PRESS RELEASE

B&C Speakers S.p.A.:

The Board of Directors approves the Interim Report on Operations as at 30 June 2022

- **Consolidated revenues equal to Euro 37.39 million (rising by 91% compared to Euro 19.58 million of the first half of 2021);**
- **Consolidated EBITDA equal to Euro 8.30 million (up by 134% compared to Euro 3.55 million of the first half of 2022);**
- **Total Group profit equal to Euro 4.38 million (also significantly increased compared from figure of Euro 1.99 million of the first half of 2021);**
- **Group net financial position equal Euro 13.7 million (Euro 3.9 million at the end of the 2021 financial year);**
- **Co-option of a new Independent Director.**

Bagno a Ripoli (Florence - ITALY), September 9, 2022 – The **Board of Directors** of **B&C Speakers S.p.A.**, one of the foremost international players in the design, manufacture, distribution and marketing of professional electro-acoustic transducers, approved the Interim Report on Operations of the Group for the first six months of 2022 prepared in accordance with the IFRS international accounting standards.

Chief Executive Officer Lorenzo Coppini commented: *"The excellent numbers in the first half of the year confirm our forecast of strong growth for the B&C Group, mainly due to the exceptional restart of the Pro Audio Touring reference segment and the constant growth of the installation sector. Although the energy issue is a cause for concern, especially due to the expected increases in the European supply chain, we are convinced that the results of the current year will reward our efforts to make the structure more efficient, allowing us to look to the future with optimism. ".*

Consolidated Revenue

The Group's target market benefited from a six-month period of full and growing activity that ensured a total turnover of Euro 37.39 million, far higher than the value for the first half of 2021 when it stood at Euro 19.58 million; the second *quarter* of 2022 (after the brilliant performances achieved during the first quarter of the year) also resulted in record levels for the Group, both in terms of quantities sold and in terms of the value of turnover achieved.

In particular, this level of turnover was made possible thanks to an important growth in volumes, which grew by 56% compared to the same period of 2021, while the remaining

part of the growth is justified by a better sales mix and by the effect of price increases made necessary to partially offset increased raw material costs.
In addition to this, it should be noted that the sales volumes achieved in the first half of 2022 were 16% higher than the corresponding data achieved in the first half of 2019; this data confirms the more than complete recovery of the pre-pandemic levels.

Below is the breakdown divided by geographical area for the first half of 2022:

Geographical Area	1st half 2022	%	1st half 2021	%	Change	Change %
Latin America	1,967,116	5.3%	1,235,623	6.3%	731,493	59%
Europe	16,613,429	44.4%	7,035,977	35.9%	9,577,452	136%
Italy	2,243,381	6.0%	1,474,388	7.5%	768,994	52%
North America	9,039,968	24.2%	4,353,205	22.2%	4,686,762	108%
Middle East & Africa	1,901,412	5.1%	247,963	1.3%	1,653,449	667%
Asia & Pacific	5,624,204	15.0%	5,231,690	26.7%	392,514	8%
Total	**37,389,509**	**100.0%**	**19,578,845**	**100.0%**	**17,810,664**	**90.97%**

The increase in turnover was essentially achieved in all the Group's primary markets and it is clear that this increase in turnover is mostly driven by European and North American customers, although it should not be forgotten the good performance of the Asian market, whose importance is nevertheless decreasing compared to the first half of 2021.

Cost of Sales

During the first six months of 2022, the cost of sales showed an increase on revenues compared to the same period of 2021, rising from 64.45% to 65.69%; this worsening was driven by the higher incidence of transportation costs, which remained at very high levels during the six-month period in question as well. No negative movements are to be reported at the moment in terms of the incidence of procurement costs, while, despite the increased number of direct operators, personnel costs are returning to efficiency levels typical of the standard periods for the Group.

Indirect Personnel

The cost of indirect personnel fell in terms of proportion of revenue compared to the first half of 2021, dropping from 8.3% to 5.9%. In absolute terms, the figure for the first half of 2022 increased following the recruitment of a number of resources at the commercial and technical structure.

Commercial Expenses

Commercial expenses show an increase compared to the first half of 2021, due to the resumption of trade shows, thus of their related commercial activities too.

Administrative and General

General and administrative costs are essentially stable compared to the corresponding figure for 2021 and their incidence has therefore sharply decreased, passing from 10% to 5.5%.

EBITDA and EBITDA Margin

As a result of the growth above described, the EBITDA of the first six months of 2022 was equal to Euro 8.30 million, while it was equal to Euro 3.55 million at the end of the first half of 2021. Also in terms of ***EBITDA margin***, there is a strong improvement with the figure reaching 22.10% of revenues for the period, compared to 18.14% in the first half of 2021.

Depreciation and provisions

Depreciation of tangible and intangible fixed assets and rights of use amounted to Euro 0.9 million, basically unchanged compared to the first six months of 2021.
The provisions made in the period, equal to Euro 58 thousand, reflect the limited risk of bad debt on the part of the Group's customers.

