



Driving Human Audio Experience

POWERSOFT CORPORATE PRESENTATION AIM CONFERENCE

MAY 2021

POWERSOFT AT A GLANCE

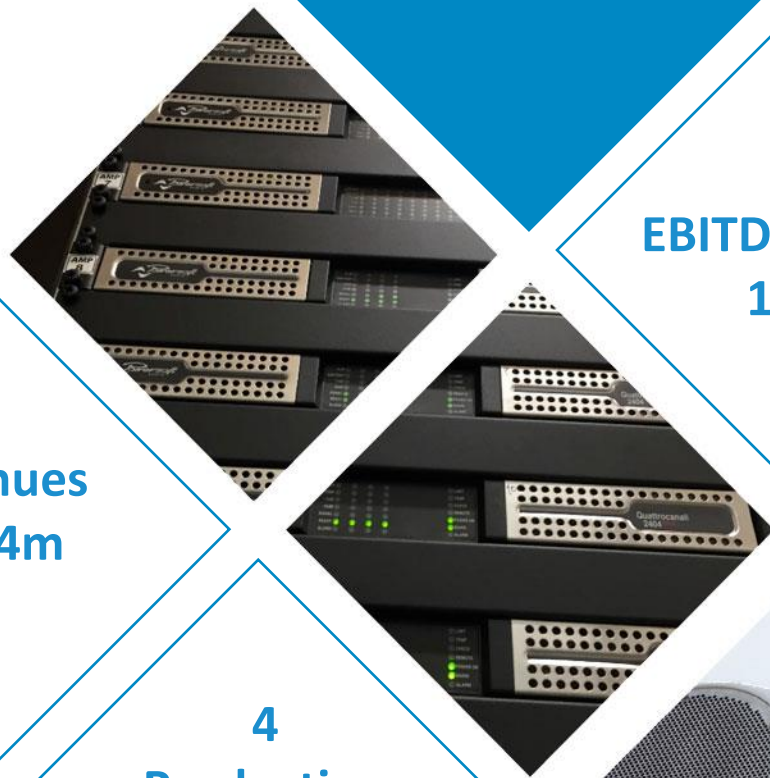
Powersoft is a global leader in **audio amplification technologies**, **advanced signal processing**, and **unique transducer systems** for the pro-audio sector

Powersoft specializes in the **design, production, and marketing of landmark products** for sophisticated customers and operators of the professional audio market. These products are the result of its strong emphasis on **R&D and continuous innovation**



Net Profit
€1.7m

25 Years
of Success



Revenues
€31.4m

4
Production
Plants*



30
International
Patents



113
Headcounts

EBITDA Margin
15.4%

2020 FINANCIAL FIGURES

* 3 production plants are in outsourcing

A HISTORY OF CONSISTENT GROWTH



1995 - 1998

BIRTH AND DEVELOPMENT



Specialized in design, production and marketing of high-end patented technologies for professional audio applications

1998 - 2008

COMPANY GROWTH



2008 - 2018

CONSOLIDATION AND DIVERSIFICATION



Pioneer in switch-mode technology, worldwide credited as a standard setter and industry innovator

