[CELLULARLINEGROUP]

FY 24

Corporate Presentation and Annual Financial Report

[INDEX]

1. Corporate Presentation 4

2. 2024 ANNUAL REPORT 33

1.1

Corporate Presentation

Cellularline Group highlights

Cellularline Group Highlights

+30
years of history

+290
employees

HQ
Reggio Emilia

5 sedi
Italy, Spain, France, Switzerland and Germany

+55
countries served

~31%
of the annual turnover come from products launched in 2023

3 divisions

Red	Black	Blue
accessories for multimedia devices	products and accessories related to the world of motorbikes and bicycles	products marketed under non-Group brands

Net revenues 2024
164.3 mln

Revenues from Sales by product line

Red	Black	Blue
135.2 mln	8.4 mln	20.6 mln

Revenues from Sales by geographical area

Italy	77.2 mln
International	87 mln

Adj. EBITDA
22.6 mln
% of revenues
9,5%

Adj. net result
8.6 mln
% of revenues
5,2%

2024 net financial debt
22 mln
2023
35.4 mln
Change
-13.4 mln

1.2

Corporate Presentation

Corporate data

Corporate data

Group composition, Administrative Body, Shareholder disclosure

Founded in Reggio Emilia in 1990, our company has established itself as a European leader in the design and marketing of accessories for smartphones and tablets. We stand out as a point of reference in the technological and creative landscape, offering innovative solutions for multimedia devices.

Cellularline S.p.A.
Registered Office
Via Grigoris Lambrakis 1/A
42122 Reggio Emilia (RE)
Italy

Legal information
share capital Euro
21,343,189 fully paid-up

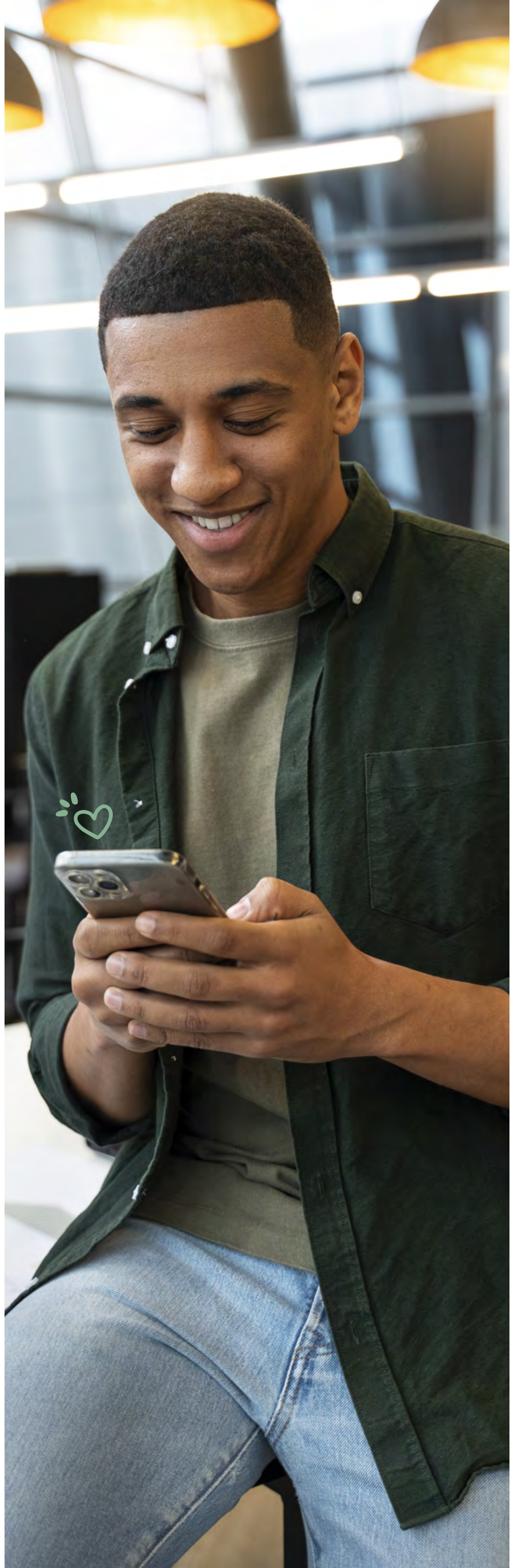
VAT reg. no. and Tax Code
09800730963

Economic and Administrative
Register RE-315329

Certified e-mail address
spa.cellularline@legalmail.it

ISIN
IT0005244618

Corporate Website
www.cellularlinegroup.com



Group composition

The Group consists of the following legal entities:

Cellularline S.p.A.: parent company under Italian law with registered office at Via Lambrakis 1/A, Reggio Emilia, operating nationally and internationally in the design, distribution (including white-label) and marketing of accessories and devices for smartphones, tablets, wearables, audio products and solutions for mobile connectivity (automotive and micromobility). The company also has a permanent establishment in France, located at 91 Rue du Faubourg Saint-Honoré, Paris, which serves as the sales office for the French market, with a staff of five.

Cellular Spain S.L.U.: a wholly owned subsidiary incorporated under Spanish law with registered office in C/ Newton, 1 edificio 2 nave 1, 28914 Leganés (Madrid), which handles the distribution of Cellularline branded products in the Spanish and Portuguese markets.

Cellular Inmobiliaria Italiana S.L.U.: a wholly-owned subsidiary incorporated under Spanish law with registered office in Cl. Industrial N.50 Sur Edi 2 Nave 27, Leganés (Madrid), which owns a property formerly used as Cellular Spain's operational headquarters, currently rented to third parties.

Cellular Immobiliare Helvetica S.A.: a wholly-owned subsidiary incorporated under Swiss law with registered office at Via Ferruccio Pelli 9, Lugano, owner of the property rented to the trading company Cellular Swiss S.A.

Systema S.r.l.: a wholly-owned subsidiary incorporated under Italian law with registered office in Via della Previdenza Sociale 2, Reggio Emilia, operating in the European market for mobile phone accessories in the Telco channel.
On 18 December 2023, it resolved on the merger by incorporation of Pegaso S.r.l.

Worldconnect AG: a 90% owned company incorporated under Swiss law with registered office in Diepoldsau, global leader in the premium travel adapters segment. Founded in 2002, it operates internationally through the SKROSS and Q2 Power brands, as well as through OEM partnerships, offering a full range of universal and country-specific adapters and power accessories.

Coverlab S.r.l.: a 55% owned company incorporated under Italian law with registered office in Via Mantova 91/A, Parma, operating in the e-commerce sector through its proprietary site www.coverlab.com, specializing in the customization of Coverlab-branded smartphone accessories.

Subliros S.L.: a 80% owned company incorporated under Spanish law with registered office at C/ Jacquard 97, Sabadell (Barcelona), operating in the e-commerce sector through its proprietary site, focused on the customization of Allogio-branded smartphone accessories.

Cellularline USA Inc.: a wholly-owned subsidiary incorporated under the laws of the United States with registered office at 350 5th Avenue, Floor 41, New York, responsible for the distribution of Cellularline products in the U.S. and Canadian markets.

Peter Jäckel GmbH: a 60% owned company under German law with registered office in Alfeld (Lower Saxony), a historic player in the German smartphone accessories market, active for over 25 years with a consolidated distribution network in the consumer electronics sector. Acquired in January 2023.

Cellular Middle East FZE: a wholly-owned subsidiary incorporated in April 2023 and headquartered in Dubai, established to strategically position itself in the Middle Eastern market through the distribution of Cellularline branded products.

Cellular Swiss S.A.: a 50% owned company incorporated under Swiss law with registered office at Route de Marais 17, Box N.41, Aigle, active in the distribution of Cellularline products in the Swiss market.

Group Structure

Cellularline S.p.A. - Subsidiaries

100% Systema S.r.l.

100% Cellular Spain S.l.u.

100% Cellular Inmobiliaria Italiana S.l.u.

100% Cellular Immobiliaria Helvetica S.A.

100% Cellularline USA Inc.

100% Cellularline Middle East FZE

90% Worldconnect AG

80% Subliros SL

60% Peter Jackel GMBH

55% Coverlab Sr.l.

Cellularline S.p.A. - Associates

50% Cellular Swiss S.A.