EBIT ed EBIT margin

EBIT for the first six months of 2022 amounts to Euro 7.24 million, also a sharp increase compared to the same period of 2021, when it was equal to Euro 2.51 million.
***EBIT* margin** is equal to 19.37% of revenues, while in the corresponding period of 2021 it was equal to 12.84% (of revenues).

Group Net Profits

The Group's net profits at the end of the first six months of 2022 amounted to Euro 4.38 million (11.72% of revenue for the half-year), a figure more than doubled compared with the corresponding period in 202.

The Group's overall ***Net Financial Position*** was (negative) Euro 13.67 million, a sharp increase compared to the Euro 3.91 million at the end of 2021. This trend is explained by the need to finance net working capital, in particular inventories of stock, to cope with the very strong recovery in demand. We can note also that the corresponding figure at the end of the first half of 2019 (year of reference for it was not affected by COVID-19 and a year of record growth for the Group too) was also negative at Euro 12.22 million.

(values in Euro thousands)	30 June 2022 (a)	31 December 2021 (a)	Change %
A. Cash	5,180	8,075	-36%
C. Other current financial assets	9,193	10,829	-15%
D. Cash and cash equivalent (A+C)	**14,374**	**18,904**	**-24%**
F. Current portion of non current borrowings	(15,244)	(10,275)	48%
G. Current borrowingse (E+F)	**(15,244)**	**(10,275)**	**48%**
H. Current net financial indebtness (G+D)	**(870)**	**8,629**	**-110%**
I. Non current financial indebtness	(12,806)	(12,542)	2%
L. Non current financial indebtness	**(12,806)**	**(12,542)**	**2%**
M. Total financial indebteness (H+L)	**(13,676)**	**(3,913)**	**250%**

The following chart shows the Group's reclassified Income Statement relating to the first half of 2022 compared with the corresponding half of 2021:

Economic trends - Group B&C Speakers

(€ thousands)	1 Half 2022	*Incidence*	1 Half 2021	*Incidence*
Revenues	37,390	*100.00%*	19,579	*100.0%*
Cost of sales	(24,560)	*-65.69%*	(12,619)	*-64.5%*
Gross margin	**12,829**	***34.31%***	**6,960**	***35.5%***
Other revenues	126	*0.34%*	432	*2.2%*
Cost of indirect labour	(2,161)	*-5.78%*	(1,618)	*-8.3%*
Commercial expenses	(452)	*-1.21%*	(259)	*-1.3%*
General and administrative expenses	(2,044)	*-5.47%*	(1,962)	*-10.0%*
Ebitda	**8,298**	***22.19%***	**3,552**	***18.1%***
Amortization & Depreciation	(996)	*-2.67%*	(1,006)	*-5.1%*
Writedowns	(58)	*-0.16%*	(33)	*-0.2%*
Earning before interest and taxes (Ebit)	**7,243**	*19.37%*	**2,513**	***12.84%***
Writedown of investments in non controlled associates	0	*0.00%*	(19)	*-0.1%*
Financial costs	(2,072)	*-5.54%*	(203)	*-1.0%*
Financial income	800	*2.14%*	365	*1.9%*
Earning before taxes (Ebt)	**5,972**	***15.97%***	**2,656**	***13.6%***
Income taxes	(1,590)	*-4.25%*	(662)	*-3.4%*
Profit for the year	**4,382**	***11.72%***	**1,994**	***10.2%***
Minority interest	0	*0.00%*	0	*0.0%*
Group Net Result	**4,382**	***11.72%***	**1,994**	***10.2%***
Other comprehensive result	250	*0.67%*	105	*0.5%*
Total Comprehensive result	**4,632**	***12.39%***	**2,099**	***10.7%***

Events after June 30, 2022

Even after the end of the half year, the Group maintained the volume of production output at record levels, as well as the final turnover (also net of the price lists effect).

Business Outlook

The available data show that the year 2022 will close at a level of turnover never reached before by the Group, thanks also to a second half that should be able to outperform the performance achieved in the first part of the year.
At the moment it is not possible to quantify the consequences for the company business deriving from the current energy crisis, even if the costs of some production components are likely to be strongly impacted.

Co-option of a new Independent Director

The Board of Directors met today, having obtained the opinion of the Appointments Committee and with the approval of the Board of Statutory Auditors, approved the appointment by co-option, pursuant to art. 2386, first paragraph, of the Civil Code and article 12.5 of the Articles of Association, of Dr. Valerie Sun, as non-executive and Independent Director of the Company.
The appointment followed the resignation given on May 13, 2022 by the lawyer Gabriella Egidi, non-executive and Independent Director, as well as a member of the Control and Risks Committee and of the Appointments Committee of the Company.
Having acknowledged the declarations made and the documentation provided by the new Director, during the same meeting, the Board of Directors ascertained that Ms. Valerie Sun meets the requirements laid down by the applicable legislation, the Company's Articles of Association and the Corporate Governance Code for the assumption of office, including compliance with the independence requirements set forth in art. 148, paragraph 3, of Legislative Decree 58/1998 (TUF), by art. 2 of the Corporate Governance Code of listed companies and the Articles of Association. Finally, the Board of Directors verified compliance with the limits on the accumulation of offices established by the Company.
Ms. Valerie Sun will remain in office until the next shareholders' meeting of the Company.
The curriculum vitae of the new Director, together with the declaration of acceptance of office and possession of the legal requirements for taking up the office, is available on the Company's website, inside the Investor section.
In conclusion, the Board of Directors appointed the newly-appointed Director as a member of the Control and Risk Committee and the Appointments Committee.
The Company's Board of Directors also ascertained that its composition complies with current laws and regulations.