DEC 17, 2018

IPO

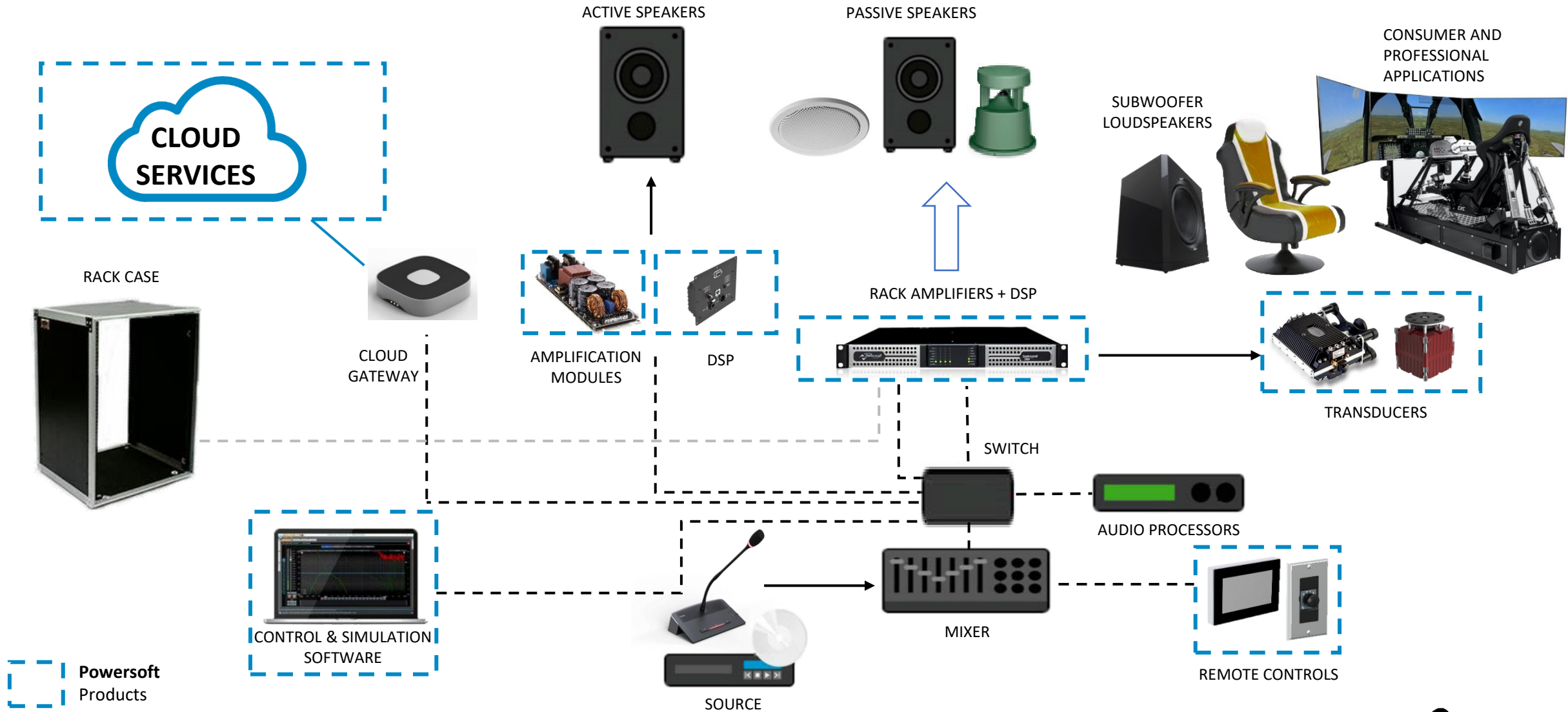


2020

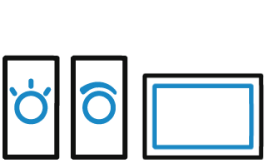
25 YEARS OF POWERSOFT



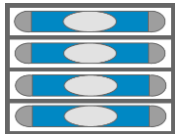
AT THE HEART OF THE AUDIO SYSTEM



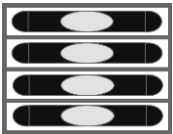
PRODUCTS, SERVICES VS MARKETS



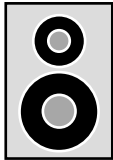
REMOTE CONTROL



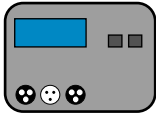
RACK AMPLIFIER



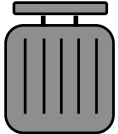
OEM RACK AMPLIFIER



ACTIVE SPEAKER AMPLIFIER



DSP SIGNAL PROCESSING



BASS SHAKERS TRANSDUCERS



SECURITY MULTIMEDIA DEVICE



DIAGNOSTIC AND PROGNOSTIC SERVICES



CORPORATE



CONVENTION & EXHIBITION CENTERS



AIRPORTS



THEME PARKS



STADIUMS & ARENAS



CONFERENCE & BOARD ROOMS



EMERGENCY AND SECURITY SUPPORT



RETAIL



HOUSES OF WORSHIP



INDUSTRIAL



HOTELS & RESORTS



BARs & RESTAURANTS



THEATRES



MUSEUMS



MALLS & SHOPPING CENTERS



CRUISE SHIPS



STRONG INTERNATIONAL PRESENCE: OVER 95% OF SALES GENERATED ABROAD

2020 REVENUES BREAKDOWN



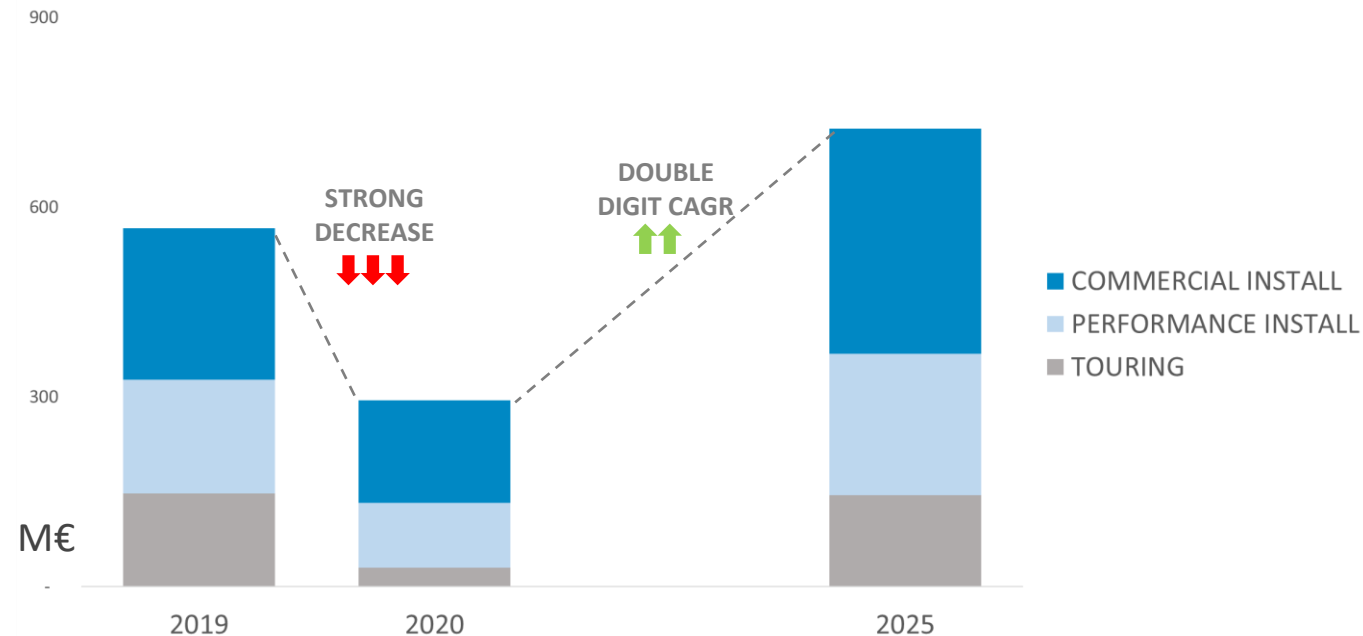
AROUND 110 COUNTRIES COVERED

64 DISTRIBUTORS 27 SERVICE CENTERS POWERSOFT



FACING AN UNPRECEDENTED REVOLUTION DUE TO COVID 19

- Overall Power Amplifier market almost halved 2020 vs PY, **Powersoft outperforming vs market average**
- **Market growing double digit 2020-25**, Touring expected to gradually recover year by year reaching pre-covid levels by 2023.
- **Installed business remains the strongest** and most resilient, with relevant acceleration of technology adoption
- **Powersoft strategically leverages its technological capability**, targeting leisure and commercial vertical markets where distribution of high-quality audio is a value.



Data source: Powersoft elaboration based on primary research panels



CHINA AND US LEADING THE RECOVERY FROM THE PANDEMIC

China + US expected to be accounting **over 40%
of the total Professional Amplifier market by 2025**



China first and fastest Country recovering from Covid, early impact even on the Touring market

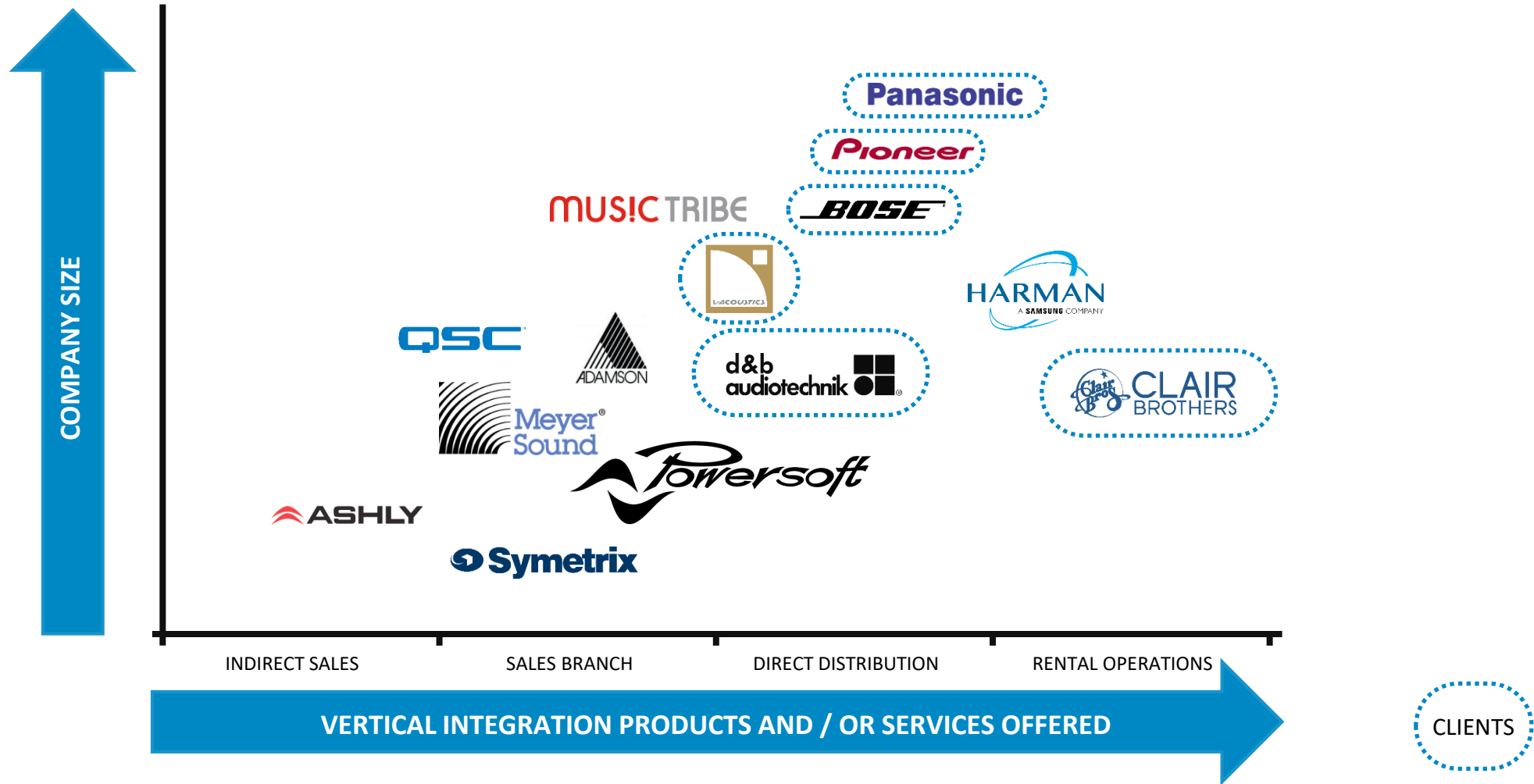


USA expected to strongly recover GDP in 2021 due to supporting Rescue Plan driven by the Biden administration, together with an acceleration in the vaccine campaign positively impacting on general economy and construction business



A VERY FRAGMENTED MARKET WITH ROOM FOR CONSOLIDATION

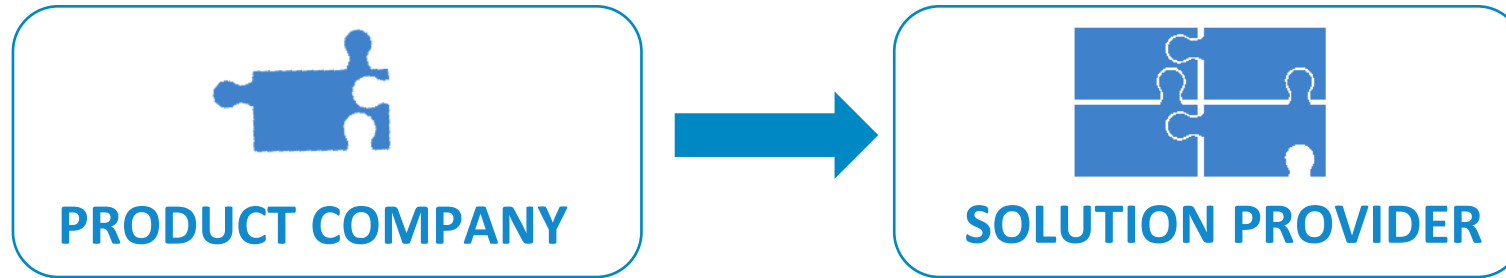
Main market players for company size and level of vertical integration of products and / or offered services



Data source: Powersoft elaboration based on primary research panels



A NEW COMPANY PROPOSITION



New Marketing Strategy and Team

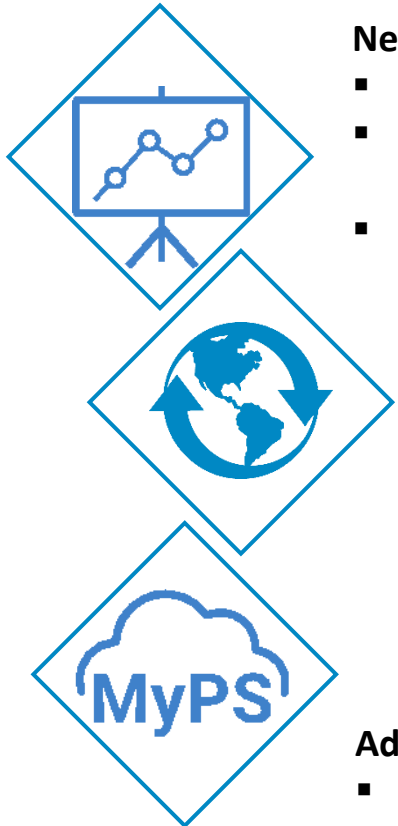
- New Marketing Director: Akira Mochimaru (Former General Manager @ BoseProfessional)
- Focus on proprietary solutions designed for specific target proAudio applications suitable for installed vertical markets like **Hospitality, Retail, Higher Education, Houses of Worship, Venues**
- Optimized technology solutions capable to satisfy specific requirements of customers' projects.