Corporate and control bodies Administrative Body: BoD

Board of Directors

Antonio Luigi Tazartes	Chair
Christian Aleotti	Deputy Chair and CEO
Marco Cagnetta	Executive Director
Donatella Busso	Independent Director
Paola Vezzani	Independent Director
Alessandra Bianchi	Independent Director
Mauro Borgogno	Director
Marco Di Lorenzo	Director
Walter Alba	Independent Director
Laura Elena Cinquini	Independent Director

Risk and Control Committee

Donatella Busso	Chair and Director
Alessandra Bianchi	Director
Paola Vezzani	Director

Appointments and Remuneration Committee

Paola Vezzani	Chair and Director
Walter Alba	Independent Director
Donatella Busso	Director

Committee for Transactions with Related Parties

Donatella Busso	Chair and Director
Alessandra Bianchi	Director
Laura Elena Cinquini	Independent Director

Board of Statutory Auditors

Lorenzo Rutigliano	Chair
Daniela Bainotti	Statutory Auditor
Paolo Chiussi	Statutory Auditor
Guido Prati	Alternate Auditor
Andrea Fornaciari	Alternate Auditor

Supervisory Body

Anna Doro	Chair
Alessandro Cencioni	Member
Ester Marino	Member

Independent Auditors

KPMG S.p.a.

Shareholder disclosure

Company listed on the Telematic Stock Market - STAR segment managed by Borsa Italiana S.p.A. Alphanumeric code: CELL. The share capital amounts to €21,343,189, divided into 21,868,189 ordinary shares (ISIN: IT0005244618).

Table of significant shareholders *(situation as at 31.12.2024)*

Shareholder	% of voting capital
Christian Aleotti	12,37%
First Sicaf S.p.a.	7,77%
Quaero Capital S.A.	7,33%
Antonio Luigi Tazartes	7,19%

* Only entities with a shareholding of more than 5% taken into account

1.3

Corporate Presentation

Our History

Our history

"The Reggio Emilia-based company Cellular Italia S.p.a, founded in 1990 as a distribution company for the first mobile phones, launched the Cellularline brand in the 1990s"

1990

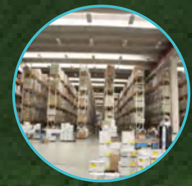
Cellular Italia S.p.a. is created.

1995

A complete range of mobile telephone accessories is developed.

2005

Cellular Italia becomes a group, also expanding its leadership into new distribution channels and new product segments.



2010

Cellular Italia reaches distribution in more than 50 Countries worldwide.

2011

The Interphone Business Unit is created, dedicated to the development and marketing of communication tools and accessories dedicated to the world of two-wheelers.

2013

L Capital (Private Equity fund supported by LVMH) acquires the majority of the company, thereby launching an important growth project.

2015

The company reaches a European leadership position on the mobile device accessories market.

2018

Business Combination with Growth and listing on the Italian stock exchange (AIM).

2019

Historic move to the MTA market, STAR segment managed by Borsa Italiana S.p.a. and acquisition of SYSTEMA, a company specializing in the international telephone operator sector by supplying accessories for smartphones.

2020

Three-year agreement with Altec Lansing for the co-design, production and distribution of audio products for the European market. Acquisition of WorldConnect AG, the global market leader in premium travel adapters under the Skross brand.

2021

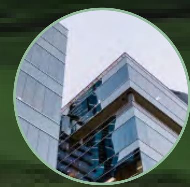
Acquisition of Coverlab, a brand with entirely online development and distribution, and the leading manufacturer of customized covers in Italy.

2022

Acquisition of an 80% stake in Subliros SL, a Spanish e-commerce company specializing in custom smartphone accessories under the Allogio brand, and signing of the acquisition of a 60% stake in Peter Jackel, a major German smartphone accessories company.

