

BOARD OF DIRECTORS APPROVES DRAFT SEPARATE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS AT DECEMBER 31, 2023

POWERSOFT ACHIEVES BEST RESULTS EVER, WITH ALL MAJOR OPERATING AND FINANCIAL METRICS SHOWING STRONG GROWTH:

CONSOLIDATED REVENUE EURO 70.3 MILLION (+44% YoY)

EBITDA EURO 19.7 MILLION (+60% YoY) AND NET PROFIT ALMOST DOUBLE TO EURO 12.1 MILLION (+90% YoY)

POSITIVE (CASH) NFP EURO 17.8 MILLION

PROPOSED DIVIDEND OF EURO 0.85 PER SHARE (PAYOUT RATIO: 85%, DIVIDEND YIELD: 5%¹)

- Consolidated revenue at Euro 70.3 million, up by 44.2% versus Euro 48.8 million in 2022;
- EBITDA² at Euro 19.7 million, up by 59.7% versus Euro 12.4 million in 2022 (EBITDA margin 28.5% versus 25.6% in 2022);
- EBIT at Euro 16.6 million, up by 68.1% versus Euro 9.9 million in 2022 (EBIT margin 24.0% versus 20.5% in 2022);
- Net profit at Euro 12.1 million, almost double (+90.0%) versus Euro 6.3 million in 2022;
- The Net Financial Position at December 31, 2023 shows a positive (cash) Euro 17.8 million versus Euro 15.0 million at June 30, 2023 and Euro 24.3 million at December 31, 2022, after payment of a total of approximately Euro 9.7 million in 2023 in ordinary and extraordinary dividends;
- The Board of Directors proposes to the Shareholders' Meeting an ordinary dividend, gross of withholding tax, of Euro 0.85 per share.

Scandicci (Florence), March 21, 2024 - Powersoft S.p.A. (the "**Company**" or "**Powersoft**"), a global technology leader in audio amplification systems, acoustic signal processing and transducer systems for the pro-Audio sector, listed on Euronext Growth Milan, today approved the draft separate financial statements and consolidated financial statements at December 31, 2023, prepared in accordance with International Financial Reporting Standards ("IAS/IFRS").

In the words of Powersoft Group CEO Luca Lastrucci: *"2023 was a remarkable year, delivering great satisfaction for both the company and all our stakeholders. We close our best year ever with double-digit growth in volumes and margins. This achievement underscores the soundness of our strategic decisions, consistently aimed at excellence and sustainability. Throughout a challenging year, we found ourselves actively involved on multiple fronts. This included bolstering our footprint in Asia with the opening of two new offices in Beijing and Tokyo, while also initiating significant partnerships*

¹ Based on the closing of the share on March 20, 2024.

² 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.

such as those with Bose Professional and CinemaNext. Our contribution to the Sphere project in Las Vegas, the largest next-generation entertainment arena, also brought us great satisfaction. We provided cutting-edge technology for immersive sound and haptic seating. The year 2024 was ushered in with big news: the major announcement of a technology partnership with Ferrari S.p.A., offering us the chance to venture into the automotive industry, a new sector for our company. Additionally, work commenced on the Powersoft Human Audio Experience Center, the Group's new headquarters aspiring to become a global center of excellence in audio technologies. Throughout the remainder of the year, our focus will remain on expanding our presence in strategic markets and investing in research and development. This activity is crucial to guarantee our future growth”.

Results at December 31, 2023

Group results

(Euro thousands)	31/12/2023	31/12/2022(*)	Change	% change
Total revenue	70,337	48,793	21,544	44.2%
EBITDA	19,721	12,351	7,370	59.7%
EBIT	16,641	9,900	6,741	68.1%
Net profit (loss)	12,062	6,347	5,715	90.0%

(*) Figures at December 31, 2022 have been restated by allocation

Total **consolidated revenue** in 2023 amounted to Euro 70.3 million, growing by 44.2% versus Euro 48.8 million in 2022, confirming the success of the development strategy implemented.

