

PRESS RELEASE

Racing Force Group: record results in 2021, Revenues +38% y/y, Margins +67% y/y Distribution of €1.7 million of dividends proposed

THE BOARD OF DIRECTORS OF RACING FORCE S.P.A. HAS APPROVED THE DRAFT FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021 AND THE 2021 CONSOLIDATED FINANCIAL RESULTS

- **Revenues: €46.7 million (+38.4% vs. 2020 and +27.5% vs 2019PF¹)**
- **Adj.² EBITDA: €9.0 million (19.2% EBITDA *margin* and +67.0% vs 2020)**
- **Adj.² Net Profit: €4.9 million (10.6% of Revenues)**
- **Adj.² Operating Cash Flow: €5.5 million (€2.4 million in 2020)**
- **Net Debt: €0.7 million (€15.5 million in 2020)**
- **Proposed dividend: €1.7 million (DPS €0.07)**

Ronco Scrivia (GE, Italy), March 29th 2022 – The Board of Directors of Racing Force S.p.A. ("Company" or "RFG"), parent company of Racing Force Group, active in the development, production and commercialization of safety components for motor racing worldwide, and listed on the Euronext Growth Milan segment, met today to approve the draft financial statements as of 31st December 2021 as well as the consolidated financial statements for 2021, drafted in compliance with the Euronext Growth Milan Issuers' Regulations.

Paolo Delprato, President and CEO of Racing Force Group, commented, "*The last two years have been a great challenge for Racing Force Group. Right after the acquisitions of Bell and ZeroNoise in December 2019, the pandemic made the ambitious process of integrating the different brands of our Group more demanding. But thanks to the hard work of our employees, to their dedication and passion, today we can celebrate record results for our Group, with our eyes already set on the future. We are ready to take up the new challenges in front of us, being aware of the great potential of Racing Force*".

¹ The 2019PF is an unaudited *pro forma* financial statement, which treats Bell Group and Zeronoise as if they had been acquired on 1st January 2019.

² Net of costs related to the listing recorded in the statement of operations for €1,054 thousand.

Summary of Group results as at 31 December 2021

- Group **revenues** amounted to **€46.67 million**, a significant increase compared to both the 2020 financial year (+**38.4%**) and 2019PF¹ (+**27.5%**, on a like-for-like basis). The increase involved all the geographical areas in which Racing Force operates, with a strong growth in all the main product categories, thanks to synergies between the Group's brands.
- **Adjusted EBITDA**² amounted to **€8.95 million** (EBITDA margin **19.2%**), a significant increase both compared to the previous year, where it amounted to €5.36 million (EBITDA margin 15.9%), and compared to 2019PF¹ (€4.18 million, EBITDA margin 11.4%), thanks to improved efficiency resulting from synergies and operating leverage.
- **Adjusted EBIT**² is **€6.56 million** (**14.1%** EBIT margin), up from both 2020 (€2.85 million, 8.4% EBIT margin) and 2019PF¹ (€1.79 million, 4.9% EBIT margin).
- **Adjusted Net Profit**² is **€4.93 million** (**10.6% of Revenues**), significantly up both compared to the previous year (€1.44 million, 4.3% of Revenue) and 2019PF¹ (€2.4 million, 6.6% of Revenue), also due to the optimisation of the capital structure as a result of the listing.
- During the financial year, the Group generated a **Cash Flow from Operations**, net of listing costs, of **€5.51 million**, which more than doubled compared to both FY2020 (€2.37 million) and FY 2019PF¹ (€2.53 million).