Below are shown the Consolidated Balance Sheet and Income Statement relating to June 30, 2022:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(Values in Euro)*		30 June 2022	31 December 2021
ASSETS			
Fixed assets			
Tangible assets		2,512,063	2,530,233
Right of use		4,786,619	4,888,298
Goodwill		2,318,181	2,318,181
Other intangible assets		378,148	314,159
Deferred tax assets		889,114	869,899
Other non current assets		497,141	496,824
	related parties	*6,700*	*6,700*
Total non current assets		**11,381,266**	**11,417,594**
Currents assets			
Inventory		25,352,382	17,325,538
Trade receivables		19,719,351	12,995,603
Tax assets		24,054	267,450
Other current assets		12,869,546	13,680,165
Cash and cash equivalents		5,180,422	8,075,158
Total current assets		**63,145,755**	**52,343,914**
Total assets		**74,527,021**	**63,761,508**
LIABILITIES			
Equity			
Share capital		1,086,651	1,087,901
Other reserves		4,350,099	4,186,497
Foreign exchange reserve		667,731	445,242
Retained earnings		23,262,182	22,656,388
Total equity attributable to shareholders of the parent		**29,366,663**	**28,376,029**
Minority interest		-	-
Total equity		**29,366,663**	**28,376,029**
Non current liabilities			
Long-term borrowings		8,985,103	8,620,901
Long-term lease liabilities		3,820,831	3,921,073
	related parties	*3,122,103*	3,524,407
Severance Indemnities		731,491	775,447
Provisions for risk and charges		40,289	40,291
Total non current liabilities		**13,577,714**	**13,357,712**
Current liabilities			
Short-term borrowings		14,139,549	9,183,071
Short-term lease liabilities		1,104,343	1,092,438
	related parties	*812,473*	843,493
Trade liabilities		13,311,810	9,020,141
	related parties	*78,826*	*81,227*
Tax liabilities		556,148	188,520
Other current liabilities		2,470,794	2,543,597
Total current liabilities		**31,582,644**	**22,027,767**
Total Liabilities		**74,527,021**	**63,761,508**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Values in Euro)		6 months 2021	6 months 2020
Revenues		37,389,509	19,578,845
Cost of sales		(24,560,274)	(12,619,143)
Other revenues		126,122	431,900
Cost of indirect labour		(2,161,166)	(1,618,461)
Commercial expenses		(452,036)	(259,237)
General and administrative expenses		(2,043,868)	(1,962,041)
Depreciation and amortization		(996,493)	(1,005,793)
Writedowns		- 58,419.00	- 33,122.31
Earning before interest and taxes		**7,243,375**	**2,512,948**
Writedown of investments in non controlled associates		-	(19,182)
Financial costs		(2,071,627)	(202,525)
	related parties	*(42,699)*	(33,055)
Financial income		800,450	365,235
Earning before taxes		**5,972,198**	**2,656,476**
Income taxes		(1,590,221)	(662,133)
Profit for the year (A)		**4,381,977**	**1,994,343**
Other comprehensive income/(losses) for the year that will not be reclassified in icome statement:			
Actuarial gain/(losses) on DBO (net of tax)		27,970	3,438
Other comprehensive income/(losses) for the year that will be reclassified in icome statement:			
Exchange differences on translating foreign operations		222,489	101,309
Total other comprehensive income/(losses) for the year (B)		**250,459**	**104,747**
Total comprehensive income (A) + (B)		**4,632,435**	**2,099,091**
Profit attributable to:			
Owners of the parent		4,381,977	1,916,549
Minority interest		-	-
Total comprehensive income atributable to:			
Owners of the parent		4,632,435	2,099,091
Minority interest		-	-
Basic earning per share		0.40	0.18
Diluted earning per share		0.40	0.18

B&C Speakers S.p.A. Financial Reporting Manager Francesco Spapperi certifies – in accordance with Art. 154-*bis*, section 2 of Italian Legislative Decree No. 58/1998 — that the accounting disclosures contained in this press release are consistent with company's accounting documents, books and records.

B&C Speakers S.p.A.
Lorenzo Coppini (Investor Relations),
Email: investors@bcspeakers.com

B&C Speakers S.p.A. is an international leader in the design, production, distribution and marketing 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). With around 150 employees, approximately 10% of whom are assigned to its Research and Development Department, B&C Speakers carries out all design, production, marketing and control activities at its offices in Florence and Reggio Emilia for the brands of the Group: B&C, 18SOUND and CIARE. 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.