Revised Sales Strategy, Team and Tools

- US branch responsible for marketing & sales activities in US, Canada and Latin America.
- In order to strengthen its presence in China and in line with its declared international strategy, Powersoft is planning to open a local representative office aimed to identify new market opportunities.
- Development of relationship with Global Key Account to leverage our global presence and brand positioning.
- E-commerce for B2C.
- New Salesforce CRM platform for improved process automation.

Added Value Services:

- **My Powersoft** In Cloud Platform



POWERSOFT ECO-SYSTEM: SOLUTION FOR DYNAMIC MUSIC DISTRIBUTION APPLICATIONS

It makes simpler to share, distribute and control music, coming from different audio sources, in one or more areas of a room, in a simple and intuitive way, through the use of a single network cable.



- **Reduced installation time**
Reduced cable runs
- **Less equipment**
No matrices, no control processors
- **Simple setup**
Less time to learn and configure the system



POWERSOFT CARE PLAN SERVICES: AFTER SALES OFFERING



- **Warranty Extension**
Extension on the standard warranty up to 3 years
- **Service Shield**
Accidental damage protection

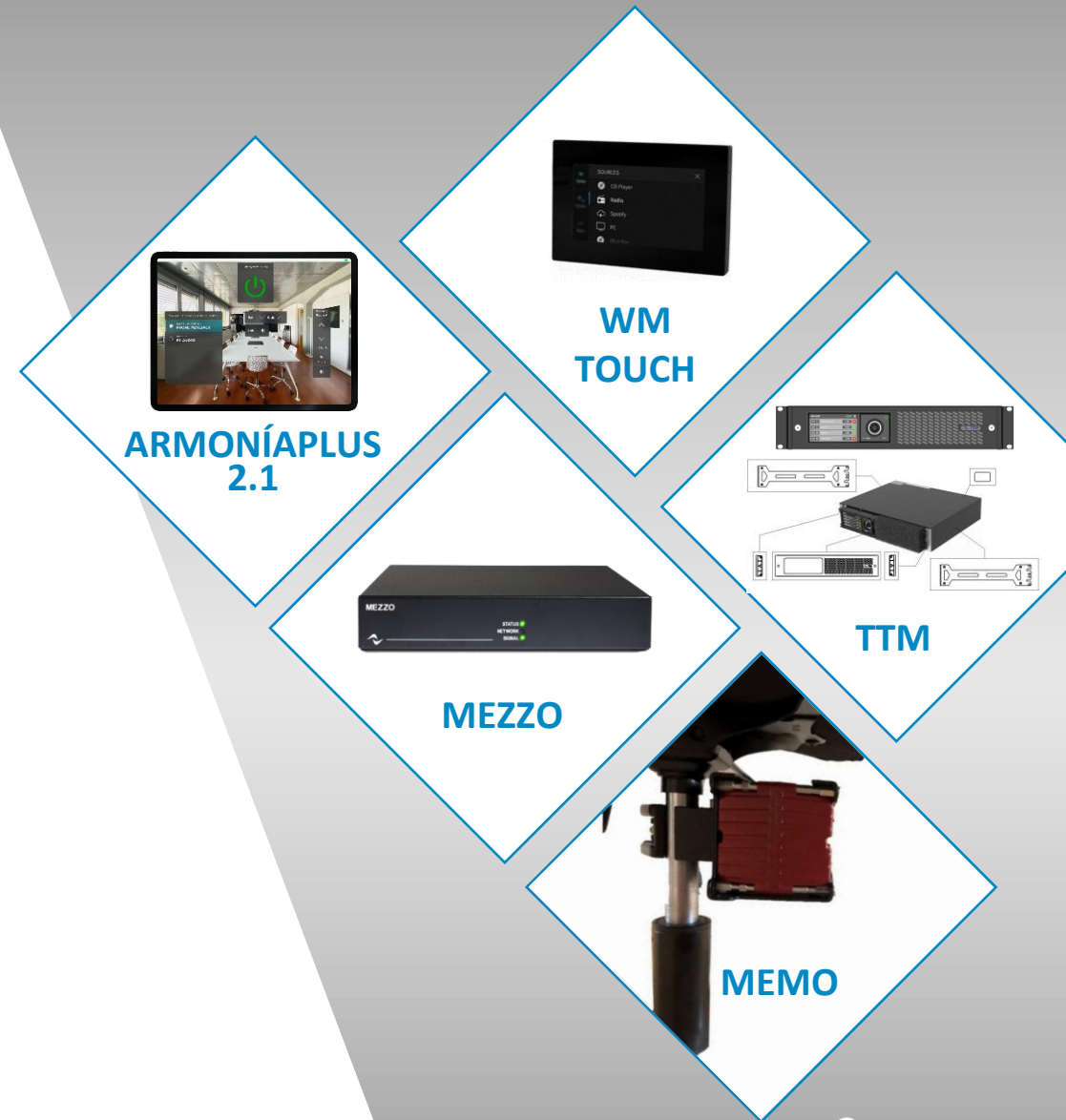


Free extended warranty upgrade of 12 months on top of the standard warranty with product registration within 30 days after purchase



NEW PRODUCTS: TO ADDRESS NEW MARKET SEGMENTS

- **ArmoníaPlus System Design:** designed to easily design, configure and manager any Install and Touring project. Increasingly adopted by the proAudio industry, valuing amplifiers' capabilities into a system.
- **WM Touch :** effective and intuitive multi-zone control tool that allows control of the entirety of the dynamic music distribution system from a single panel
- **Mezzo series:** addressed to applications of installed commercial vertical markets, it offers sound clarity, reliability, and quality in a ½ rack unit form factor
- **TTM:** OEM customizable amplifier and processing platform allowing a fast time to market (TTM) to companies wishing to have their own branded solutions for their speaker system.
- **MeMo:** High performance low frequency transducer–amplifier bundle designed for **Home Theater** and **Gaming** markets