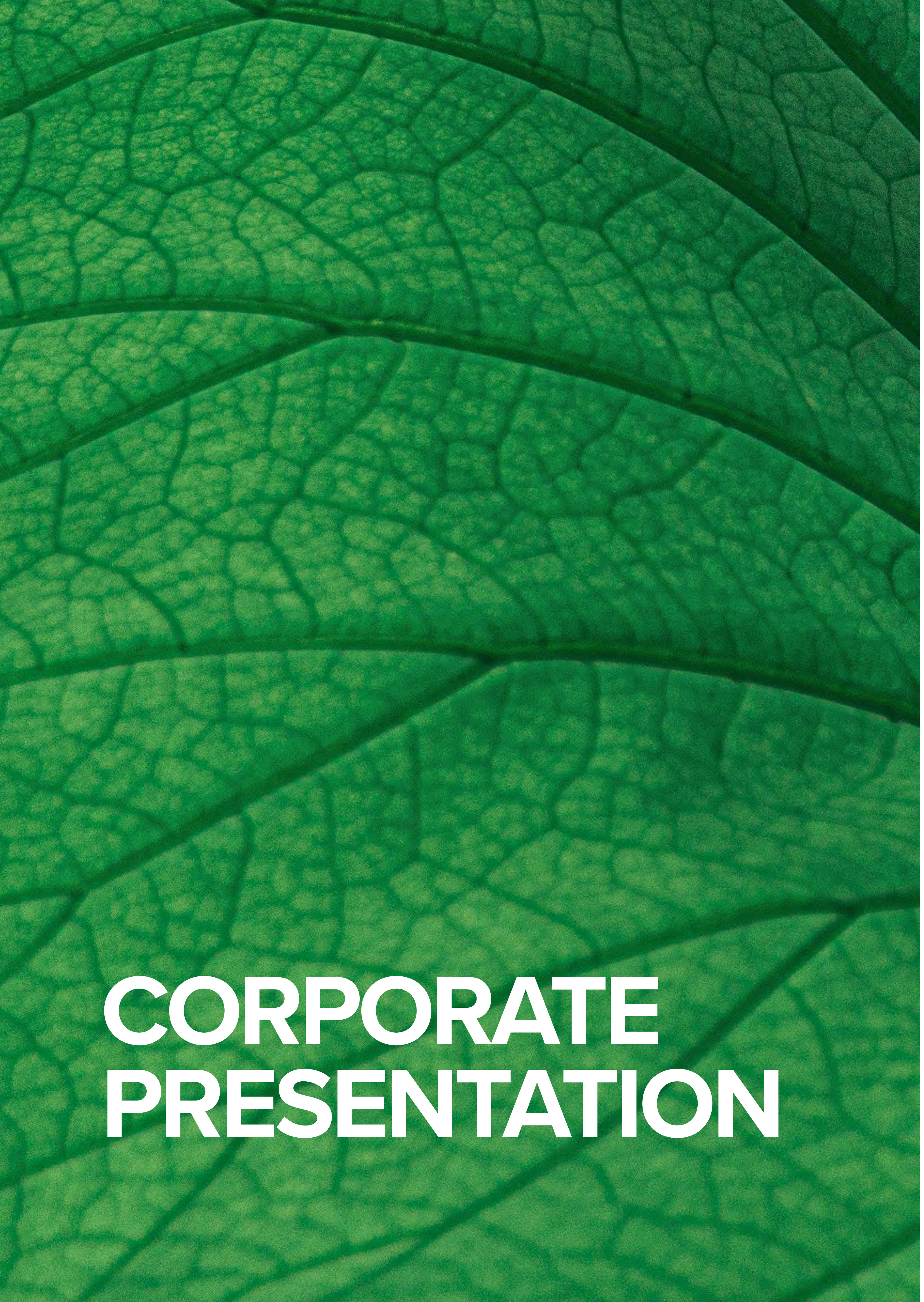
2023

The acquisition of Peter Jackel (with a 60% stake), a German company operating in the smartphone accessories sector, was finalised. Launch of the new brand Newrban, marking the entry into the e-mobility accessories market.



2024

WorldConnect AG exercised its put option for a tranche of 10% of the company's share capital, with the exercise of the option Cellularline comes to hold a controlling stake of 90% in the company. The Shareholders' Meeting approved the amendment to Clauses 3, 15 and 21 of Cellularline's Articles of Association in order to acquire the legal status of a Benefit Corporation.



1.4

Purpose, Vision, Mission e Values

Purpose

YOUmanizing the devices' experience

This Purpose clearly embodies our firm belief that it is the human being who makes the difference and not just technological development. Intercepting the new needs and requirements of end-users through sustainable innovation and our know-how is at the core of the Group's activities. Indeed, it is the virtuous interaction between human and technological components that can make the difference for a healthy development.

In this sense, humanising the technological experience and making it accessible to everyone takes on a solid and pragmatic meaning of social and environmental responsibility that the Cellularline Group takes on.

Manifesto

We believe that without humanity, the power of Digital is nothing.

We believe in intuition, serious skills and continuous improvement in technology and people.

We believe that the real value of a product lies in the study and in the design of ingenious features, because they are based on real needs: yours.

