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PRESS RELEASE

B&C Speakers S.p.A.:

The Board of Directors approves the Interim Report on Operations as at 31 March 2021

- Consolidated revenues equal to Euro 8.20 million (a decrease compared to the 11.79 million of the first quarter of 2020);
- Consolidated EBITDA equal to Euro 0.99 million (a decrease compared to the Euro 2.36 million of the same period in 2020);
- Group overall profit equal to Euro 0.55 million (increased compared to the Euro 0.38 million for the same period in 2020);
- Group net financial position positive and equal to Euro 1.8 million (positive and equal to Euro 0.6 million at year-end 2020);

Bagno a Ripoli (prov. Florence), Italy, May 14, 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 three months of 2021 in accordance with International Financial Reporting Standards (IFRS).

The managing director of the B&C Speakers Group, Lorenzo Coppini, commented: "finally, after hard months we're now beginning to perceive a real recovery in the audio market, proof of this is the amount reached by the order book which, after a long time, has again exceeded 10 million Euros"

Consolidated revenues

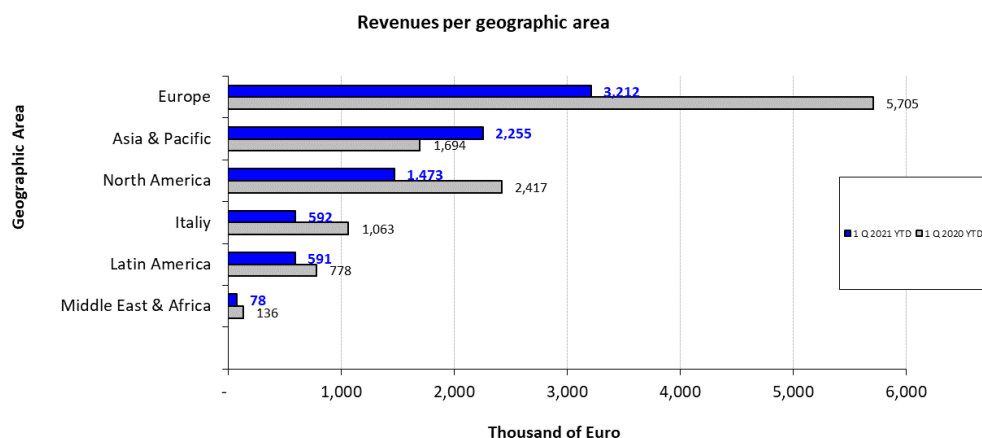
During the first quarter of 2021, the Group's reference market confirmed, also increasing them, signs of recovery, which had already arisen at the end of the 2020 financial year. The Group's turnover was equal to Euro 8.2 million at the end of the first three months of 2021 and down by 30.45% compared to the same period of 2020, thus reducing the contraction in sales, which in all of 2020 were 43.19% lower than in 2019.

The decrease in the Group's turnover, compared to the first three months of 2020, occurred in all markets, as shown in the table below; the Asian market goes against this trend, and China in particular, which in the first quarter recorded an increase of 33.1% compared to the first quarter of 2020, confirming the decisive signs of recovery in demand, made possible by the control of spread of the epidemic and the consequent elimination of all restrictions on social life.



Provided here below a full breakdown for the first three months of 2021 divided by geographic areas, compared with the same period of 2020 (amounts in Euro thousands):

Revenues per geographic area <i>(values in Euro/thousand)</i>	I Q 2021 YTD	%	I Q 2020 YTD	%	Difference	Difference %
Latin America	591	7%	778	7%	(187)	-24%
Europe	3,212	39%	5,705	48%	(2,493)	-44%
Italy	592	7%	1,063	9%	(471)	-44%
North America	1,473	18%	2,417	20%	(944)	-39%
Middle East & Africa	78	1%	136	1%	(58)	-42%
Asia & Pacific	2,255	27%	1,694	14%	561	33%
Total	8,202	100%	11,793	100%	(3,591)	-30%



Cost of sales

During the first three months of 2021, the cost of sales showed a worsening of its incidence on revenues compared to the same period of 2020, going from 63.4% to 67.3%; this worsening is attributable both to the cost of direct personnel which, since it is not a variable cost, has not decreased in proportion to the decline in turnover, despite the activation of social safety nets, both to the first negative effects of the increase in the prices of raw materials.

Indirect Personnel

The "Indirect personnel" category refers to costs for clerical staff, managers and workers who are not associated with the production process.

The cost for indirect personnel, although decreasing by 14.5% compared to the first three months of 2020, has increased its incidence on turnover from 7.6% to 9.4%. The increase in the incidence on revenues is due to the decline in production and sales volumes that



haven't been completely offset by the decrease in costs for indirect personnel, despite the effect of social safety nets and other forms of public support.

Commercial Expenses

This category refers to costs for business consultancies, advertising and marketing expenses, travel and business trips and other minor charges relating to the commercial sector.

Commercial expenses show a strong decrease in absolute value compared to the first three months of the previous year and a reduction in its incidence on turnover, which went from 1.72% to 1.37%; this decrease was affected by the cost containment policies implemented by the Group's Management, in addition to the still existing travel restrictions.