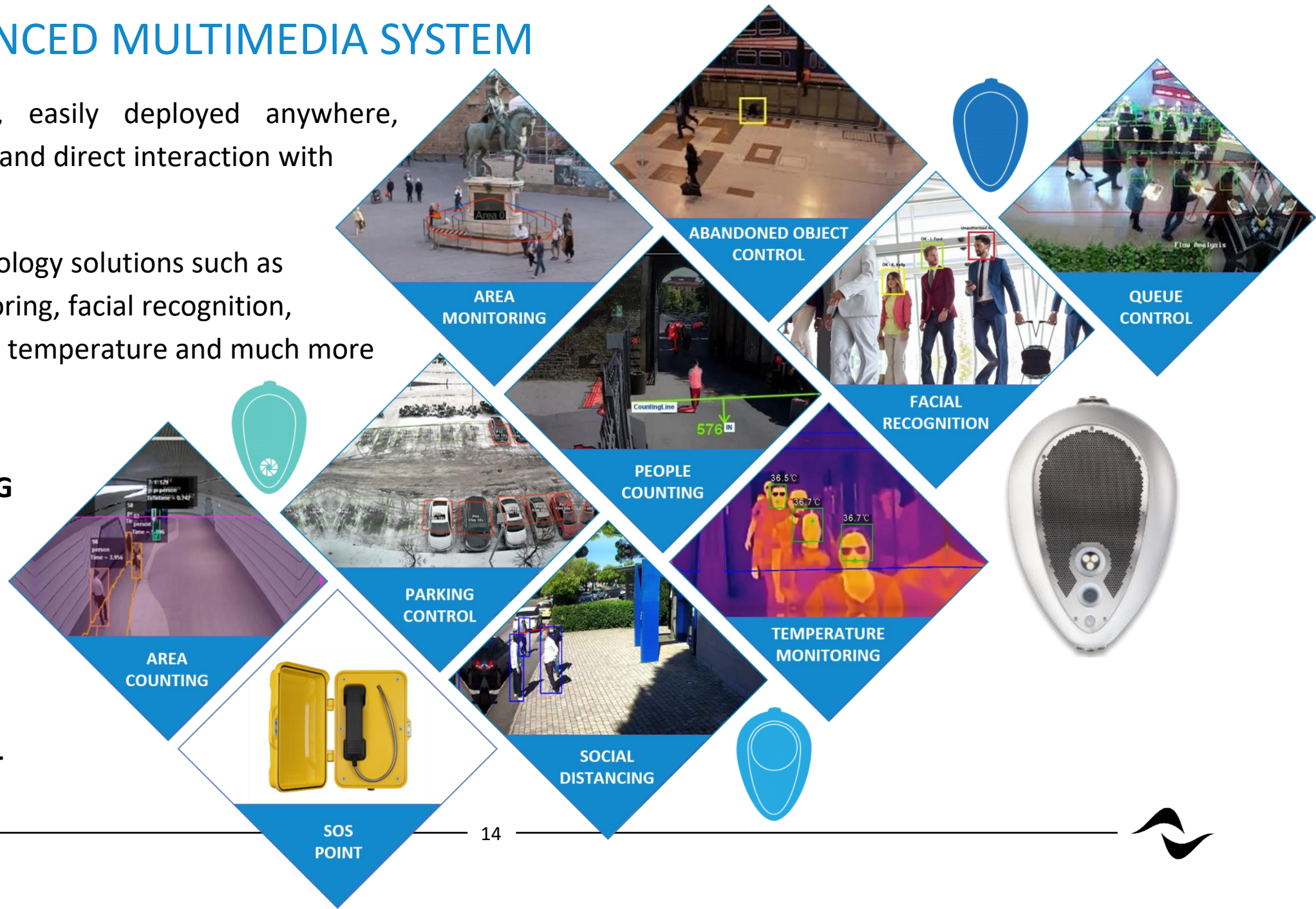


DEVA - ADVANCED MULTIMEDIA SYSTEM

Multimedia system, easily deployed anywhere, enabling automated and direct interaction with the public

It is an in-built technology solutions such as remote video monitoring, facial recognition, queue counter, body temperature and much more

- DATA GATHERING
- SAFETY
- INFOTAINMENT
- ENTERTAINMENT



HUGE INVESTMENTS IN R&D AND INNOVATION

High entry barriers: 30 international patents, many trademarks registered in over 30 countries and others in the registration process

International recognition of Claudio Lastrucci, R&D

Director as winner of the Inavation Awards in the Industry Influencer category

PATENTED TECHNOLOGY

- Pulse Width Modulation (PWM)
- Power Factor Correction (PFC)
- Differential Pressure Control (DPC)
- Smart Rails Management (SRM)

INNOVATIONS

Switch-mode technology

- Class-D reliable and effective

High Energy Efficiency

- Environmentally friend products
- Small sizes, huge power



OUTLOOK

- Covid has forced to reorient investments of potential clients and indirect competitors to their core business and this could open new **opportunities for new Partnership** that were not possible before Covid
- We are experiencing **a change in the trend of the order book** led by those geographical areas in which the vaccination campaign is more advanced, in particular Asia (China) followed by the United States and, ultimately, by Europe
- **Partnerships with industry players** and **opportunities** for major projects in the installation industry
- The Group will continue to evolve its positioning **from Product Leader to Solution Provider** for the install market which represent a significant potential for development and diversification. The evolution of strategic business objectives includes both the **strengthening of the traditional sales channels** and the **development of new ones**
- The statements of some countries foresee a significant resumption of live and entertainment activities, **make optimistic about an acceleration of core activities from the second half of the year**



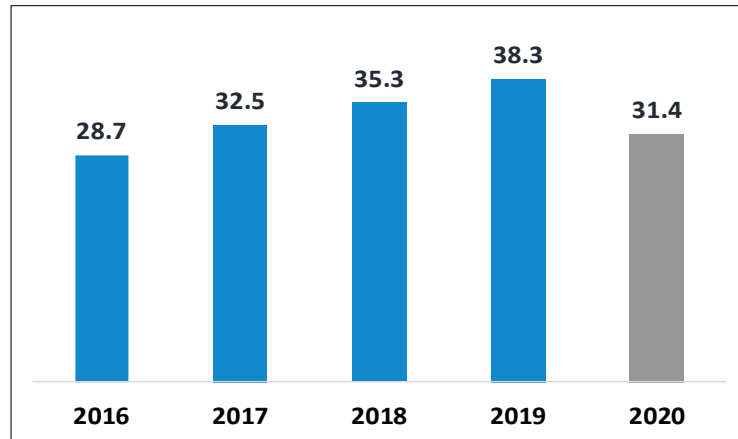
2020 RESULTS: FINANCIAL STRENGTH AND INNOVATION

- Despite the challenging context, the group was able to keep an **important capital strength and high marginality**
- Consolidated revenues at euro 31.4 million, **EBITDA margin over 15%** and **positive Net Financial Position** of euro 9.7 million
- Strong and continuous investment in **product development, marketing** and **R&D** (7.5% of revenues) as it has always done by working to expand the offer of technological solutions
- Industrial **production activity fully resumed** after suspension following the legislation linked to the Covid-19 emergency
- Creation of new lines of products and services, **leveraging on the international presence** to face any negative effect of the current scenario

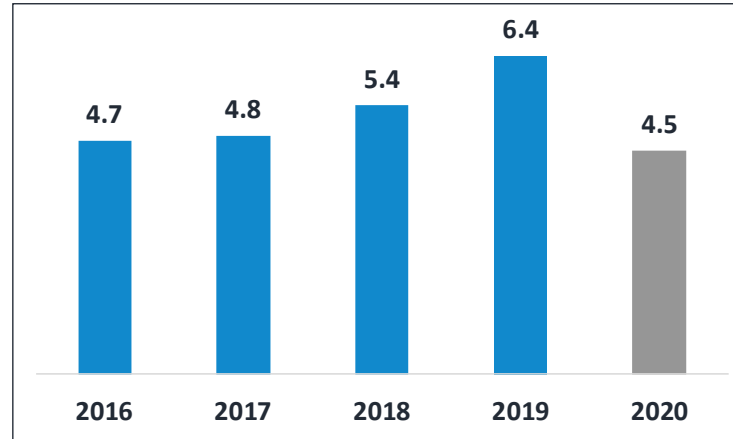


FINANCIAL HIGHLIGHTS

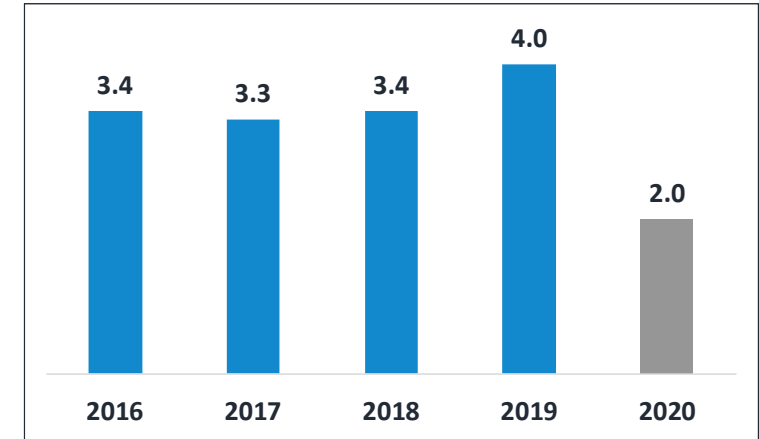
REVENUES €/M



EBITDA €/M

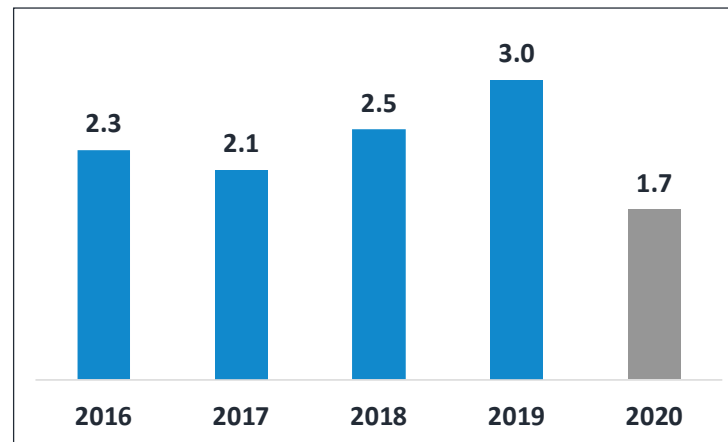


EBIT €/M

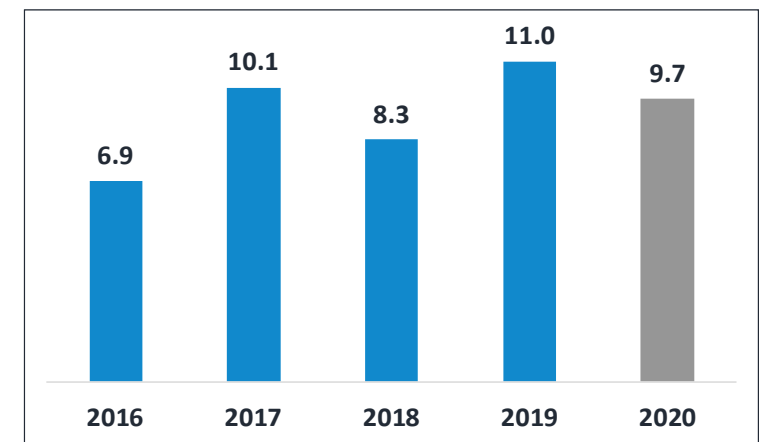


A solid equity story and sound financials, which allows the company to face, with flexibility and speed, the changing commercial and industrial needs, the current pandemia and the investment and growth goals