We believe in partnership and in synergistic processes that allow to design better solutions, shared solutions.
We believe that respect must be mutual and comprehensive and supported by concrete, measurable and transparent actions, like ours.

We believe that innovation, in order to be real, must be Youman: accessible to everyone, and provide solutions for everyone, including you.

Vision and Mission

We are ready to break new ground every day: our market intentions, in addition to being end-consumer oriented, aim at continuous improvement of processes shared with our intermediate customers (B2B/Trade). Driven by ambition and a strong passion for innovation, we have defined our Group goals (vision) and how we can achieve them (mission).

Trade

Vision

To become the leading Brand Group in the digital device accessories market, recognised for its ability to create effective, simple and sustainable solutions.

Mission

To feed a synergistic offer of Brands that, starting from people's needs, design and realise functional and sustainable solutions in order to make people live the full potential of the digital experience.

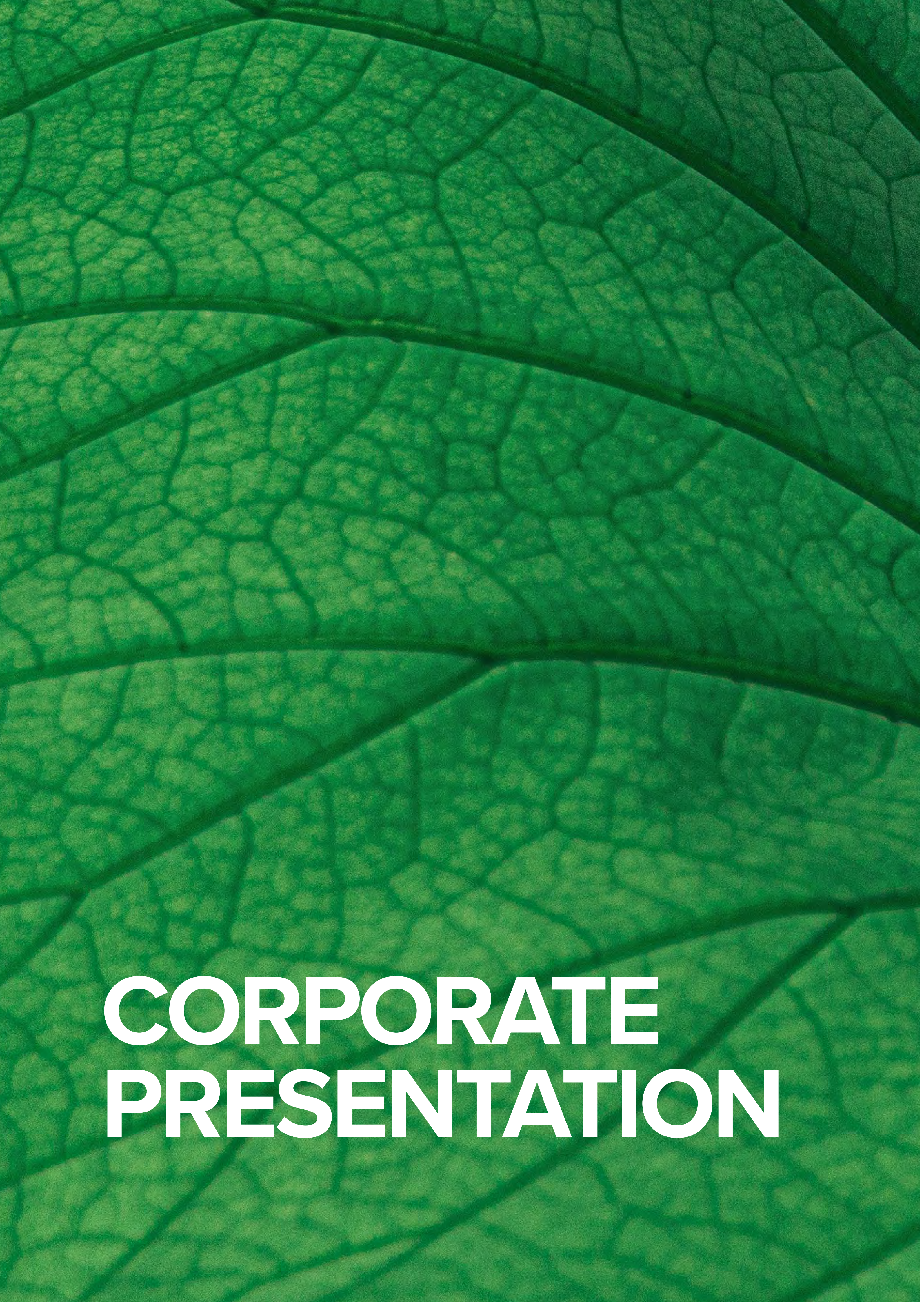
Consumer

Vision

Continuously improve processes shared with our partners to personalise offerings and services through a strategic data driven and omnichannel approach.