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

	2023	Percentage of revenue from sales	2022	Percentage of revenue from sales	Change	% change
Europe	35,818	51.7%	20,848	43.20%	14,970	71.80%
North America (NAM)	17,512	25.3%	18,316	38.00%	-804	-4.39%
Asia and Pacific (APAC)	12,675	18.3%	7,391	15.30%	5,284	71.50%
Middle East and Africa (MEA)	1,900	2.7%	1,123	2.30%	777	69.23%
Caribbean and South America (CALA)	1,371	2.0%	532	1.10%	839	157.79%
Revenue from sales	69,277	100.0%	48,210	100.00%	21,067	43.7%

The Group's revenue growth was notably strong in the European and Asian markets, with increases of 71.8% and 71.5%, respectively, versus 2022 across all business lines.

Cost of sales mainly includes goods purchases and inventory changes, direct and indirect production labour costs, transportation costs, customs duties and other direct costs. At December 31, 2023, this metric totaled Euro 37.2 million, up versus the prior year (+49.4%), mainly due to the increase in volumes sold.

Cost of Sales at December 31, 2022 has been restated to account for the different accounting of Euro 0.5 million in costs for direct and indirect production personnel, production facility costs, and depreciation related to the production area.

Consolidated EBITDA in 2023 totaled Euro 19.7 million, up by 59.7% versus Euro 12.4 million in 2022, and accounting for 28.5% of revenue from sales, up versus the prior year (25.6%). In 2023, operating structure costs, personnel-related expense in particular, increased in absolute terms but at a slower rate versus the prior year. This indicates the success of ongoing expenditure to achieve operating leverage.

Consolidated EBIT stood at Euro 16.6 million, up from Euro 9.9 million in 2022, with an EBIT margin rising from 20.5% to 24.0%. This change is mainly attributable to the mentioned increase in EBITDA.

Financials closed with a negative Euro 0.01 million, an improvement from a negative Euro 1 million in 2022, mainly due to the impact of exchange rates.

Consolidated Net Profit ended with a positive Euro 12.1 million, up by 90.0% versus the profit of Euro 6.3 million in 2022 and accounting for 17.4% of sales.

Group statement of financial position

<i>(Euro thousands)</i>	31/12/2023	31/12/2022	Change	% change
Fixed capital	4,768	3,230	1,538	47.6%
Net working capital	13,112	4,589	8,523	185.7%
Net capital employed	16,605	6,884	9,721	141.2%
Net financial position	17,778	24,261	(6,484)	-26.7%
Total equity	(34,383)	(31,146)	(3,237)	10.4%
Total sources	(16,605)	(6,884)	(9,721)	141.2%

Net working capital increased by 185.7% 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 product shortage risks;
- ii. the increase in trade receivables, mainly related to the increase in turnover in the reporting year;
- 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.

At December 31, 2023, the Group's **net financial position** stood at a positive (net cash) Euro 17.8 million versus Euro 15.0 million at June 30, 2023 and Euro 24.3 million at December 31, 2022. The NFP is mainly composed of cash funds amounting to Euro 14.4 million, portfolio securities amounting to Euro 5.5 million, and debit items amounting to Euro 2.2 million, mostly related to the accounting of operating lease payables arising from the application of IFRS 16 and subsidized loans taken out with Simest S.p.A ("Simest").

Consolidated equity at December 31, 2023 was Euro 34.4 million versus Euro 31.1 million in the prior year.

Income and financial performance of Powersoft S.p.A.

The parent company Powersoft S.p.A. generated revenue of Euro 66.6 million (+44.1%), EBITDA of Euro 19.3 million (+57.8%) and net profit of Euro 11.9 million in 2023, up by 87.4% versus the prior year.

Significant events during the year

On **January 25, 2023**, Powersoft strengthened its U.S. organization by appointing Thomas Howie as Business Development Manager. Thomas is a highly regarded professional, and 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 develops relationships and explores new opportunities with decision-makers in the AV industry sectors, while also monitoring market and technology trends. Additionally, he supports 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 held 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 patented innovations that facilitate the integration with existing systems for end users, UNICA is designed to be customizable and configurable, ultimately reducing operating and maintenance costs. At the same trade show 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**, Powersoft announced that 10,340 new ordinary shares were issued and granted in the period between January 15, 2023 and January 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, in addition, continue to serve as IR Manager.