NET PROFIT €/M

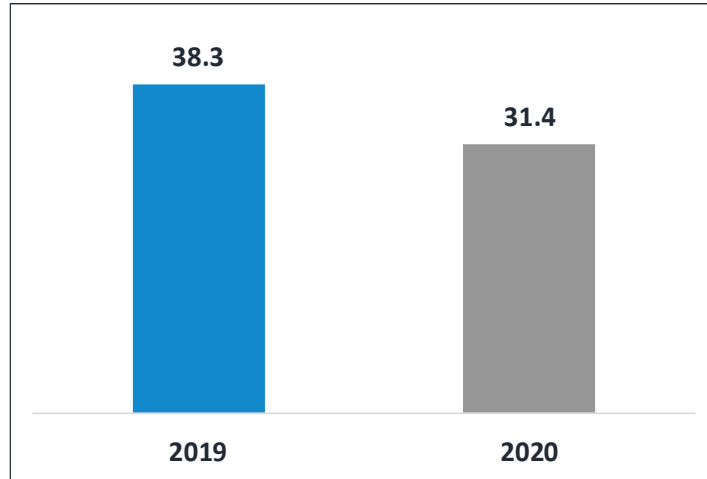


NFP €/M



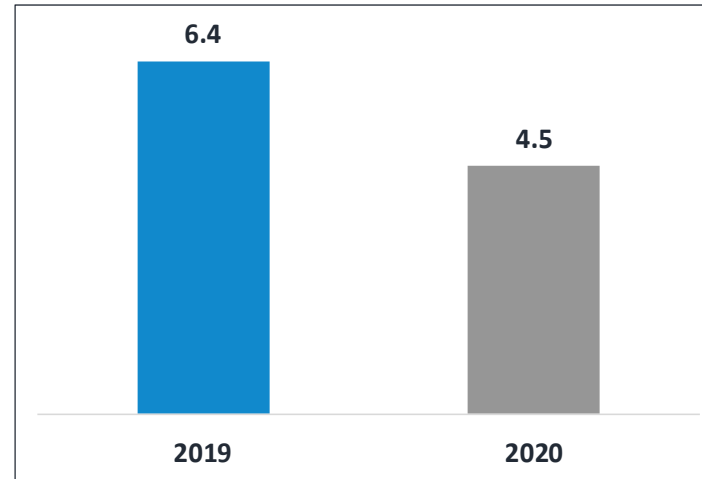
PROFITABILITY MAINTAINED DESPITE REVENUES DROP DUE TO COVID-19

REVENUES €/M



Covid-19 pandemia affected **total Revenues**, down 18% to **€31.4 M**

EBITDA €/M



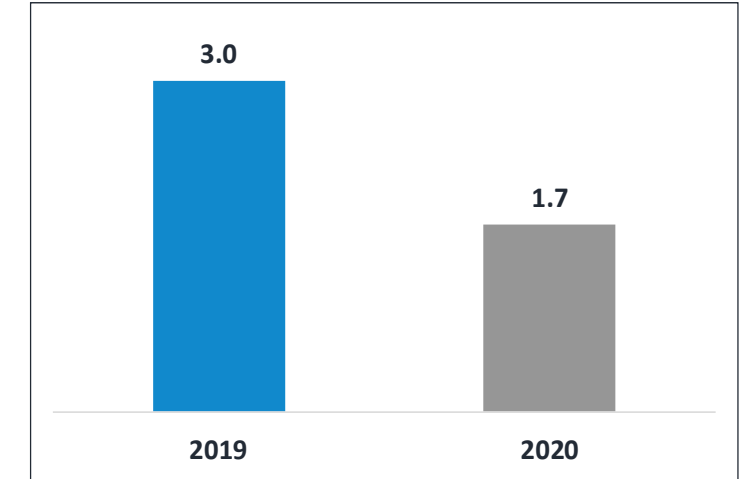
EBITDA down 29% as result of the contraction in turnover, but **EBITDA margin** at **15.4%**

Reduction in operating costs:

- Personnel costs down 13%
- Commercial expenses down 36.7%

R&D investments at **€2.2 M**, including €0.8 M of capitalized costs

NET PROFIT €/M

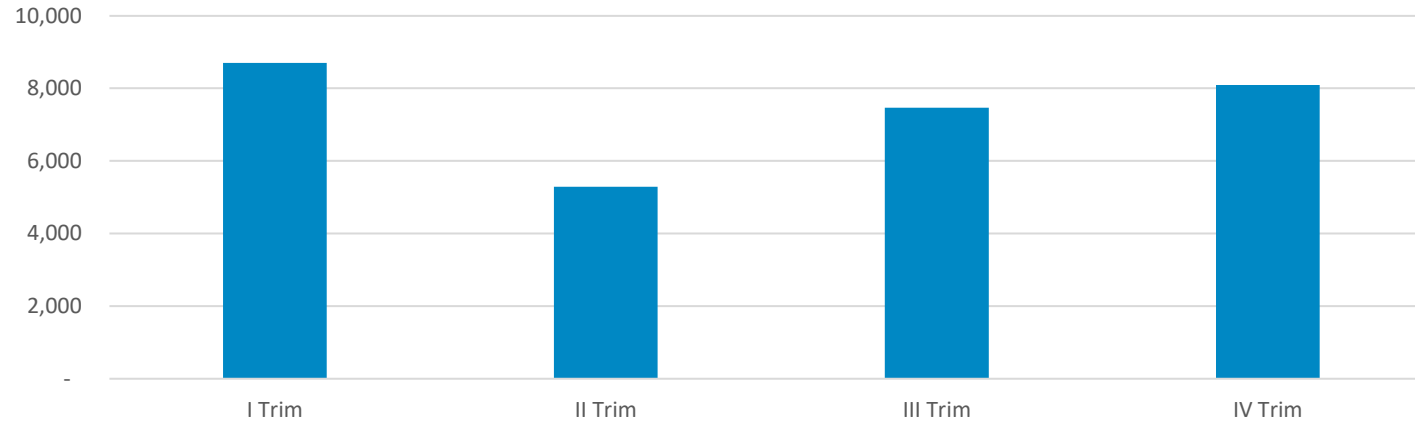


Positive impact of the **Patent Box** for **€0.7 M**

Net Profit at **€1.7 M**, with an incidence on turnover of 5.9%



REVENUES RECOVERY STARTING FROM Q3 2020



(€/K)	2020	% on revenues	2019	% on revenues	YoY
EUROPE	15,162	51.3%	19,475	52.7%	-22%
NAM	6,172	20.9%	7,180	19.4%	-14%
CALA	508	1.7%	1,311	3.5%	-61%
APAC	7,196	24.3%	8,020	21.7%	-10%
MEA	518	1.8%	949	2.6%	-45%
Revenues	29,556	100%	36,935	100%	-20%

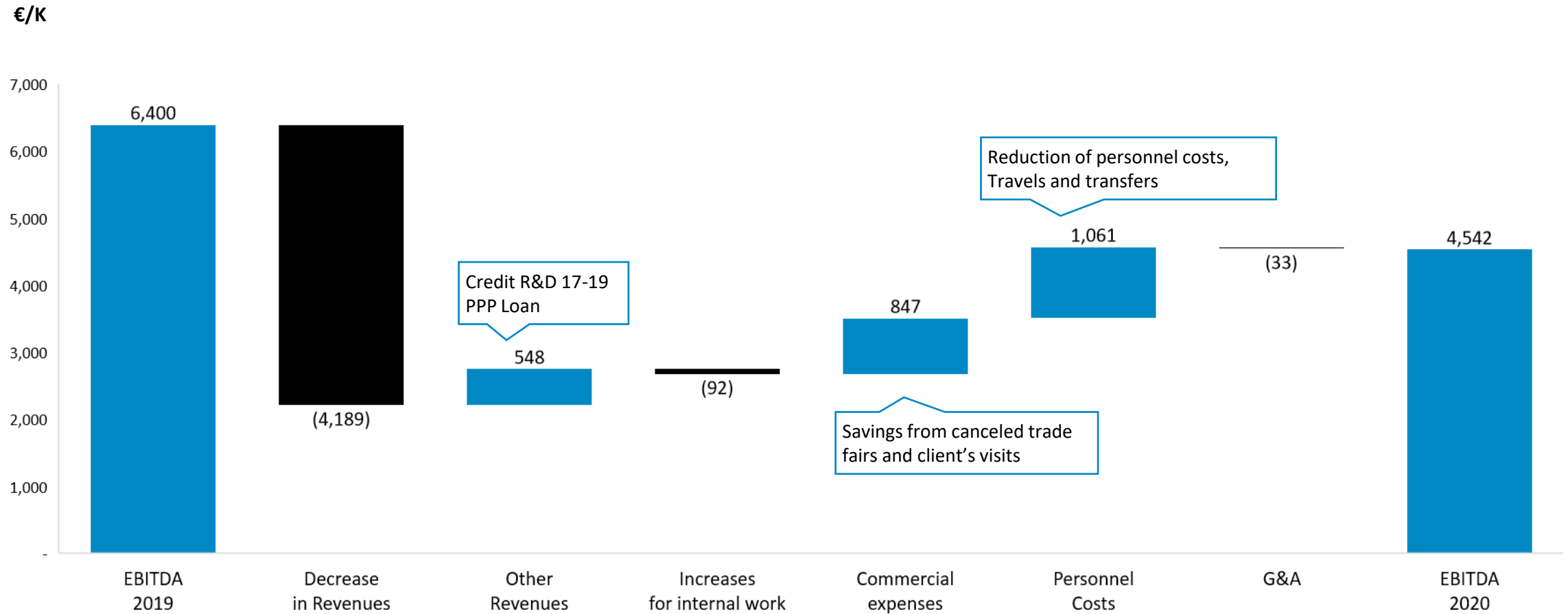
Quarterly consolidated revenues show a gradual recovery after the second quarter of the year, entirely burdened by the lockdown period that has characterized most of the Group's reference countries

The drop was particularly concentrated in the European, Middle East and South American markets while in Asia was more contained, thanks to the contribution of **Asian Distributors**, that closed the year with an 8.0% growth compared to 2019.