	2021	% of Revenue	2020	% of Revenue	Variance
Revenue	46.674.333		33.733.308		12.941.025
Gross profit	27.203.485	58,3%	20.135.374	59,7%	7.068.111
EBITDA	7.900.679	16,9%	5.362.679	15,9%	2.538.000
Costs incurred for IPO EG Milan	1.053.586	2,3%	-	-	1.053.586
Adjusted EBITDA	8.954.265	19,2%	5.362.679	15,9%	3.591.586
Bad Debt and write offs	138.111	0,3%	212.002	0,6%	(73.891)
Depreciation	2.251.467	4,8%	2.304.893	6,8%	(53.426)
EBIT	5.511.101	11,8%	2.845.784	8,4%	2.665.317
Adjusted EBIT	6.564.687	14,1%	2.845.784	8,4%	3.718.903
Finance income/(loss)	(276.040)	0,6%	(699.668)	2,1%	423.627
Taxes	1.067.392	2,3%	709.030	2,1%	358.362
Net result	4.167.669	8,9%	1.437.087	4,3%	2.730.582
Adjusted net result	4.927.304	10,6%	1.437.087	4,3%	3.490.217
Cash flow from operations	4.455.075	9,5%	2.366.490	7,0%	2.088.585
Adjusted cash flow from operations	5.508.661	11,8%	2.366.490	7,0%	3.142.171

- The Group's **net financial position** went from a net debt of €15.54 million at the end of 2020, to a net debt of **€0.67 million** as of 31 December 2021, thanks to a strong cashflow generation during the year and as a result of the capital increase made at listing.

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	12.31.2021	12.31.2020	Variance
Debts with banks (A)			
- Short term	7.894.319	9.381.791	(1.487.472)
- Long term	10.874.527	11.904.728	(1.030.201)
Cash and cash equivalents (B)	17.756.663	4.254.877	13.501.786
Finance active loans (C)	345.000	1.490.000	(1.145.000)
Net Financial Position: A) - B) - C)	667.183	15.541.642	(14.874.460)

Management analysis

The highly positive economic figures of 2021 are due both to the performance of the parent company Racing Force S.p.A. and to the contribution of the subsidiaries in terms of sales and margins. The growth is generated by the increasing synergic integration of the Group's brands, while the increase in profitability is mainly due to synergies and operating leverage.

The balance sheet figures have been significantly and positively affected by the listing on the Euronext Growth Milan market in November 2021. The placement took place at a price per share of €4.50 with an initial capitalisation of €106.9 million. As part of the IPO, 6.3 million shares were allocated, of which 4.5 million were newly issued and 2.4 million (including Over-Allotment option) from the sale by existing shareholders.

Also thanks to the listing, the solid capital structure allows investments in the near future to further support the Group's growth plan.

Current Trading

The outbreak of war between Russia and Ukraine has raised the geo-political risk on a global level, and has also caused very high economic and financial tensions on the markets. Regardless of how the current crisis will resolve itself, the consequences could be long-term and have a negative impact on European countries' exports to the areas affected by the conflict and on their energy supply costs. In this context of high uncertainty, the Group's exposure to these countries, although extremely limited, is carefully monitored.

In the first quarter of 2022, the Group recorded double-digit growth in both sales and orders, setting a new record for the quarter. In terms of product margins, increase on pricings and careful planning of purchases has, to date, made it possible to contain variations in the costs of raw materials, energy and logistics costs.

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Allocation of the year's profit.

The Board of Directors of Racing Force S.p.A. has proposed to the Shareholders' Meeting to allocate the net profit for the year 2021, equal to € 1,812,595 as follows:

- Euro 76,218 to the legal reserve, so as to reach one-fifth of the share capital;
- Euro 1,663,021.50 to dividends to be distributed, equal to Euro 0.07 per share, gross of withholding taxes, with an ex-dividend date, in accordance with the Euronext Growth Milan 2021 calendar, of 16 May 2022, an entitlement date of 17 May 2022 and a dividend payment date of 18 May 2022;
- the remaining part, amounting to €73,355.50, to retained earnings.

Call of the Ordinary Shareholders' Meeting

The Board of Directors approved the convening of the Company's Ordinary Shareholders' Meeting on 28th April 2022, in a single call, to approve the financial statements of Racing Force S.p.A. for the year ended 31st December 2021, including the Board of Directors' report on operations, the report of the Board of Statutory Auditors, and the report of the independent auditors.

Submission of Documentation

The notice of call and the related documentation required by applicable regulations, including the draft financial statements as at 31 December 2021, the report on operations, the directors' reports on the items on the agenda of the Shareholders' Meeting, the report of the Board of Statutory Auditors, the report of the independent auditors, will be made available to the public, within the terms of the law, at the company's registered office located at via E. Bazzano 5, 16019 Ronco Scrivia (GE - Italy) as well as through publication on the institutional website www.racingforce.com, Investor Relations section and on the authorised storage mechanism www.emarketsdirstorage.it.