On **April 3, 2023**, Powersoft announced that 54,340 new ordinary shares were issued and 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 **April 27, 2023**, the Ordinary Shareholders' Meeting met and (i) approved the Separate Financial Statements of Powersoft S.p.A. at December 31, 2022, (ii) approved the distribution of an ordinary dividend of Euro 0.48 per share and an extraordinary dividend of Euro 0.34 per share, (iii) appointed the Board of Statutory Auditors for a three-year term, until the date of the Shareholders' Meeting to be called to approve the financial statements for the year ending December 31, 2025, and (iv) appointed EY S.p.A. as the independent auditors for the years 2023-2025.

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, specifically: 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 issued and granted in the period between June 1 and June 15, 2023 as a result of the exercise of 3,200 options to service the "2018-2020 Incentive Plan".

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.

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. The entry of Miao Wang aims to drive the Group's growth in China by fostering the exploration of new markets and the development of new business relationships. The relocation of the representative office from Shenzhen to Beijing reflects the Group's strategy to further consolidate its organization in the People's Republic of China and to offer more comprehensive and timely responses 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. The agreement specifically covers 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.

On **October 2, 2023**, the Company announced that 41,840 new ordinary shares were issued and granted in the period between September 29 and 30, 2023 as a result of the exercise of 41,840 options to service the "2018-2020 Incentive Plan".

On **October 11, 2023**, the Company announced its contribution of immersive haptic technology and state-of-the-art amplification solutions for Sphere, the next-generation entertainment arena located in Las Vegas. Powersoft's technology is integrated into the 10,000 seats and is part of HOLOPLOT's Sphere Immersive Sound, the world's most advanced immersive sound system.

On **October 23, 2023**, Powersoft announced the signing of an agreement with CinemaNext, the major service provider in the cinema segment in EMEA, providing customers with innovative and comprehensive solutions across all areas of cinema exhibition, to supply energy-efficient amplifiers with high audio quality.

On **October 31, 2023**, Powersoft announced that it was among the winners of the sixth edition of the Best Managed Companies Award, the prize for entrepreneurial excellence in Made in Italy promoted by Deloitte Private, with the participation of ALTIS - Graduate School of Sustainable Management of Università Cattolica del Sacro Cuore, ELITE-Euronext Group and Piccola Industria di Confindustria.

On **December 1, 2023**, the Company announced that 87,800 new ordinary shares were issued and granted in the period between November 15 and 30, 2023 as a result of the exercise of 87,800 options to service the "2018-2020 Incentive Plan".

Events after year end

On **January 16, 2024**, Powersoft announced, pursuant to Article 17 of the Euronext Growth Milan Issuer Regulation and Article 21 of the Company's Bylaws, that on January 12, 2024 it had received notification from shareholder Lorenzo Lepri that the 2.5% stake threshold in Powersoft's share capital had been exceeded, the latter having stated holding at such date a 3.09% stake in the share capital.

On **February 2, 2024**, the Company announced that 43,180 new ordinary shares were issued and granted in the period between November 15 and 30, 2023 as a result of the exercise of 43,180 options to service the "2018-2020 Incentive Plan".

On **February 13, 2024**, Powersoft announced a technology partnership with Ferrari S.p.A., combining Italian excellence in acoustic innovation and automotive engineering. The partnership aims to develop solutions enhancing Ferrari brand's audio experience while minimizing energy consumption and offering benefits in efficiency, reliability, and sound quality. Powersoft's development philosophy prioritizes reducing environmental impact through technology advancements and environmentally-conscious manufacturing processes. This commitment aligns seamlessly with Ferrari's pursuit of excellence, aiming to achieve carbon neutrality by 2030.

On **March 19, 2024**, Powersoft announced the signing of a preliminary lease agreement with Bluesky Immobiliare S.r.l. regarding a property complex under construction. When completed, it will become the Powersoft Human Audio Experience Center, the new headquarters of the Powersoft Group in Scandicci (FI). The Transaction constitutes a related party transaction as Bluesky and Powersoft are under the common control of Evolve S.r.l., which holds a 100% interest in the share capital of Bluesky Immobiliare S.r.l. and a controlling interest of approximately 79.20% in the share capital of Powersoft.

