)	-4.6%
Allocations	(253)	-0.8%	(272)	-1.4%
EBIT	7,264	22.3%	2,531	13.1%
Financial expense	(363)	-1.1%	(830)	-4.3%
Financial income	346	1.1%	325	1.7%
Profit (loss) before tax (EBT)	7,247	22.3%	2,026	10.5%
Income tax	(2,011)	-6.2%	(624)	-3.2%
Net profit (loss) from continuing operations	5,236	16.1%	1,402	7.3%

STATEMENT OF FINANCIAL POSITION

€/000	30/06/2023	31/12/2022	Change	% change
Tangible fixed assets	1,344	1,082	262	24.2%
Assets from rights of use	1,588	758	830	109.6%
Intangible fixed assets	1,543	1,385	158	11.4%
Financial fixed assets	5	5	-	0.0%
Fixed capital	4,480	3,230	1,250	38.7%
Inventory	11,403	9,680	1,723	17.8%
Trade receivables	10,142	6,455	3,688	57.1%
Other current assets	1,944	2,567	(623)	-24.3%
Trade payables	(11,432)	(8,963)	(2,470)	27.6%
Other current liabilities	(3,319)	(5,150)	1,831	-35.6%
Net working capital	8,739	4,589	4,150	90.4%
Other non-current assets (liabilities)	(1,155)	(935)	(220)	23.5%
Net capital employed	12,064	6,884	5,180	75.2%
Cash and cash equivalents	14,141	20,275	(6,134)	-30.3%
Financial assets	5,284	5,234	49	0.9%
Non-current financial liabilities	(659)	(414)	(246)	59.4%
Non-current financial liabilities from rights of use	(1,198)	(267)	(931)	349.1%
Current financial liabilities	(2,193)	(58)	(2,135)	3666.0%
Current financial liabilities from rights of use	(407)	(509)	101	-19.9%
Net financial position	14,967	24,261	(9,295)	-38.3%
Share capital	(1,235)	(1,228)	(7)	0.6%
Reserves	(20,560)	(23,570)	3,010	-12.8%
Profit (loss) for the period	(5,236)	(6,347)	1,112	-17.5%
Total equity	(27,031)	(31,146)	4,115	-13.2%
Total sources	(12,064)	(6,884)	(5,180)	75.2%

STATEMENT OF CASH FLOWS

Statement of Cash Flows - Consolidated €/'000	30/06/2023	30/06/2022
Cash Flow from Operations		
Profit / (Loss) for the year	5,236	1,402
<u>Adjustments to reconcile net profit (loss) for the period to cash flow generated by operations:</u>		
Income tax	2,011	624
Amortization and depreciation	1,121	893
Allocations	-	-
(Capital gain)/loss on disposal of fixed assets	-	-
Allocations/(Utilization) provisions for employee benefit liabilities	83	28
Allocations /(Utilization) provisions for risks and charges	253	272
Change FV financial assets	(49)	678
Interest (receivable) / accrued liabilities	31	10
<u>Changes in operating assets and liabilities:</u>		
Inventory	(1,723)	(2,042)
Trade receivables and contract assets	(3,688)	(1,414)
Trade payables	2,470	3,031
Other assets	1,146	324
Other liabilities	(1,280)	(147)
Interest (paid) / collected	(31)	(10)
Tax (paid) / collected	(523)	-
Utilization of provisions for risks and charges	(123)	(216)
Other	(16)	(33)
Net cash flow from operations (A)	4,917	3,401
Cash Flow from Investing Activities		
(Purchase) of property, plant and equipment	(498)	(348)
Sale of property, plant and equipment	-	-
(Purchase) of investment property	-	-
Sale of investment property	-	-
(Purchase) of intangible fixed assets	(790)	(539)
Sale of intangible fixed assets	-	-
(Purchase) of financial instruments	-	-
Sale of financial instruments	-	-
(Acquisition) of subsidiaries net of cash acquired	-	-
Net cash flow from investing activities (B)	(1,288)	(887)
Cash Flow from Financing Activities		
Paid capital increases	345	1,245
Dividend distribution	(9,671)	(1,756)
Purchase of treasury shares	-	-
Lease repayment	(254)	(211)
New medium- to long-term loans	246	114
(Repayment) medium- to long-term loans	(428)	-
Net cash flow from financing activities (C)	(9,762)	(609)
Total net cash flow (D=A+B+C)	(6,134)	1,905
Opening net cash (E)	20,275	15,001
Total net cash flow	(6,134)	1,905
Closing cash (G=D+E)	14,141	16,906

CONSOLIDATED NET FINANCIAL POSITION

	30/06/2023	31/12/2022
(A) Bank and postal deposits	14,140	20,274
(B) Cash	1	1
(C) AVAILABLE CASH (A+B)	14,141	20,275
(D) CURRENT FINANCIAL ASSETS	5,284	5,234
(E) Current bank payables	-	-
(F) Other current financial liabilities	(2,600)	(567)
(G) CURRENT FINANCIAL DEBT (E+F)	(2,600)	(567)
(H) NET CURRENT FINANCIAL POSITION (C+D+G)	16,824	24,942
(I) Non-current bank payables	-	-
(L) Other non-current financial liabilities	(1,857)	(680)
(M) NON-CURRENT FINANCIAL DEBT (I+L)	(1,857)	(680)
(N) NET FINANCIAL POSITION (H+M)	14,967	24,261