Administrative and General

General and administrative costs decreased by 6.1% compared to the first three months of 2020; nevertheless, their incidence on turnover went from 7.6% to 10.3%.

EBITDA and EBITDA Margin

Mainly due to the dynamics illustrated above, EBITDA for the first three months of 2021 was equal to Euro 0.99 million, down by 57.9% compared to the same period of 2020.

The **EBITDA margin** for the first three months of 2021 is equal to 12.14% of revenues, while in the same period of the previous year it was equal to 20.1%.

Depreciation and Amortization

Depreciation of tangible and intangible fixed assets and rights of use amounted to Euro 0.5 million (basically unchanged compared to the first three months of 2020).

The provisions made in this period are nil, as there are currently no situations of bad debt on from the Group's customers.

EBIT and EBIT margin

EBIT for the first three months of 2021 amounts to Euro 0.5 million, also in sharp decrease compared to the same period of 2020.

The **EBIT margin** is equal to 6.2% of revenues (14.4% in the corresponding period of 2020).

Group Net Profit

The net profit of the Group at the end of the three months of 2021 amounts to Euro 0.52 million (6.4% of revenues for the quarter), up by 14.4% compared to the corresponding period of 2020. This increase is due to the improvement in the contribution of financial management, which wasn't affected by the effect recorded in the first quarter of 2020, when presumed losses from the valuation of the securities held in the portfolio amounted to Euro 0.9 million.



The overall **Net Financial Position** of the Group (including the securities in portfolio held for use of liquidity) it is positive and equal to Euro 1.82 million, an increase compared to the value, always positive, of Euro 0.6 million at the end of 2020. The improvement of the Net Financial Position was affected by an always positive cash generation equal to Euro 0.8 million in this period, deriving from the operating activity which, despite the decrease in turnover, remained at satisfactory levels.

<i>Dati in Euro migliaia</i>	31 marzo 2021	31 dicembre 2020	Variazione
A. Cassa	13,033	13,415	-3%
C. Titoli detenuti per la negoziazione	7,958	8,044	-1%
D. Liquidità (A+C)	20,991	21,460	-2%
F. Debiti bancari correnti	-	-	
G. Parte corrente dell'indebitamento non corrente	(7,116)	(6,904)	3%
H. Altri debiti finanziari correnti	(753)	(944)	-20%
I. Indebitamento finanziario corrente (F+G+H)	(7,869)	(7,848)	0%
J. Posizione finanziaria corrente netta (D+I)	13,122	13,612	-4%
K. Debiti bancari non correnti	(9,128)	(10,755)	-15%
M. Altri debiti finanziari non correnti	(2,173)	(2,267)	-4%
N. Indebitamento finanziario non corrente (K+M)	(11,301)	(13,022)	-13%
O. Posizione finanziaria netta complessiva (J+N)	1,821	590	209%



Provided below the Group's reclassified Income Statement for the first three months of 2021 compared with the same period in 2020.

Economic trends - Group B&C Speakers

(€ thousands)	1Q 2021	Incidence	1Q 2020	Incidence
Revenues	8,202	100.00%	11,792	100.0%
Cost of sales	(5,519)	-67.29%	(7,475)	-63.4%
Gross margin	2,682	32.71%	4,318	36.6%
Other revenues	41	0.50%	52	0.4%
Cost of indirect labour	(771)	-9.40%	(902)	-7.6%
Commercial expenses	(112)	-1.37%	(203)	-1.7%
General and administrative expenses	(844)	-10.30%	(900)	-7.6%
Ebitda	996	12.14%	2,365	20.1%
Depreciation of tangible assets	(473)	-5.77%	(509)	-4.3%
Amortization of intangible assets	(29)	-0.35%	(44)	-0.4%
Writedowns	0	0.00%	(111)	-0.9%
Earning before interest and taxes (Ebit)	494	6.02%	1,701	14.4%
Writedown of investments in non controlled associates	(19)	-0.23%	-	0.0%
Financial costs	(151)	-1.84%	(1,117)	-9.5%
Financial income	394	4.80%	44	0.4%
Earning before taxes (Ebt)	718	8.75%	628	5.3%
Income taxes	(194)	-2.37%	(170)	-1.4%
Profit for the year	524	6.39%	458	3.9%
Minority interest	0	0.00%	0	0.0%
Group Net Result	524	6.39%	458	3.9%
Other comprehensive result	31	0.38%	(74)	-0.6%
Total Comprehensive result	555	6.77%	384	3.3%

Events after March 31, 2021

The gradual recovery of the collection of new orders is confirmed even after the end of the quarter; proof of this is the fact that the orders backlog, after a long time, has again exceeded 10 million euros.

However, starting from the end of the first quarter of 2021, the tension on the costs of all production raw materials has progressively increased; in particular, there were increases in costs of steel components, ferrous ones and above all in neodymium magnets, which showed an even more significant increase compared to the previous period.

To cope with aforementioned issue, the Group is updating its sales lists in order to limit the negative effects in terms of margins of the increase in raw material costs; these adjustments will be effective, in terms of profitability, starting from the third quarter of 2021.