North American market contained losses thanks also to the contribution provided by the American subsidiary

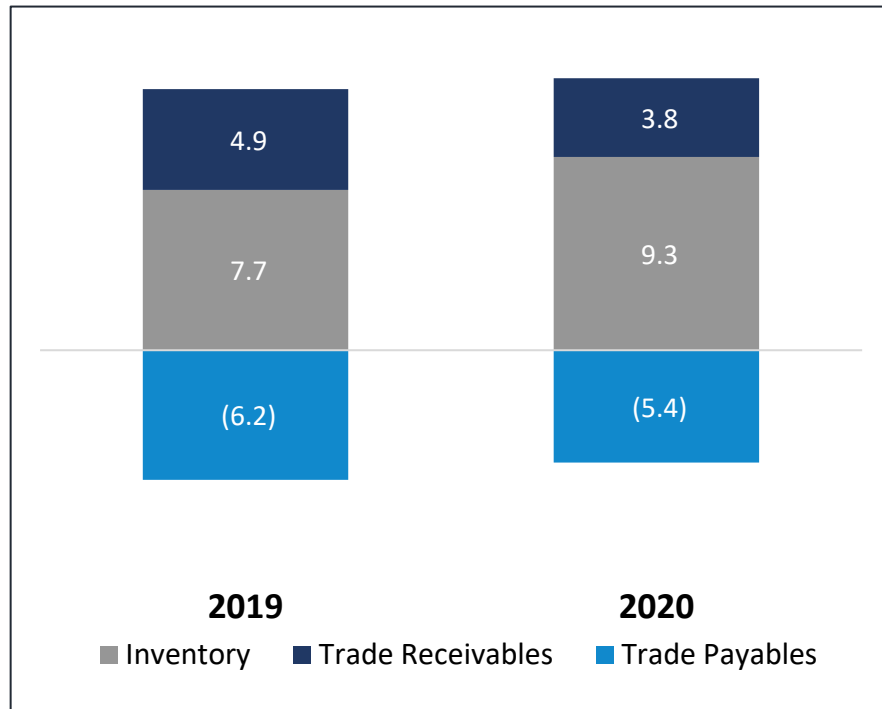


EBITDA MARGIN AT 15.4%

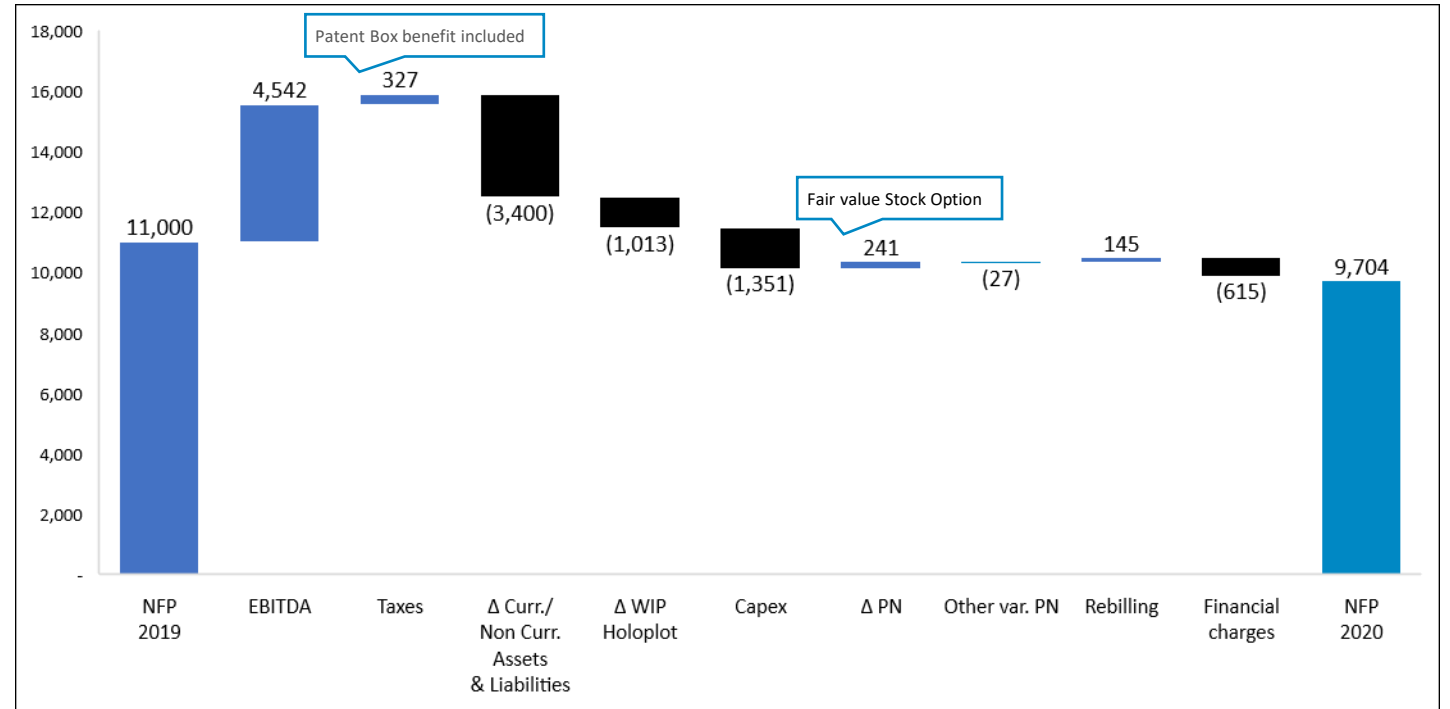


SOUND BALANCE SHEET

NET WORKING CAPITAL €/M



NET FINANCIAL POSITION €/K



Increase in Net Working Capital vs 31 December 2019 mainly due to the increase in inventories, resulting from the Management's strategic choice to mitigate the risk of delays in supplying to have the availability of goods to face the customers' demand

NFP positive (Net Cash) for **€9.7 M** as results of Cash for €11.0 M and debt for leasing for € 1.3 M (IFRS 16 accounting)



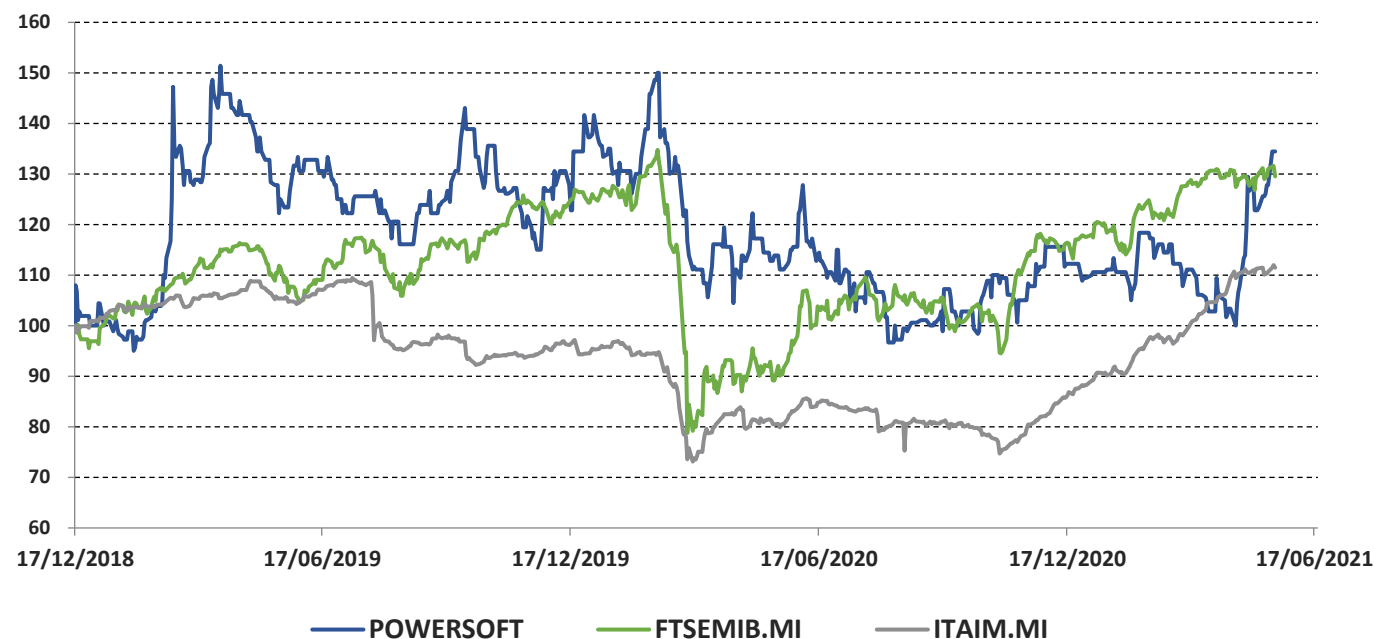
The background of the page is a photograph of a modern meeting room. It features several white conference tables and chairs arranged in a U-shape. Large windows with horizontal blinds are visible, letting in natural light. There are green plants in the foreground and a fire extinguisher on the wall in the background.