Mission

To be the Partner of choice for long-term sustainable value creation in the digital device accessories market.



1.5

Business model

The value chain

The Group oversees the entire product life cycle, from concept to marketing, through an integrated operating model that combines core activities managed internally with outsourced, high-value-added processes. Internal strategic activities include product design and development, as well as the management of marketing and communication activities, entrusted to dedicated teams of Research & Development and Marketing Intelligence. These functions operate on the basis of a data-driven approach, oriented towards the analysis of market trends and technological developments, in order to anticipate consumer needs and ensure competitive time-to-market.

A flexible business model

Production and logistics activities, on the other hand, are outsourced to selected external partners for operational flexibility and scalability. This model allows us to optimize production volumes and guarantee high quality standards, thanks to the selection of certified and technologically advanced suppliers.

Internally managed strategy

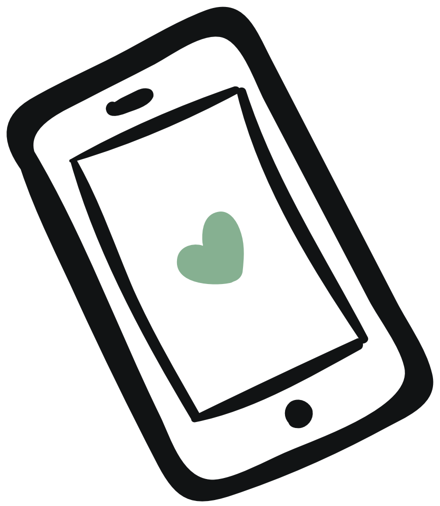
Marketing Intelligence and Research & Development

- Analysis of user behaviour at local and international level
- Monitoring competitive dynamics and industry trends
- Development of marketing and trade marketing strategies
- In-house product design and development
- Speed and efficiency in go-to-market processes

Supply management and communication

- Strategic management of product categories
- Offer planning and segmentation
- Definition of pricing policies
- Assortment optimization by channel and customer
- In-house production of digital content to support omnichannel communication

Externally Managed Operational Efficiency



Produzione

- Strategic management of the production supply chain
- Selection and certification of suppliers according to quality and innovation criteria
- Continuous renegotiation of contractual conditions
- Strategic partnerships and exclusive supply agreements
- Quality controls during production and incoming deliveries

Logistica e magazzino

Costante gestione della relazione con i partner della logistica, incaricati dell'immagazzinamento e dello stoccaggio delle merci

Magazzini completamente automatizzati

ANNUAL FINANCIAL REPORT

2.

ANNUAL FINANCIAL REPORT

2.1

Directors' Report

1

Introduction

The Cellularline Group (hereinafter the "Group" or the "Cellularline Group") is one of the main operators in the smartphone and tablet accessories sector in the EMEA area, as well as a market leader in Italy; moreover, the Group ranks, by volume, among the top operators in Spain, Switzerland, Belgium, Germany and Austria and boasts a strong competitive position in the other European countries.

The consolidating Company (Cellularline S.p.A.) is the result of the merger (the "Business Combination"), on 28 May 2018, of Ginetta S.p.A. and Cellular Italia S.p.A. into Crescita S.p.A., a company listed on AIM Italia, the Alternative Capital Market organised and managed by Borsa Italiana S.p.A. until 21 July 2019.

On 22 July 2019, Cellularline was transferred to the Mercato Telematico Azionario - STAR segment - of Borsa Italiana S.p.A.

2

Methodological note

This Directors' Report provides information on the financial position, performance and cash flows of the Cellularline Group relative to the year ended 31 December 2024, compared with the prior year figures as at 31 December 2023.
Amounts are expressed in thousands of Euro, unless otherwise indicated.
The amounts and percentages were calculated in thousands of Euro and, therefore, any differences in certain tables are due to rounding.