Business outlook

The 2023 results, the best achieved in Powersoft's history, show significant revenue growth and notable improvement in operating margins. Additionally, advancements are witnessed across all key business, income, and financial metrics. The growth, evident across all major geographies where the group operates and in both its Install and Live Touring sectors, underscores Powersoft's success in transitioning from a product company to a comprehensive solutions provider. This achievement also reflects the company's dedication to technological innovation, with a focus on delivering the highest level of excellence to its customers. Ongoing investments aimed at enhancing the efficiency of audio systems, focusing not only on sound quality but also on reducing energy consumption, have enabled the Group to solidify its position in the high-end range. This is further confirmed by the partnerships forged with Bose Professional and CinemaNext in the latter half of the year, as well as the partnership announced with Ferrari after year end.

The year 2024 began on a positive note, despite the lingering uncertainties in the macroeconomic environment heightened by the Russia-Ukraine and Middle East conflicts, which we currently anticipate may have limited direct impacts on the Group's revenue and financial exposure. This was marked by the start of a prestigious partnership with Ferrari, winning the first prize at the Inavation Awards in the "Applied Technologies" category for the contribution to the Sphere project in Las Vegas, and the launch of the new "Verso" gateway device, which facilitates the connection of all Powersoft products to the MyUniverso cloud platform, offering additional functionality to customers.

For the remainder of the year, Powersoft will persist in its development plan, with the aim of broadening its global presence and solidifying its position as a leading global technology provider in the audio industry. The main goal is to enhance brand visibility in new geographies, aiming not only to capture market share but also to cultivate solid and enduring relationships with new customers and partners. This geographical expansion is strategically tailored to encompass markets experiencing rapid growth in the demand for advanced technology solutions.

Concurrently with geographical expansion, Powersoft aims to diversify its offerings by venturing into strategic vertical markets. This approach enables the effective addressing of the specific needs of various industries, thereby solidifying its reputation as a provider of comprehensive solutions rather than solely a product manufacturer.

The company is investing in research and development, strategic partnerships, and expertise to strengthen its capabilities to offer integrated solutions that address the complex needs of customers operating in vertical markets in the install sector (such as Hospitality, Retail, Higher Education, Houses of Worship, Venues).

Allocation of profit for the year

The Board of Directors approved to propose to the Shareholders' Meeting, convened on April 23, 2024, to allocate:

- i. Euro 4,136.54 to the Legal Reserve, upon reaching one-fifth of the share capital;
- ii. Euro 0.85 per share, before withholding tax, to the distribution of a dividend to shareholders for each share outstanding on the ex-dividend date on **June 24, 2024**, excluding treasury shares held by the Company on such date, with payment on **June 26, 2024** and with the

entitlement date for payment of the dividend, pursuant to Article 83-terdecies of Legislative Decree No. 58 of February 24, 1998, on **June 25, 2024**. The total payout of the dividend, taking into account the shares outstanding to date (11,969,032), is estimated at Euro 10,173,677.20;

- iii. the remainder to the Extraordinary Reserve.

The distribution of the ordinary unit dividend, before withholding tax, is Euro 0.85 per ordinary share, with ex-dividend date of June 24, 2024 (record date June 25, 2024) and payment on June 26, 2024.

Proposed renewal of the authorization to purchase and dispose of treasury shares pursuant to articles 2357 and 2357-ter of the Civil Code, to be submitted to the Shareholders' Meeting for approval

The Board of Directors resolved to submit to the Shareholders' Meeting for approval the proposal to renew the authorization to purchase and dispose of treasury shares, subject to revocation of the previous authorization resolved by the Ordinary Shareholders' Meeting on April 27, 2023.