The Group is updating its price lists to keep track of the increase in raw material costs. Nevertheless, the impact of these adjustments will become effective from the second half of the year.

The Shareholders' Meeting, held on April 29, 2021, has then approved the financial statements and the distribution of an ordinary dividend equal to Euro 0.26 for each ordinary share outstanding at the ex-dividend date (taking place on April 30, record date at May 2



and payment on May 3). It should also be noted that this Shareholders' Meeting renewed the Corporate Bodies as well and that the Board of Directors, held on May 3, 2021, provided for the attribution of proxies and for the appointment of the internal Committees of the Board, as already communicated to the market through a specific press release, dated May 4, 2021.

Business Outlook

In light of the increasingly consistent signs of recovery coming from the several markets in which the Group operates, it stands to reason that 2021 could show a significant recovery in the Group's business compared to 2020, especially in the second half of the year, when also in Europe it will be possible to resume some social gathering activities, already resumed in China and partially in the USA.

As far as the increased costs of procurement is concerned, we can assume that in the course of 2021 their impact will be progressively softened both by a revision of the price lists and by a regularization standardization regularization of the prices of the main raw materials.



Below are the Consolidated Balance Sheet and Income Statement relating to March 31, 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION <i>(Values in Euro)</i>	31 March	31 December
	2021	2020
ASSETS		
Fixed assets		
Tangible assets	2,672,440	2,768,007
Right of use	2,820,957	3,111,501
Goodwill	2,318,181	2,318,181
Other intangible assets	278,847	303,453
Investments in non controlled associates	-	50,000
Deferred tax assets	786,976	760,716
Other non current assets	654,716	655,222
	<i>related parties</i>	<i>6,700</i>
Total non current assets	9,532,117	9,967,080
Currents assets		
Inventory	11,808,615	12,253,639
Trade receivables	8,023,717	7,084,606
Tax assets	1,569,970	1,739,974
Other current assets	8,780,589	8,502,546
Cash and cash equivalents	13,032,901	13,415,179
Total current assets	43,215,792	42,995,944
Total assets	52,747,909	52,963,024
LIABILITIES		
Equity		
Share capital	1,093,587	1,088,495
Other reserves	5,284,725	4,745,482
Foreign exchange reserve	329,032	296,495
Retained earnings	20,602,741	20,080,251
Total equity attributable to shareholders of the parent	27,310,085	26,210,723
Minority interest	-	-
Total equity	27,310,085	26,210,723
Non current liabilities		
Long-term borrowings	9,128,074	10,754,968
Long-term lease liabilities	2,172,918	2,267,054
	<i>related parties</i>	<i>1,596,214</i>
Severance Indemnities	852,092	935,531
Provisions for risk and charges	39,271	39,271
Total non current liabilities	12,192,355	13,996,824
Current liabilities		
Short-term borrowings	7,116,261	6,904,309
Short-term lease liabilities	752,586	943,509
	<i>related parties</i>	<i>472,297</i>
Trade liabilities	3,672,481	2,956,786
	<i>related parties</i>	<i>78,691</i>
Tax liabilities	213,988	366,811
Other current liabilities	1,490,154	1,584,062
Total current liabilities	13,245,470	12,755,477
Total Liabilities	52,747,909	52,963,024


CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(Values in Euro)

	1Q 2021	1Q 2020
Revenues	8,201,549	11,792,481
Cost of sales	(5,519,091)	(7,474,858)
Other revenues	40,985	52,061
Cost of indirect labour	(770,755)	(901,781)
Commercial expenses	(112,493)	(203,080)
General and administrative expenses	(844,487)	(899,556)
Depreciation and amortization	(501,862)	(553,405)
Writedowns	0	(111,326)
Earning before interest and taxes	493,845	1,700,536
Writedown of investments in non controlled associates	(19,182)	-
Financial costs	(150,663)	(1,117,135)
	<i>related parties</i>	(19,566)
Financial income	393,835	44,166
Earning before taxes	717,835	627,567
Income taxes	(194,139)	(169,680)
Profit for the year (A)	523,696	457,887
Other comprehensive income/(losses) for the year that will not be reclassified in income statement:		
Actuarial gain/(losses) on DBO (net of tax)	(1,206)	(1,430)
Other comprehensive income/(losses) for the year that will be reclassified in income statement:		
Exchange differences on translating foreign operations	32,537	(72,513)
Total other comprehensive income/(losses) for the year (B)	31,331	(73,943)
Total comprehensive income (A) + (B)	555,027	383,944
Profit attributable to:		
Owners of the parent	523,696	457,887
Minority interest	-	-
Total comprehensive income attributable to:		
Owners of the parent	555,027	383,944
Minority interest	-	-
Basic earning per share	0.05	0.04
Diluted earning per share	0.05	0.04

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.

Lorenzo Coppini (Investor Relator),

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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 120 employees, with approximately 10% of staff assigned to its Research and Development Department, the Company – under the brands 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.

Fine Comunicato n.0931-26

Numero di Pagine: 11