

## PRESS RELEASE

### **Board of Directors approved 1H 2023 results Revenues €37.2 million and Net income €4.9 million**

THE BOARD OF DIRECTORS OF RACING FORCE S.P.A. APPROVED THE CONSOLIDATED  
HALF-YEAR FINANCIAL STATEMENTS AS OF JUNE 30, 2023

- **Revenues: €37.2 million (+10.8% vs 1H 2022)**
- **Gross Profit: €23.0 million (61.8% Gross margin) vs €21.1 million in 1H 2022**
- **EBITDA: €7.9 million (21.3% EBITDA margin) vs €9.3 million in 1H 2022**
- **Net Income: €4.9 million (13.1% on Revenues) vs €6.9 million in 1H 2022**
- **Net Financial Position: +€0.3 million vs -€4.4 million as of December 2022**

Ronco Scrivia (GE, Italy), September 20, 2023 - The Board of Directors of **Racing Force S.p.A.** ("Company" or "RFG"), the parent company of Racing Force Group, which is specialized in the development, production and marketing of safety components for motorsports competitions worldwide, as well as listed on the Euronext Growth Milan and Paris segments, **reviewed and approved the consolidated half-yearly financial statements as of June 30, 2023**, prepared in accordance with the Euronext Growth Milan and Paris Issuers' Regulations.

**Paolo Delprato, Chairman and CEO of Racing Force Group**, commented: *"The results of the first half of 2023 were achieved in a complex macroeconomic scenario, characterized by strong uncertainty, within a year that represents a period of investments for the Group, in view of a significant boost to growth expected in the coming years, also benefitting from the diversification projects currently underway. In particular, in the first six months of the year, the Group has already made significant investments to further strengthen its organizational structure and to increase production and logistics capacity, with the aim to be ready for the developments expected in the near future"*.

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## Summary of Group Results as of June 30, 2023

- Group's **Revenues** amounted to **€37.2 million**, up compared to the first half of 2022 (+10.8%). The increase characterized particularly the geographical areas of EMEA (+15.8%) and APAC (+9.6%), while the Americas recorded a slight decline (-0.5%), mainly due to a one-off supply carried out during the previous year. Excluding this one-off supply, growth would have been double digit. Dealers are confirmed as the primary sales channel for the Group (62.4% of revenues), while Driver's Equipment represents the main category in terms of product type (72.1% of revenues).
- **EBITDA** amounted to **€7.9 million** (EBITDA margin **21.3%**), against €9.3 million in the first half of 2022 (EBITDA margin 27.8%). Variance is mainly due to higher costs incurred in the first six months of 2023 to support growth in Motorsport and, particularly, the investments and diversification projects currently being implemented.
- **EBIT** was **€6.4 million** (17.1% EBIT margin), against €8.1 million (24.1% EBIT margin) in the first half of 2022.
- **Net income** is **€4.9 million** (13.1% of Revenues), against €6.9 million (20.7% of Revenues) in the first half of 2022.

	06.30.2023	% of Revenue	06.30.2022	% of Revenue	Variance
<b>Revenue</b>	<b>37,204,433</b>		<b>33,586,962</b>		<b>3,617,471</b>
<b>Gross profit</b>	<b>23,005,909</b>	<b>61.8%</b>	<b>21,064,229</b>	<b>62.7%</b>	<b>1,941,680</b>
<b>EBITDA</b>	<b>7,931,598</b>	<b>21.3%</b>	<b>9,337,446</b>	<b>27.8%</b>	<b>(1,405,848)</b>
Bad Debt and write offs	193,461	0.5%	105,203	0.3%	88,258
Depreciation	1,363,710	3.7%	1,144,065	3.4%	219,645
<b>EBIT</b>	<b>6,374,426</b>	<b>17.1%</b>	<b>8,088,177</b>	<b>24.1%</b>	<b>(1,713,751)</b>
Finance income/(loss)	(246,064)	0.7%	370,356	1.1%	(616,420)
Taxes	1,252,092	3.4%	1,522,415	4.5%	(270,323)
<b>Net result</b>	<b>4,876,270</b>	<b>13.1%</b>	<b>6,936,118</b>	<b>20.7%</b>	<b>(2,059,848)</b>
<b>Cash flow from operations</b>	<b>1,365,129</b>	<b>3.7%</b>	<b>3,419,026</b>	<b>10.2%</b>	<b>(2,053,898)</b>

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- The Group's **Net Financial Position** passed from a net debt of €4.4 million at the end of 2022, to a positive balance of **€0.3 million** as of June 30, 2023, also thanks to the share capital increase completed in January 2023, in addition to the cash generated during the period from operations, net of the investments in the first half of the year.

	06.30.2023	12.31.2022	Variance
<b>Debts with banks (A)</b>			
- Short term	2,787,969	5,744,100	(2,956,131)
- Long term	7,308,205	8,574,373	(1,266,168)
<b>Cash and cash equivalents (B)</b>	10,330,250	9,838,378	491,872
<b>Finance active loans (C)</b>	60,000	60,000	-
<b>Net Financial Position: A) - B) - C)</b>	<b>(294,076)</b>	<b>4,420,095</b>	<b>(4,714,171)</b>

## Performance Analysis

During the first months of the year, the global economy suffered a deceleration due to the high rate of inflation and restrictions in financing conditions. In this context, characterized by strong uncertainty, the Group recorded a growth in sales of +10.8% compared to the first half of 2022, strengthening its leadership in motorsport, thanks to the continuous research for innovation combined with the offer of new products, the constant improvement of existing ones and the completeness of the range offered.

The increase in revenues during the half-year particularly affected the segments of racewear, driven by higher sales of suits, communication systems and non-technical apparel.