The proposal aims to offer the Company a valuable strategic investment opportunity for any purpose permitted by current regulations, encompassing various options such as,

- (i) the purposes under Article 5 of Regulation (EU) No. 596/2014 (Market Abuse Regulation, hereinafter "MAR"), including the purpose of "fulfilling obligations arising from share option programs or other grants of shares to employees or members of the Issuer's governing or supervisory bodies",
- (ii) the purpose of stabilization, liquidity support and market efficiency,
- (iii) the purpose of obtaining the availability of a portfolio of securities (so-called "securities warehouse") to be used as consideration in extraordinary transactions, including in the form of exchange of equity investments, with other parties, including the allocation to the service of bonds convertible into shares of the Company or bonds with warrants, dividends in shares, all of the above under the terms, purposes and in the manner that will be eventually resolved by the competent corporate bodies, as well as
- (iv) any other purpose envisaged by market practices from time to time permitted by the supervisory authority under Article 13 MAR.

Authorization is requested for the purchase of ordinary shares, no par value indicated, of the Company, on one or more occasions, in an amount freely determinable by the Board of Directors up to a maximum number that, taking into account the Company's (treasury) shares held from time to time in its portfolio by the Company and by, if any, companies controlled by it, does not exceed in the aggregate 20% of the total share capital of the Company.

Authorization for the purchase of treasury shares is requested for the maximum duration allowed by the regulations applicable at the time, provided for in Article 2357, paragraph 2, of the Civil Code, in a period of 18 months, starting from the date of any shareholders' meeting resolution.

The purchase price of the shares shall be established from time to time, having regard to the method chosen for the execution of each transaction and in compliance with any provisions provided for by the regulations in force, but, in any case, without prejudice to the fact that it shall be neither lower nor higher by more than 20% than the official stock market price of the shares recorded by Borsa Italiana S.p.A. in the session before each individual transaction, and in any case for a maximum value at any time of a total of Euro 8,000,000.00.

For the disposal and/or use of treasury shares, the Board shall establish from time to time the criteria for determining the price and/or the procedures, terms and conditions of use of the treasury shares in portfolio, having regard to the implementation methods to be used in practice and the best interest of the Company, in any case in accordance with the provisions of the statutory and regulatory requirements and, where applicable, accepted practices.

The Board of Directors has proposed that the authorization be granted to make purchases of treasury shares, including through intermediaries, on a revolving basis, in accordance with the procedures established by the regulations applicable from time to time and, therefore, on the Euronext Growth Milan multilateral trading system in such a way as to ensure equal treatment among shareholders, it being understood that on the Euronext Growth Milan multilateral trading system, this provision shall not apply to purchases of treasury shares or shares of the parent company held by employees of the Issuer, subsidiaries or the parent company and assigned or subscribed to in accordance with articles 2349 and 2441, paragraph eight, of the Civil Code, or arising from compensation plans approved by the Ordinary Shareholders' Meeting.

The proposal is not instrumental to the reduction of the share capital, it being understood that if in the future the Shareholders' Meeting resolves to reduce the share capital, the Company reserves the right to execute it also by cancelling the treasury shares purchased and held in its portfolio.

Definition of significance criteria for the purpose of assessing the independence of directors following the amendments to the Euronext Growth Milan Issuer Regulation

On today's date, the Company's Board of Directors - following the regulatory changes to the Euronext Growth Milan Issuer Regulation introduced by Borsa Italiana S.p.A. in Notice No. 43747 published on November 17, 2023 - defined the quantitative and qualitative significance criteria of potentially relevant relationships for the purpose of assessing the independence of its directors. These criteria are publicly available on the Company website www.powersoft.com in the "Corporate Governance" section.

The Board of Directors, also on today's date, carried out the annual assessment of the independence of the Independent Director by verifying the continued satisfaction of the independence criteria as declared by the Independent Director when accepting the office pursuant to Article 148, paragraph 3, TUF.

Call of Ordinary Shareholders' Meeting

The Board of Directors resolved to convene the Ordinary Shareholders' Meeting at Powersoft's registered office in Via Enrico Conti 5, Scandicci (FI) on April 23, 2024 at 10.00 a.m. and, if necessary, in second call on April 24, 2024, same time and place, to resolve on the following agenda:

AGENDA

1. **Separate financial statements at December 31, 2023.** Reports of the Board of Directors, the Board of Statutory Auditors, and the Independent Auditors. Presentation of the Consolidated Financial Statements at December 31, 2023. Relevant and ensuing resolutions.
2. **Allocation of profit for the year.** Relevant and ensuing resolutions.
3. **Appointment of the Board of Directors.** Relevant and ensuing resolutions:
 - 3.1) Determination of the number of members of the Board of Directors;
 - 3.2) Determination of the term of office of the Directors;
 - 3.3) Appointment of the members of the Board of Directors;
 - 3.4) Appointment of the Chairman of the Board of Directors;
 - 3.5) Determination of the compensation of the Chairman of the Board of Directors and of the Directors.
4. **Renewal of the authorization to purchase and dispose of treasury shares** pursuant to Articles 2357 and 2357-ter of the Civil Code, subject to revocation, to the extent not used, of the previous authorization resolved by the Ordinary Shareholders' Meeting on April 27, 2023. Relevant and ensuing resolutions.

Filing of Documents

The notice of meeting and the related documents envisaged by applicable regulations, including the draft separate financial statements at December 31, 2023, the Report on Operations, the Directors' reports on the items on the agenda of the Shareholders' Meeting, the report of the Board of Statutory Auditors, and the report of the Independent Auditors, will be publicly available, within the time limits of law, at the registered office, as well as available for consultation on the Company website www.powersoft.com (*Investor Relations* section) and on the website of Borsa Italiana, *Azioni/Documenti* 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

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ATTACHED ARE THE POWERSOFT GROUP INCOME STATEMENT, STATEMENT OF FINANCIAL POSITION, STATEMENT OF CASH FLOWS AND NET FINANCIAL POSITION AT DECEMBER 31, 2023

INCOME STATEMENT

	31/12/2023	31/12/2022	Change	% change
Revenue	69,276,854	48,209,987	21,066,867	43.7%
Other revenue	1,059,724	583,058	476,666	81.8%
Total Revenue	70,336,578	48,793,046	21,543,533	44.2%
Cost of sales	(37,183,325)	(24,885,229)	(12,298,096)	49.4%
Increases for internal work	1,348,680	964,718	383,962	39.8%
Business and marketing expense	(5,149,570)	(4,059,055)	(1,090,514)	26.9%
General and administrative expense	(12,711,298)	(10,913,538)	(1,797,760)	16.5%
EBIT	16,641,066	9,899,942	6,741,124	68.1%
Financial expense	(831,594)	(1,755,263)	923,669	-52.6%
Financial income	821,061	721,315	99,746	13.8%
Profit (loss) before tax (EBT)	16,630,533	8,865,994	7,764,539	87.6%
Income tax	(4,568,515)	(2,518,633)	(2,049,881)	81.4%
Net profit (loss) from continuing operations	12,062,018	6,347,361	5,714,658	90.0%
Operating assets held for disposal	-	-	-	0.0%
Net profit (loss)	12,062,018	6,347,361	5,714,658	90.0%

STATEMENT OF FINANCIAL POSITION

	31/12/2023	31/12/2022	Change	% change
Tangible fixed assets	1,497,479	1,082,290	415,188	38.4%
Assets from rights of use	1,485,046	757,623	727,423	96.0%
Intangible fixed assets	1,785,323	1,384,743	400,580	28.9%
Financial fixed assets	-	5,000	(5,000)	-100.0%
Fixed capital	4,767,848	3,229,656	1,538,191	47.6%
Inventory	17,544,441	9,680,191	7,864,250	81.2%
Trade receivables	10,933,352	6,454,651	4,478,701	69.4%
Other current assets	5,573,148	2,567,182	3,005,966	117.1%
Trade payables	(16,560,455)	(8,962,603)	(7,597,853)	84.8%
Other current liabilities	(4,378,156)	(5,150,400)	772,244	-15.0%
Net working capital	13,112,330	4,589,021	8,523,309	185.7%
Other non-current assets (liabilities)	(1,275,222)	(934,629)	(340,593)	36.4%
Net capital employed	16,604,955	6,884,048	9,720,908	141.2%
Cash and cash equivalents	14,429,779	20,274,621	(5,844,842)	-28.8%
Financial assets	5,540,571	5,234,178	306,393	5.9%
Non-current financial liabilities	(593,054)	(413,655)	(179,399)	43.4%
Non-current financial liabilities from rights of use	(821,168)	(266,798)	(554,370)	207.8%
Current financial liabilities	(95,382)	(58,234)	(37,148)	63.8%
Current financial liabilities from rights of use	(683,148)	(508,644)	(174,504)	34.3%
Net financial position	17,777,598	24,261,468	(6,483,870)	-26.7%
Share capital	(1,248,780)	(1,228,098)	(20,683)	1.7%
Reserves	(21,071,755)	(23,570,058)	2,498,303	-10.6%
Profit (loss) for the period	(12,062,018)	(6,347,361)	(5,714,658)	90.0%
Total equity	(34,382,553)	(31,145,516)	(3,237,037)	10.4%
Total sources	(16,604,955)	(6,884,048)	(9,720,908)	141.2%

