



PRESS RELEASE

B&C Speakers S.p.A.:

The Board of Directors approves the Interim Report on Operations as at 30 September 2021

- Consolidated revenues equal to Euro 31.75 million (rising by 27.8% compared to Euro 24.84 million of the third quarter of del 2020);
- Consolidated EBITDA equal to Euro 6.08 million (up by 37.1% compared to Euro 4.44 million of the first nine months of 2020);
- Overall Group profit equal to Euro 3.62 million (considerably increased compared to Euro a 1.54 million of the first nine months of 2020);
- Group Net financial position equal to Euro 2.4 million (it was positive and equal to Euro 0.6 million at the end of the 2020 financial year);

Bagno a Ripoli (prov. Florence), Italy, November 12, 2021 – The **Board of Directors of B&C Speakers S.p.A.**, one of the foremost international players in designing, manufacturing, distributing and marketing professional electro-acoustic transducers, approved the Group's Interim Report for the first nine months of 2021 in accordance with International Financial Reporting Standards (IFRS).

The managing director of the B&C Speakers Group, Lorenzo Coppini, commented: “even with due caution, it seems to us that the acute phase of the crisis is finally behind us, the record levels of collection of new orders together with the positivity that is perceived by customers allow us to imagine an excellent closure of 2021 and restart for the year 2022 ”.

Revenues

The reference market of the Group showed significant signs of recovery during the first nine months of 2021 and the turnover is equal to Euro 31.75 million, increasing by 27.79% compared to the same period of 2020, when it was equal to Euro 24.84 million.

Confirming this recovery trend, the collection of new orders during this period was extremely significant, increasing the order book (related to the Parent Company) up to the record level of Euro 24.2 million at September 30, 2021 (it was equal to Euro 4.2 million at December 31, 2020).

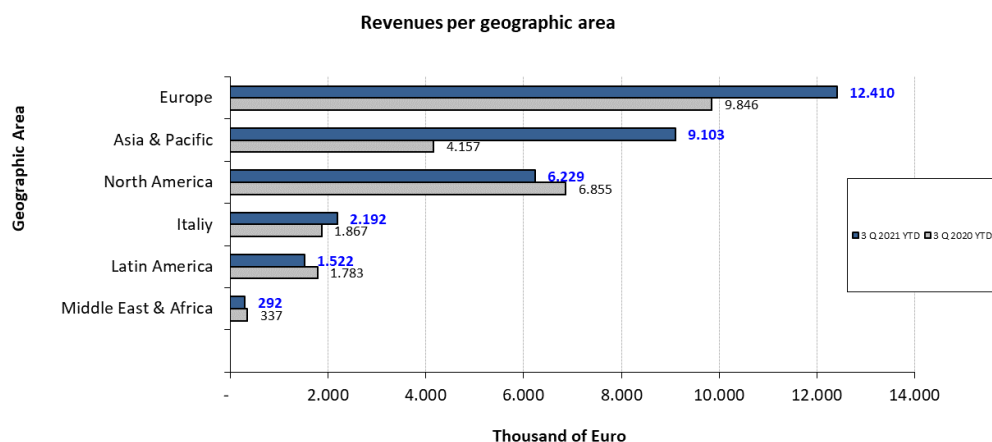
The increase in the Group's turnover, compared to the first nine months of 2020, was mainly focused on the Asian market, the first one to be already restarted from the



beginning of 2021, which showed an increase of Euro 4.9 million (equal to + 119%) compared to the same period of 2020.

Below is the complete breakdown by geographical area for the first nine months of 2021 compared with the same period of 2020 (amounts in Euro):

Revenues per geographic area (values in Euro/thousand)	3 Q 2021 YTD	%	3 Q 2020 YTD	%	Difference	Difference %
Latin America	1.522	5%	1.783	7%	(261)	-14,6%
Europe	12.410	39%	9.846	40%	2.564	26,0%
Italy	2.192	7%	1.867	8%	326	17,4%
North America	6.229	20%	6.855	28%	(626)	-9,1%
Middle East & Africa	292	1%	337	1%	(45)	-13,4%
Asia & Pacific	9.103	29%	4.157	17%	4.946	119,0%
Total	31.748	100%	24.844	100%	6.904	27,8%



Cost of Sales

The cost of sales was consistent with the same period of 2020; during the first nine months of 2021, incidence on revenues was 63.85% (it was equal to 63.18% during the same period of 2020); this trend proves that, despite the higher costs for logistics and the higher costs of all categories of raw materials purchased, the Group was able to improve its production efficiency, as well as to apply a correct pricing policy.

Other Revenues

The significant increase in other revenues is resulted from obtaining a non-refundable contribution of Euro 320 thousand as part of a loan, amounting to Euro 800 thousand, provided by SACE-Simest, aimed at supporting companies that operate internationally.