It should be noted that the audit of the draft financial statements has not yet been finalised and that the auditors' report will therefore be made available within the legal deadline. This press release is available in the Investor Relations section of the website www.racingforce.com.

Results presentation conference call

The results for the year closed on 31 December 2021 will be presented to analysts and investors on 30 March 2022 at 9:30 a.m. (CET).

It will be possible to follow the conference call by dialing +39 02 802 09 11 (from Italy), +44 1 212818004 (from UK), +1 718 7058796 (from USA).

The presentation used to support the conference call will be made available on the Company's website www.racingforce.com in the "Investor Relations" section at the following address: <https://ir.racingforce.com/en/presentations>

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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 and Miami 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, as well as at www.ompracing.com and www.bellracing.com.

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APPENDIX

Consolidated Balance Sheet

	12.31.2021	12.31.2020
NON CURRENT ASSETS		
Property, plant and equipment	6.330.962	2.843.545
Right of use assets	2.390.711	4.066.278
Intangible assets	6.727.144	5.993.994
Goodwill	5.662.557	5.662.557
Investments booked at Equity method	128.475	44.426
Due from related parties -non current	60.000	1.490.000
Tax receivables - non current	211.952	211.952
Deferred tax assets	657.757	245.716
Other non current assets	18.667	89.238
	22.188.225	20.647.706
CURRENT ASSETS		
Cash and cash equivalents	17.756.663	4.254.877
Trade receivables	7.675.933	6.240.014
Inventories	14.715.341	11.277.118
Due from related parties - current	425.211	106.163
Tax receivables - current	813.200	686.808
Other current assets	1.338.819	942.003
	42.721.463	23.506.983
TOTAL ASSETS	64.909.689	44.154.689

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	12.31.2021	12.31.2020
EQUITY		
Share capital	2.375.745	1.925.745
Additional paid in capital	20.014.823	1.632.150
Legal reserve	398.931	398.931
Translation reserve	(93.852)	(363.124)
Retained earning (losses)	2.762.780	3.045.913
Other reserve	291.074	192.507
Net Result	4.167.669	1.355.286
Equity attributable to owners of the parent Company	29.917.169	8.187.408
Non-controlling interests	-	298.430
TOTAL EQUITY	29.917.169	8.485.838
NON CURRENT LIABILITIES		
Long term loans - non current	10.874.527	11.904.728
Lease liabilities - non current	1.997.665	3.405.469
Tax payables - non current	77.710	-
Employee benefits	839.508	753.987
Provisions	320.000	200.000
	14.109.410	16.264.184
CURRENT LIABILITIES		
Short term Loan	4.691.924	6.251.825
Trade payables	10.673.433	7.667.696
Long term loans - current portion	3.202.394	3.129.966
Lease liabilities - current	506.451	782.078
Due to related parties	106.167	157.043
Tax payables - current	195.248	109.161
Other payables	1.507.491	1.306.899
	20.883.109	19.404.668
TOTAL LIABILITIES AND EQUITY	64.909.689	44.154.689

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Consolidated income statement for the year ended 31 December

	2021	2020
Revenue	46.674.333	33.733.308
Cost of sales	(19.470.848)	(13.597.933)
Gross profit	27.203.485	20.135.374
Other income	1.444.804	1.484.745
Selling and distribution expenses	(6.399.095)	(4.967.655)
General and administrative expenses	(14.098.349)	(10.823.049)
Other expenses	(250.165)	(466.737)
Gross operating profit (EBITDA)	7.900.679	5.362.679
Bad Debt and write offs	(138.111)	(212.002)
Depreciation	(2.251.467)	(2.304.893)
Net operating profit (EBIT)	5.511.101	2.845.784
Finance income	405.948	236.425
Finance costs	(681.988)	(936.093)
Net income (loss) before taxes	5.235.061	2.146.116
Taxes	(1.067.392)	(709.030)
Total net income (loss) after taxes	4.167.669	1.437.087
Income (loss) attributable to:		
Owners of the parent Company	4.167.669	1.355.286
Non-controlling interest	-	81.801

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