STATEMENT OF CASH FLOWS

Statement of Cash Flows - Consolidated	31/12/2023	31/12/2022
Cash Flow from Operations		
Profit / (loss) for the year	12,062,018	6,347,361
<u>Adjustments to reconcile net profit (loss) for the period to cash flow generated by operations:</u>		
Income tax	4,568,515	2,518,633
Amortization and depreciation	2,515,165	2,020,465
Allocations	-	-
(Capital gain)/loss on disposal of fixed assets	-	-
Allocations/(Utilization) provisions for employee benefit liabilities	138,951	75,014
Allocations /(Utilization) provisions for risks and charges	861,327	744,750
Change FV financial assets	(306,393)	710,778
Interest (receivable) / accrued liabilities	(22,050)	15,821
<u>Changes in operating assets and liabilities:</u>		
Inventory	(8,133,052)	(3,411,132)
Trade receivables and contract assets	(4,500,891)	(3,959,808)
Trade payables	7,597,853	3,701,568
Other assets	(3,143,502)	(2,097,960)
Other liabilities	(5,328,395)	305,609
Interest (paid) / collected	66,141	7,713
Tax (paid) / collected	-	-
Utilization of provisions for risks and charges	(302,016)	(552,032)
Other	246,139	1,746,520
Net cash flow from operations (A)	6,319,810	8,173,298
Cash Flow from Investing Activities		
(Purchase) of property, plant and equipment	(910,691)	(806,190)
Sale of property, plant and equipment	-	-
(Purchase) of investment property	-	-
Sale of investment property	-	-
(Purchase) of intangible fixed assets	(1,812,493)	(1,276,280)
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)	(2,723,184)	(2,082,470)
Cash Flow from Financing Activities		
Paid capital increases	641,940	1,114,880
Dividend distribution	(9,671,358)	(1,756,498)
Purchase of treasury shares	-	-
Lease repayment	(628,597)	(494,780)
New medium- to long-term loans	245,664	319,568
(Repayment) medium- to long-term loans	(29,117)	-
Net cash flow from financing activities (C)	(9,441,468)	(816,830)
Total net cash flow (D=A+B+C)	(5,844,842)	5,273,998
Opening net cash (E)	20,274,621	15,000,623
Total net cash flow	(5,844,842)	5,273,998
Closing cash (G=D+E)	14,429,779	20,274,621

CONSOLIDATED NET FINANCIAL POSITION

	31/12/2023	30/06/2023	31/12/2022
(A) Bank and postal deposits	14,428,773	14,139,879	20,272,851
(B) Cash	1,006	1,100	1,770
(C) AVAILABLE CASH (A+B)	14,429,779	14,140,979	20,274,621
(D) CURRENT FINANCIAL ASSETS	5,540,571	5,283,522	5,234,178
(E) Current bank payables			
(F) Other current financial liabilities	(778,530)	(2,600,451)	(566,878)
(G) CURRENT FINANCIAL DEBT (E+F)	(778,530)	(2,600,451)	(566,878)
(H) NET CURRENT FINANCIAL POSITION (C+D+G)	19,191,820	16,824,050	24,941,921
(I) Non-current bank payables	-	-	-
(L) Other non-current financial liabilities	(1,414,222)	(1,857,387)	(680,453)
(M) NON-CURRENT FINANCIAL DEBT (I+L)	(1,414,222)	(1,857,387)	(680,453)
(N) NET FINANCIAL POSITION (H+M)	17,777,598	(14,966,663)	24,261,468