APPENDIX

A SUCCESSFUL IPO

<<We are proud to have succeeded in going forward with this path in a phase of the financial market characterized by strong volatility. The fact that there was a higher demand than supply testifies to the appreciation from the financial community towards our company and the projects we have in the pipeline>> Luca Lastrucci, CEO

Outstanding Shares	11,066,036
Outstanding Warrants	549,800
Free Float	14.34%
Date IPO	December 17, 2018
Issue Price (€)	3.60
Market Cap (€/M) @ IPO	39.2




Market: AIM Italia
Price (19/05/2021): €4.84




Market Cap (19/05/2021): €53.6M
Average Daily Volume*: 6.9K






GOVERNANCE & GROUP ORGANIZATION

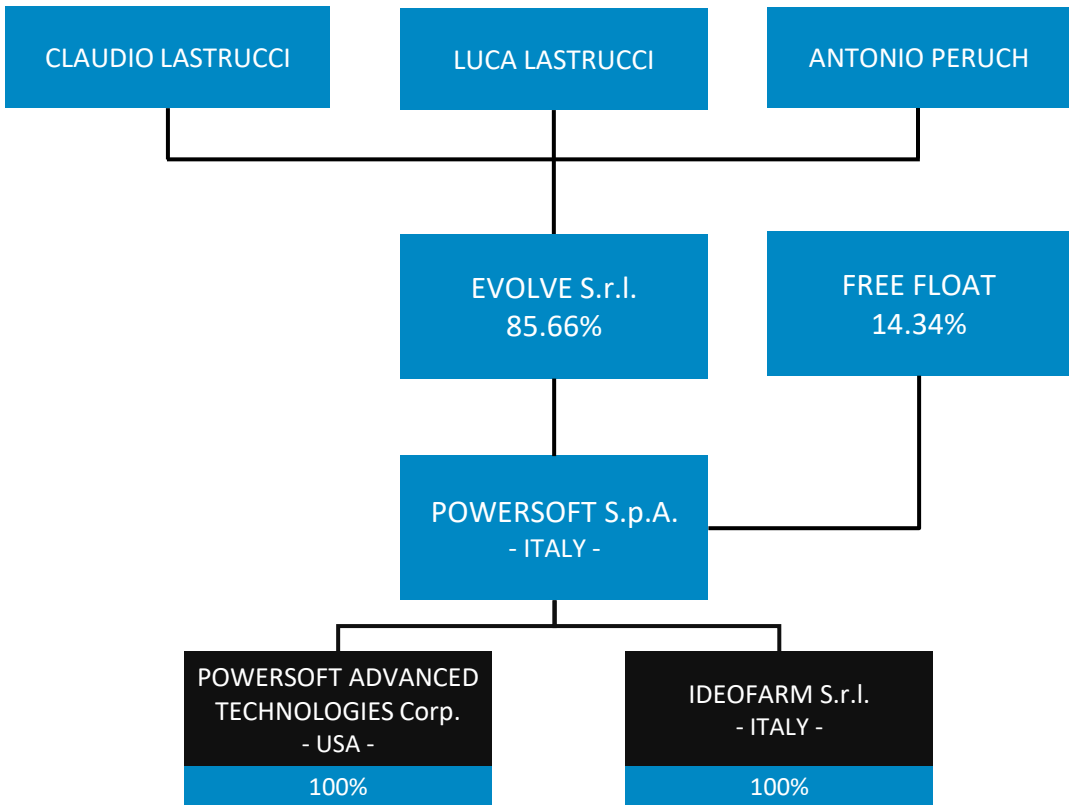
BOARD OF DIRECTORS

- 
Carlo Lastrucci
 Chairman

- 
Luca Lastrucci
 CEO
- 
Antonio Peruch
 Director
- 
Paolo Blasi
 Independent Director

- 
Claudio Lastrucci
 Director
- 
Luca Giorgi
 Director
- 
Lorenzo Lepri
 Non-executive Director

SHAREHOLDINGS AND GROUP ORGANIZATION CHART





AUDIT FIRM



BOARD OF STATUTORY AUDITORS

- 
Luigi Fazzini
 Chairman

- 
Carlo Consigli
 Standing Statutory Auditor
- 
Massimiliano Manfredi
 Alternate Statutory Auditor

- 
Federica Menichetti
 Standing Statutory Auditor
- 
Paolo Limberti
 Alternate Statutory Auditor



AN ITALIAN EXCELLENCE POSITIONED AT THE HIGH-END PROFESSIONAL AUDIO MARKET



AT THE TOP OF THE PIRAMID

A pioneer in the **high-end professional audio market**

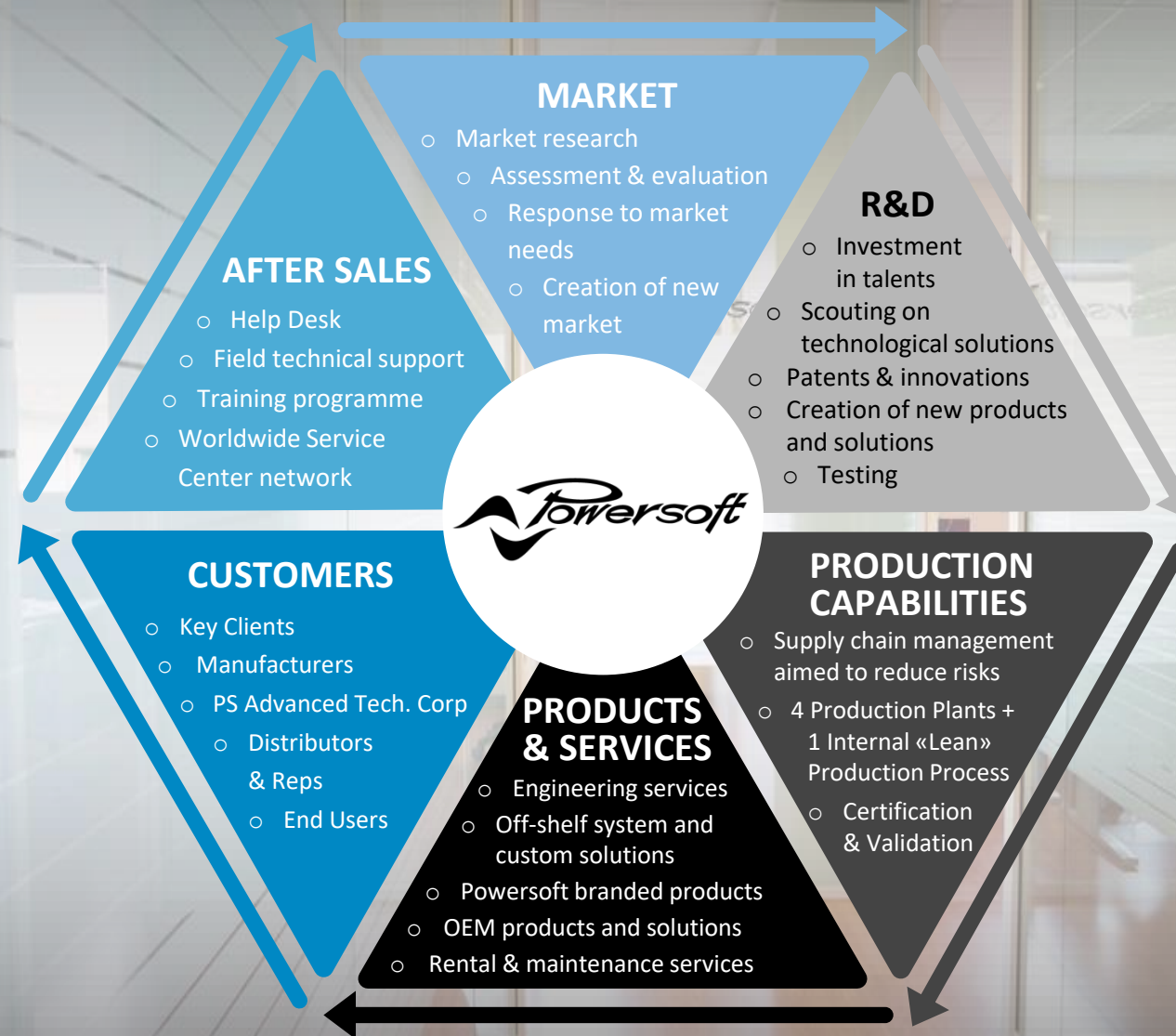
Globally recognized market setter of **unrivalled cutting-edge products** in a thriving market