Gross profit recorded an increase in absolute value of €1.9 million compared to the first half of 2022. In percentage terms, there was a slight decrease, equal to 0.9%, due to the different composition of the product mix and higher incidence of raw materials costs.

In the first six months of the financial year, the Group made significant investments to support growth within motorsport and, particularly to implement the diversification projects currently underway. General and administrative expenses, specifically, recorded an increase of €1.8 million compared to the first half of 2022, mainly due to the higher number of employees within the Group (+89 units employed on average in the first six months of 2023 compared to the first half of 2022). This increase was necessary in order to timely set up the proper organizational

structure and production capacity, required to support both the activities within Motorport and the diversification projects.

The current capital structure is such as to allow investments in the coming future to further support the Group's growth plan, both within motorsport and as regards the diversification projects.

## Current trading

Sales in the first two months of the second half of 2023 show significant growth compared to the already particularly positive figures of last year.

Contributing to the growth in turnover, albeit in a limited way, is the start of the first deliveries of the carbon shells for the jet pilot helmet (Next Generation Fixed-Wing Helmet) in August, in line with the Group's plans.

In the second half of the year, a higher dilution of structural costs is expected, with a positive impact on marginality, compared to the second half of 2022.

## Presentation of the results

The results for the half-year ended June 30, 2023 will be presented to analysts and investors on September 21, 2023 at 10:00 a.m. (CET), through Microsoft Teams platform, using the following link:

### Microsoft Teams Meeting

[Click here to join the meeting](#)

Meeting ID: 326 418 185 859

Passcode: HsPpwP

The presentation supporting the conference call will be made available on the Company's website [www.racingforce.com](http://www.racingforce.com) in the «Investor Relations» section at the following link: <https://ir.racingforce.com/en/presentations>.

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## **Racing Force Group**

Racing Force is the leading motorsport safety products group with the most advanced and complete range of protection and performance products used worldwide by top professionals, amateur athletes, race teams and car manufacturers with products sold under the brands Bell Helmets, OMP, Zeronoise and Racing Spirit. The group is based in 3 different continents: Ronco Scrivia (headquarters) and Pisa in Italy, Sakhir in Bahrain, Miami and Mooresville in the USA. Today, products under the Group's brands are used in all the world's motor racing and karting championships. Further information on Racing Force Group is available at [www.racingforce.com](http://www.racingforce.com), as well as at [www.ompracing.com](http://www.ompracing.com) and [www.bellracing.com](http://www.bellracing.com).

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## APPENDIX

### Condensed consolidated statement of financial position

	06.30.2023	12.31.2022
<b>NON CURRENT ASSETS</b>		
Property, plant and equipment	9,969,241	8,028,567
Right of use assets	2,790,631	3,147,592
Intangible assets	8,070,771	7,421,943
Goodwill	6,235,037	6,235,037
Due from related parties - non current	40,000	40,000
Tax receivables - non current	263,106	280,081
Deferred tax assets	615,019	582,313
Other non current assets	13,257	18,758
	<b>27,997,063</b>	<b>25,754,291</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	10,330,250	9,838,378
Trade receivables	13,952,204	10,315,187
Inventories	21,772,320	21,590,904
Due from related parties - current	25,854	21,146
Tax receivables - current	1,269,593	1,289,888
Other current assets	3,057,525	1,677,509
	<b>50,407,747</b>	<b>44,733,012</b>
<b>TOTAL ASSETS</b>	<b>78,404,810</b>	<b>70,487,302</b>

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	06.30.2023	12.31.2022
<b>EQUITY</b>		
Share capital	2,569,920	2,375,745
Additional paid in capital	29,777,959	20,249,087
Legal reserve	514,984	475,149
Translation reserve	(103,111)	88,253
Retained earning (losses)	10,387,509	5,191,210
Other reserve	640,384	558,121
Net Result	4,876,270	7,549,063
	<b>48,663,916</b>	<b>36,486,629</b>
<b>NON CURRENT LIABILITIES</b>		
Long term loans - non current	7,308,205	8,574,373
Lease liabilities - non current	2,330,432	2,623,043
Employee benefits	1,036,740	962,857
Provisions	356,907	356,907
	<b>11,032,284</b>	<b>12,517,180</b>
<b>CURRENT LIABILITIES</b>		
Short term Loan	-	2,488,016
Trade payables	12,141,220	12,426,159
Long term loans - current portion	2,787,969	3,256,084
Lease liabilities - current	583,308	652,577
Due to related parties	215,842	171,076
Tax payables - current	895,402	598,777
Other payables	2,084,868	1,890,804
	<b>18,708,610</b>	<b>21,483,493</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>78,404,810</b>	<b>70,487,302</b>

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## Condensed consolidated statement of profit and loss for the periods ended at June 30

	2023	2022
Revenue	37,204,433	33,586,962
Cost of sales	(14,198,523)	(12,522,732)
<b>Gross profit</b>	<b>23,005,909</b>	<b>21,064,229</b>
Other income	448,689	795,491
Selling and distribution expenses	(5,436,278)	(4,309,383)
General and administrative expenses	(9,901,979)	(8,084,854)
Other expenses	(184,743)	(128,038)
<b>Gross operating profit (EBITDA)</b>	<b>7,931,598</b>	<b>9,337,446</b>
Bad Debt and write offs	(193,461)	(105,203)
Depreciation	(1,363,710)	(1,144,065)
<b>Net operating profit (EBIT)</b>	<b>6,374,426</b>	<b>8,088,177</b>
Finance income	106,036	597,147
Finance costs	(352,100)	(226,791)
<b>Net income (loss) before taxes</b>	<b>6,128,362</b>	<b>8,458,533</b>
Taxes	(1,252,092)	(1,522,415)
<b>Total net income (loss) after taxes</b>	<b>4,876,270</b>	<b>6,936,118</b>

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