

POWERSOFT FINALIZES THE ACQUISITION OF 51% OF K-ARRAY, ONE OF THE MOST INNOVATIVE COMPANIES IN THE AUDIO INDUSTRY

Scandicci (Florence), April 1, 2025 - Powersoft S.p.A. (“**Powersoft**”), at the head of a technology group (“**Powersoft Group**”) operating worldwide in the pro-Audio industry and listed on Euronext Growth Milan, following up on its press release on [February 20, 2025](#), announces the closing today of the transaction for the acquisition from H.P. Sound Equipment S.p.A. (“**HP Sound**” or the “**Seller**”) of 51% of K-Array S.r.l. (“**K-Array**” or the “**Company**”), specialized in the design and manufacture of innovative high-performance, compact design audio systems for a wide range of applications (the “**Transaction**”). As previously disclosed to the market, the agreements provide, *inter alia*, the mutual granting of call and put options in favor of Powersoft and HP Sound, respectively, on the remaining 49% of K-Array’s share capital.

In the words of Luca Lastrucci, CEO of Powersoft Group: *“I am pleased with the successful conclusion of this transaction and delighted to welcome K-Array into our Group. This acquisition represents a significant strategic advancement for Powersoft, enabling the company to further solidify its position in the global professional audio market. K-Array’s innovation and distinctive capabilities will enhance our technology ecosystem and positively influence our switch from a Manufacturing Company to a Solution Provider. Consequently, we can expedite the development of cutting-edge solutions that more effectively address the evolving demands of an increasingly discerning and selective market. This deal marks a major milestone in our growth and innovation journey, propelling us toward new challenges and greater opportunities, guided by an even more ambitious vision for the future.”*

The Transaction is aligned with Powersoft Group’s strategic development plan, which aims to strengthen its presence in the pro-Audio sector through both organic growth and acquisitions, as outlined since the IPO. Specifically, the acquisition will allow the Group to advance its transformation into a Solution Provider, particularly within the transportation and automotive sectors, where technological innovation, efficiency, and audio system reliability are crucial.

This combination reinforces Powersoft’s standing as a leading global group, leveraging an expanded product portfolio, technological expertise, and innovative approach through the integration of two complementary entities.

Powersoft today acquired **51% of K-Array’s share capital** (the “**K-Array Stake**”), with HP Sound transferring the intellectual and industrial property rights, along with any other assets held used by K-Array in its business operations, as well as certain employees in the administrative and HR departments. HP Sound also transferred to K-Array 50% of the share capital of K-Array USA LLC, a U.S.-registered company involved in distributing K-Array products in the United States.

The consideration for acquiring the K-Array Stake is approximately € 22.3 million, based on an Enterprise Value of 100% of K-Array of € 50 million, adjusted for an estimated Net Financial Position at closing of approximately € 6.3 million, according to agreed calculation methods, and will be

subject to a subsequent verification procedure potentially resulting in an adjustment of the consideration to align with market practices.

Under the agreements, the 300,000 newly issued Powersoft shares that HP Sound committed to subscribe for through reinvestment of a portion of the consideration were valued at € 16.6976 per share (i.e., the arithmetic average of the official price of Powersoft's share in the 30 days prior to closing).

Based on the above, the consideration will therefore be paid as follows:

- (i) approximately € 8.4 million was paid in cash today. The amount was financed through a bank loan from Unicredit, which supported the Company as a financial partner in all disbursement-related activities;
- (ii) approximately € 5.0 million will be paid when Powersoft's Extraordinary Shareholders' Meeting resolves the share capital increase reserved for HP Sound for the subscription of 300,000 newly issued Powersoft shares, equivalent to approximately 2.4% of its share capital, which HP Sound will subscribe by offsetting the above amount against the relevant subscription price; the Powersoft shares thus subscribed will be subject to lock-up for 18 months from today;
- (iii) the remaining approximately € 8.9 million will be paid in cash in 4 equal annual installments starting on April 1 next year. No interest will accrue on these installment amounts.

The procedure for verifying K-Array's Net Financial Position at closing will be completed within 180 business days from the transaction's finalization date, and any adjustment to the consideration will be settled in cash within 20 business days of the procedure's conclusion.

As anticipated, the agreements also provide for (i) the granting to Powersoft of a **call option on the remaining 49%** of K-Array's share capital exercisable within 60 days after the approval of K-Array's financial statements at December 31, 2030; and (ii) the granting to HP Sound of a **put option on the same 49%** of K-Array's share capital exercisable from the 61st to the 120th day after the approval of K-Array's financial statements at December 31, 2030, if Powersoft has not exercised the call option. The agreements also give both parties the right to accelerate the exercise of their option in the event of a change of control of Powersoft or K-Array or decision deadlock in the Company's Shareholders' Meeting or Board of Directors, as well as the right for HP Sound to accelerate the exercise of its put option in the event of changes to K-Array's business plan that have not been approved by HP Sound's appointed directors. The consideration to be paid by Powersoft to HP Sound upon exercise of the put or call option will be 49% of K-Array's Equity Value, determined based on (i) the Enterprise Value of 100% of K-Array of € 50 million and (ii) the Company's final Net Financial Position at closing, as established through the agreements' adjustment procedure (the "**Strike Price**"). The Strike Price, calculated using the estimated Net Financial Position at closing, is approximately € 21.4 million. The agreements stipulate, among other provisions, an earn-out for HP Sound, detailed in the press release dated last February 20.

The parties also executed a shareholders' agreement that outlines, notably, the composition of K-Array's Board of Directors with 5 members: 3 Powersoft appointees, including the Chairman, and the appointment of HP Sound's controlling shareholders, Alessandro Tatini and Massimo Ferrati, as K-Array's Chief Executive Officer and Chief Financial Officer, respectively, for the three-year term spanning 2025-2027, with a potential reappointment for the subsequent three-year term under specified conditions.

The terms of these relationships also include non-compete and non-solicitation commitments from the directors, as well as the terms for early termination of the relationship, distinguishing between good leaver or bad leaver scenarios.

The Board of Statutory Auditors will comprise 3 standing members, with Powersoft appointing 2 and HP Sound 1. The standing auditor appointed by HP Sound will hold the position of Chairman until 2027 and, subject to certain conditions, also for the three-year period 2028-2030.

The shareholders' agreement also includes specific veto rights for HP Sound and tag-along and drag-along clauses throughout the put/call options' exercise period (or until their exercise, if any), aligning with market best practices.

More information on the transaction can be found in the press release published on February 20, 2025.

As part of the Transaction, Powersoft was assisted by Intermonte as financial advisor, Gianni & Origoni as legal advisor, EY S.p.A. for financial and accounting due diligence, and Studio Biscozzi Nobili & Partners for tax due diligence.

HP Sound was assisted by Nobel Partners Advisory as financial advisor and Harpalis as legal advisor.

This press release is available in the *Investor Relations/Press Releases – Corporate and Financial* 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 180 skilled resources and boasts extensive worldwide sales. R&D and production activities are conducted in Italy at the Scandicci headquarters, leveraging support from select strategic suppliers operating both within Italy and internationally.

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