***Indirect Personnel***

The cost for indirect personnel, while showing a slight increase compared to the first nine months of 2020, decreased its incidence on turnover from 8.75% to 7.79%. The decrease in the incidence on revenues is due to the increase in production and sales volumes achieved in this period.

Commercial Expenses

Commercial expenses remain basically unchanged compared to the first nine months of 2020, since the sector trade shows have not restarted yet and the cost containment policies implemented by the Group's Management are still in place.

Administrative and General

Although general and administrative costs increased by 28.19% compared to the first nine months of 2020, they have kept their incidence on turnover unchanged, which went from 9.42% to 9.45%. The increase in general and administrative costs was affected, for approximately Euro 180 thousand, by non-recurring costs associated with interventions on the personnel structure.

EBITDA and EBITDA Margin

As a result of the dynamics illustrated above, EBITDA for the first nine months of 2021 is equal to Euro 6.10 million, with an increase of Euro 1.65 million (+37.07%) compared to the same period of 2020.

The EBITDA margin for the first nine months of 2021 is equal to 19.17% of revenues (17.87% in the first nine months of the previous year).

Depreciation

The depreciation of tangible and intangible fixed assets and rights of use are slightly decreasing compared to corresponding period of the previous year and amounts to Euro 1,510 thousand (Euro 1,649 thousand in first nine months of 2020).

EBIT and EBIT margin

EBIT for the first nine months of 2021 amounts to Euro 4.54 million, up 62.57% compared to the same period of 2020 (when it was equal to Euro 2.79 million).

The EBIT margin is equal to 14.29% of revenues (11.23% in the corresponding period of 2020).



Group Net Profit

The Group's net profit at the end of the first nine months of 2021 amounts to Euro 3.53 million, representing a percentage of 11.12% of consolidated revenues, with an overall increase of 98.03% compared to the corresponding period of 2020.

The overall **Net Financial Position** is negative and equal to Euro 2.3 million against a positive value of Euro 0.59 million at the end of the 2020 financial year. The Net Financial Position has been mainly affected by the distribution of the dividend equal to Euro 2.9 million, that took place during May 2021

(in thousands of Euros)

	30 September 2021 (a)	31 December 2020 (a)	Change %
A. Cash	8.874	13.415	-34%
C. Other current financial assets	10.910	8.044	36%
D. Cash and cash equivalent (A+C)	19.784	21.460	-8%
E. Current financial indebttness	(0)	0	
F. Current portion of non current borrowings	(8.067)	(7.848)	3%
G. Current borrowingse (E+F)	(8.067)	(7.848)	3%
H. Current net financial indebttness (G+D)	11.718	13.612	-14%
I. Non current financial indebttness	(14.090)	(13.022)	8%
L. Non current financial indebttness	(14.090)	(13.022)	8%
M. Total financial indebttness (H+L)	(2.372)	590	-502%

(a) Informazioni estratte e/o calcolate dal bilancio predisposto in conformità agli IFRS adottati dalla Unione Europea.

Cash generation deriving from operating activities in the first nine months of the year was positive and equal to Euro 2.8 million, a decrease compared to the corresponding period of 2020, when it was equal to Euro 5 million.



The following chart shows the reclassified Group Income Statement relating to the first nine months of 2021 compared with the corresponding period of 2020:

Economic trends - Group B&C Speakers

(€ thousands)	9 months 2021	Incidence	9 months 2020	Incidence
Revenues	31.748	100,00%	24.844	100,0%
Cost of sales	(20.270)	-63,85%	(15.697)	-63,2%
Gross margin	11.478	36,15%	9.148	36,8%
Other revenues	472	1,49%	179	0,7%
Cost of indirect labour	(2.472)	-7,79%	(2.173)	-8,7%
Commercial expenses	(393)	-1,24%	(375)	-1,5%
General and administrative expenses	(3.000)	-9,45%	(2.340)	-9,4%
Ebitda	6.085	19,17%	4.440	17,9%
Depreciation of tangible assets	(1.406)	-4,43%	(1.517)	-6,1%
Amortization of intangible assets	(104)	-0,33%	(132)	-0,5%
Writedowns	(39)	-0,12%	0	0,0%
Earning before interest and taxes (Ebit)	4.537	14,29%	2.791	11,2%
Writedown of investments in non controlled associates	(19)	-0,06%	-	0,0%
Financial costs	(322)	-1,02%	(832)	-3,3%
Financial income	533	1,68%	226	0,9%
Earning before taxes (Ebt)	4.728	14,89%	2.185	8,8%
Income taxes	(1.198)	-3,77%	(402)	-1,6%
Profit for the year	3.531	11,12%	1.783	7,2%
Minority interest	0	0,00%	0	0,0%
Group Net Result	3.531	11,12%	1.783	7,2%
Other comprehensive result	86	0,27%	(238)	-1,0%
Total Comprehensive result	3.616	11,39%	1.545	6,2%

Events after September 30, 2021

The order collection, even after the end of the first nine months, confirmed its brilliant growth trend, now positively involving all the reference markets and bringing the Group's portfolio to Euro 25.4 million at the end of the month of October. In addition to this, there is a gradual, albeit very slow, recovery of logistics and procurement activities which will guarantee a progressive increase in the Group's production capacity.