Serving a broad range of clients, both **professional customers and audio-device makers**

25 years as a forefront player in the market, set to face future challenges and to exploit new opportunities



A FLEXIBLE BUSINESS MODEL TO ADDRESS DIFFERENT CLIENTS



MARKET SETTER OF UNRIVALLED CUTTING-HEDGE PRODUCTS

SAFETY MULTIMEDIA DEVICES



DEVA

CONTROLLER



WM TOUCH

TRANSDUCERS



IPALMOD



M-FORCE



M-DRIVE



MOVER

RACK AMPLIFIERS



Q SERIES/D SERIES*



DUECANALI SERIES



OTTOCANALI SERIES



MEZZO SERIES



QUATTROCANALI SERIES



TTM



DIGAM 3000*



K SERIES



M SERIES



X SERIES



T SERIES

AMPLIFICATION MODULES



DIGIMOD



DIGIMOD PFC



D-CELL 504



DIGIMOD PFC2/PFC4



DIGIMOD IS



LITEMOD



MINIMOD



LOTO

1995-2003

2004-2009

2010-2013

2014-2019

2020-2021 →



CONTINUOUS DEVELOPMENT OF NEW CREATIVE PROJECTS



Powersoft's own
growth accelerator, dedicated to supporting
new creative projects, and future development
of **innovative technologies**:

- ✓ ***Creativity and Innovation***
- ✓ ***Sharing***
- ✓ ***Connection***



GREEN AUDIO POWER

Powersoft's own registered **Trademark**
which identifies environmental friendly products:

- ✓ ***The most *efficient amplifiers* in the industry***
- ✓ ***Power density***
- ✓ ***Compactness***
- ✓ ***Reduced shipping size***
- ✓ ***Power recycling***



SERVICES FOR TAILORED SOLUTION

Powersoft organization is designed to be “customer centric” providing consultancy services for tailored solutions based on customer needs

Our **R&D** Department provides:

- Support for **integration with 3rd party** management platforms
- **Software development** for the fulfillment of customers needs
- **Feasibility study** for new required features
- **Certification, Testing and Validation**

In addition, our **Service** Department provides the following post sales support :

- **Service ready** configuration setup
- **OnLine Update** Training for our local ASC
- **Strong Qualification** and Auditing Process of our local Partners
- **Training sessions**, including hands-on and real case practice, provided by our senior engineers
- **Maintenance Services**



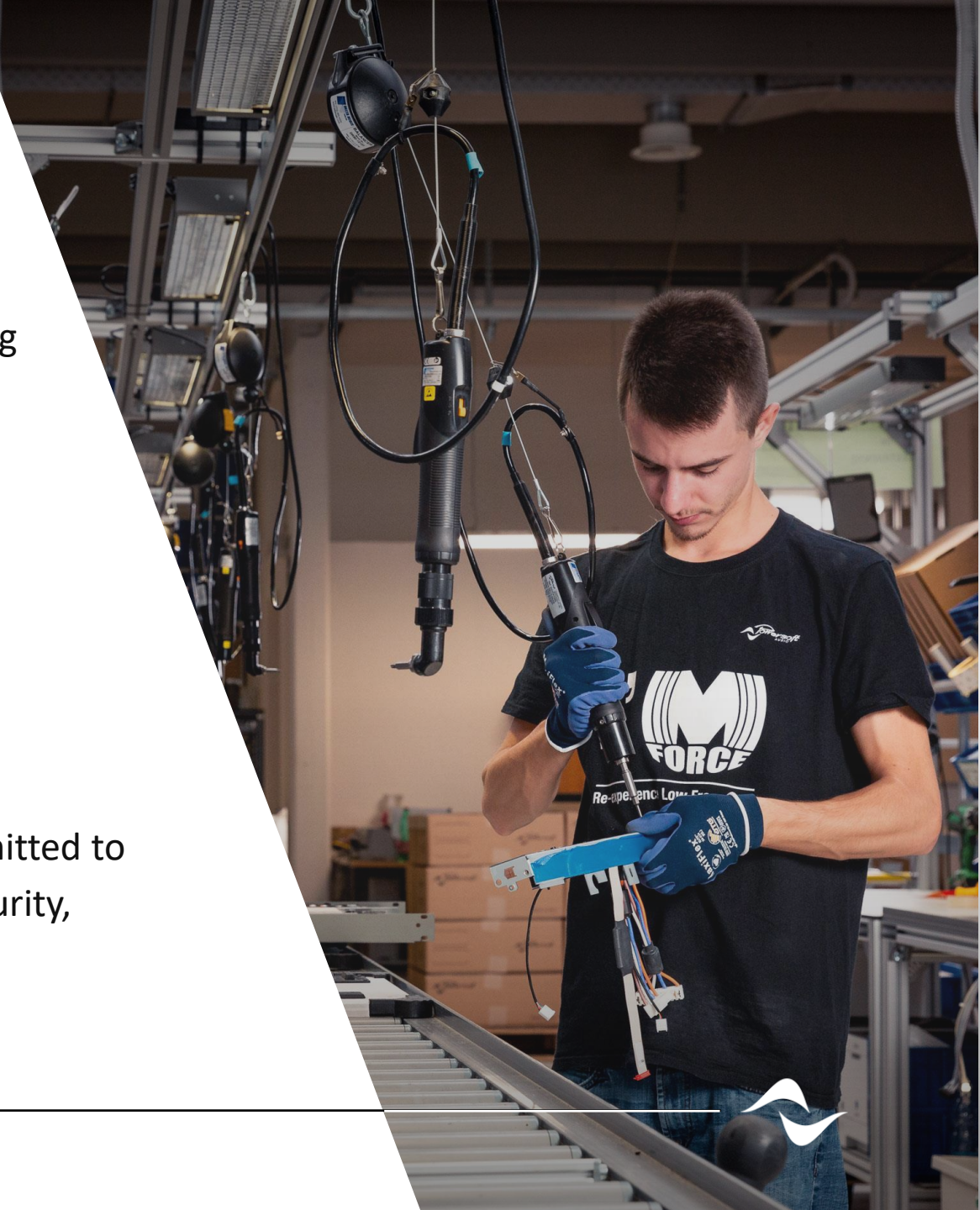
WE TAKE CARE OF OUR CUSTOMERS

Powersoft solutions are designed following the **outside-in approach**

We target the needs of our customers to design solutions maximizing the following aspects:

- **Convenience**
- **Reliability**
- **E2E approach**
- **Customization**

With the goal to make the customer's life easier, Powersoft is committed to support its customers both in B2B and B2C, with focus on H&S, Security, Communication and project requirements.



TAX THEMES

PATENT BOX

- On June 28, 2016, Powersoft submitted to the Italian tax authorities a ruling to benefit from the «Patent Box» tax treatment covering the 2016-2020 period
- On April 27, 2020 Powersoft signed the agreement with the Italian Tax Authority in which the methods and criteria for calculating the economic contribution for the years 2016-2020 were defined
- A tax credit of € 0.7 M was recognized to the Company and is currently reflected in the Financials 2020.

TAX CREDIT ON R&D

- Recent tax regulations (including Decreto Destinazione Italia, Piano Nazionale Industria 4.0, Legge di bilancio 2019) have introduced several favourable tax treatments for investments in R&D aimed at incentivizing product and process innovation
- A tax credit of € 0.6 M was recognized to the Company for investments in R&D for the years 2017-2019 and is currently reflected in the Financials 2020.



DISCLAIMER

“This Presentation contains certain forward-looking statements. Forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words "believes," "expects," "predicts," "intends," "projects," "plans," "estimates," "aims," "foresees," "anticipates," "targets," and similar expressions. The forward-looking statements contained in this Presentation, including assumptions, opinions and views of Powersoft S.p.A. (“**Powersoft**” or the “**Company**”) or cited from third party sources, are solely opinions and forecasts reflecting current views with respect to future events and plans, estimates, projections and expectations which are uncertain and subject to risks. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. These statements are based on certain assumptions that, although reasonable at this time, may prove to be erroneous. By their nature, forward-looking statements involve a number of risks, uncertainties and assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. If certain risks and uncertainties materialize, or if certain underlying assumptions prove incorrect, the Company may not be able to achieve its financial targets and strategic objectives. A multitude of factors which are in some cases beyond the Company’s control can cause actual events to differ significantly from any anticipated development. Forward-looking statements contained in this Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. No one undertakes any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Market data used in this Presentation not attributed to a specific source are estimates of the Company and have not been independently verified. Forward-looking statements speak only as of the date of this Presentation and are subject to change without notice. No representations or warranties, express or implied, are given as to the achievement or reasonableness of, and no reliance should be placed on, any forward-looking statements, including (but not limited to) any projections, estimates, forecasts or targets contained herein. Powersoft does not undertake to provide any additional information or to remedy any omissions in or from this Presentation. Powersoft does not intend, and does not assume any obligation, to update industry information or forward-looking statements set forth in this Presentation. This presentation does not constitute a recommendation regarding the securities of the Company.

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Driving Human Audio Experience

THANK YOU

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