Business Outlook

The recovery trend, which has gradually become established over the course of the year, has resulted in a gradual and complete recovery of production and sales volumes as in 2019, also ensuring a much greater forward-looking visibility than in pre-pandemic period. As a result, it is possible to state that the closure of the 2021 financial year, as well as the first quarter of 2022, will show a greater turnover in line if not even higher than in the corresponding periods of 2019.



Below are the Consolidated Balance Sheet and Income Statement relating to September 30, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		30 september	31 December
<i>(Values in Euro)</i>		2021	2020
ASSETS			
Fixed assets			
Tangible assets		2.487.277	2.768.007
Right of use		5.179.479	3.111.501
Goodwill		2.318.181	2.318.181
Other intangible assets		228.282	303.453
Investments in non controlled associates		-	50.000
Deferred tax assets		801.882	760.716
Other non current assets		465.225	655.222
	<i>related parties</i>	6.700	6.700
Total non current assets		11.480.326	9.967.080
Currents assets			
Inventory		14.493.520	12.253.639
Trade receivables		11.309.446	7.084.606
Tax assets		1.536.037	1.739.974
Other current assets		11.322.637	8.502.546
Cash and cash equivalents		8.874.375	13.415.179
Total current assets		47.536.015	42.995.944
Total assets		59.016.341	52.963.024
LIABILITIES			
Equity			
Share capital		1.089.270	1.088.495
Other reserves		4.350.581	4.745.482
Foreign exchange reserve		377.906	296.495
Retained earnings		21.222.949	20.080.251
Total equity attributable to shareholders of the parent		27.040.707	26.210.723
Minority interest		-	-
Total equity		27.040.707	26.210.723
Non current liabilities			
Long-term borrowings		9.912.266	10.754.968
Long-term lease liabilities		4.177.276	2.267.054
	<i>related parties</i>	3.722.845	1.694.474
Severance Indemnities		774.699	935.531
Provisions for risk and charges		39.271	39.271
Total non current liabilities		14.903.512	13.996.824
Current liabilities			
Short-term borrowings		6.948.502	6.904.309
Short-term lease liabilities		1.118.280	943.509
	<i>related parties</i>	859.326	596.026
Trade liabilities		6.584.089	2.956.786
	<i>related parties</i>	79.952	47.976
Tax liabilities		216.893	366.811
Other current liabilities		2.204.358	1.584.061
Total current liabilities		17.072.122	12.755.477
Total Liabilities		59.016.341	52.963.024


CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

**9 months
2021**
**9 months
2020**

Revenues	31.748.116	24.844.461
Cost of sales	(20.269.970)	(15.696.695)
Other revenues	472.242	179.482
Cost of indirect labour	(2.471.892)	(2.172.706)
Commercial expenses	(393.398)	(374.793)
General and administrative expenses	(2.999.729)	(2.340.054)
Depreciation and amortization	(1.510.017)	(1.648.999)
Writedowns	(38.589)	0
Earning before interest and taxes	4.536.763	2.790.695
Writedown of investments in non controlled associates	(19.182)	-
Financial costs	(322.355)	(831.750)
	<i>related parties</i>	(57.125)
Financial income	533.213	225.771
Earning before taxes	4.728.438	2.184.715
Income taxes	(1.197.883)	(401.839)
Profit for the year (A)	3.530.555	1.782.876
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	4.193	(124)
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	81.411	(237.875)
Total other comprehensive income/(losses) for the year (B)	85.604	(237.999)
Total comprehensive income (A) + (B)	3.616.159	1.544.877
Profit attributable to:		
Owners of the parent	3.530.555	1.782.876
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	3.616.159	1.544.877
Minority interest	-	-
Basic earning per share	0,32	0,16
Diluted earning per share	0,32	0,16

The Financial Reporting Manager of B&C Speakers S.p.A., Francesco Spapperi, hereby certifies - pursuant to Art. 154-bis, paragraph 2 of the Italian Legislative Decree No. 58/1998 - that the accounting disclosures as shown in this press release, are consistent with company's accounting documents, books and records.

B&C Speakers S.p.A.

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B&C Speakers S.p.A. is an international leader in the design, production, distribution and commercialization of professional electro-acoustic transducers (the main components in acoustic speakers for music, commonly referred to as loudspeakers), supplied mainly to professional audio system manufacturers (OEM). Counting roughly 130 employees, with approximately 10% of staff assigned to its Research and Development Department, the Company – under the brands of the Group: B&C SPEAKERS, 18SOUND and CIARE carries out all design, production, commercialization and control activities at its facility in Florence and Reggio Emilia, Italy. Most of its products are developed according to its key customers' specifications. B&C Speakers also operates in the US and Brazil through two subsidiaries carrying out commercial activities.