3

Accounting policies

This Director's Report relative to the year ended as at 31 December 2024 was prepared in accordance with the provisions of art. 154-ter, paragraph 4 of Legislative Decree no. 58/98 of the T.U.F. [Consolidated Finance Law] - and subsequent amendments and additions - in compliance with art. 2.2.3 of the Stock Exchange Rules. In order to facilitate an understanding of the Group's economic and financial performance, a number of Alternative Performance Indicators ("APIs") were identified, as defined by the ESMA 2015/1415 guidelines. For a correct interpretation of these APIs, the following should be noted: (i) these indicators are based exclusively on the Group's historical data and are not indicative of its future performance, (ii) the APIs are not required by IFRS and, though derived from the Consolidated Financial Statements, are not subject to audit, (iii) the APIs should not be considered as substitutes for the indicators provided for in the IFRS, (iv) these APIs must be read together with the Group's financial information in the annual Consolidated Financial Statements; (v) the definitions and criteria adopted to determine the indicators used by the Group, as they are not provided for by the IFRS, may not be consistent with those adopted by other companies or groups and, therefore, may not be comparable with any indicators presented by such parties, and (vi) the APIs used by the Group are drawn up according to a continuous and consistent definition and presentation for all the periods for which financial information is included in the annual Consolidated Financial Statements.
The APIs shown (Adjusted EBITDA, Adjusted EBIT, Adjusted Group profit/(loss) for the

year, Adjusted Cash Flow from Operations, Net Financial indebtedness, Net Financial indebtedness/Adjusted EBITDA LTM, Cash generation and Cash Conversion Ratio) are not identified as accounting measures under IFRS and, therefore, as explained above, should not be considered as alternative measures to those provided by the Group's Financial Statements for the assessment of the economic performance and the related financial position. Certain indicators defined as "adjusted" are reported in order to represent the Group's performance and financial position, net of non-recurring events, non-core operations and events linked to non-recurring transactions, as identified by the Group. These indicators reflect the main Financial Statements items, net of non-recurring income and expense that are not strictly correlated with the Group's core business and operations, and therefore allow a more consistent analysis of the Group's performance in the years considered in the Directors' Report.

4

Main financial and performance indicators[1]

(In thousands of Euro)	Year ended	
Performance indicators	**31 December 2024**	**31 December 2023**
Revenue	164.263	158.648
Adjusted EBITDA[2]	22.642	20.757
Adjusted EBIT[3]	15.628	14.015
Profit	5.647	3.595
Adjusted profit[4]	8.618	7.678

(In thousands of Euro)	Balance as at	
Indicatori patrimoniali e finanziari dell'esercizio	**31 December 2024**	**31 December 2023**
Cash flows generated by operating activities	23.418	18.181
Net financial indebtedness	22.007	35.384
Net financial indebtedness/Adjusted EBITDA	0,97x	1,70x

For more details on changes in cash flows generated by operating activities, please refer to paragraph "7. Statement of Financial Position" included in this Directors' Report.

1 Adjusted indicators are not identified as IFRS indicators and, therefore, should not be considered as an alternative measure for the assessment of the Group's results. Since the composition of these indicators is not regulated by IFRS, the Group's calculation criterion applied may not be consistent with that adopted by other companies or that may be adopted in the future by the Group, or created by it, and thus not comparable. Group, or created by it, and thus not comparable.
2 Adjusted EBITDA is the Consolidated EBITDA adjusted by (i) non-recurring expense/(income), (ii) the effects deriving from non-core events, (iii) the effects of events associated with non-recurring transactions and (iv) foreign exchange gains/(losses).
3 Adjusted EBIT is the operating profit adjusted by (i) non-recurring expense/(income) and (ii) the effects of non-core events, (iii) the effect of events associated with non-recurring transactions and (iv) adjustments of depreciation relating to the purchase price allocation procedure.
4 Adjusted Profit for the year is calculated as profit adjusted by the (i) adjustments incorporated in Adjusted EBITDA, (ii) adjustments of amortisation and depreciation relating to the Purchase Price Allocation, (iii) impairment of goodwill (iv) adjustments of non-recurring financial expense/(income) and (v) the theoretical tax impact of these adjustments.

5

Market performance

The market the Group operates in is characterised by seasonal phenomena that are typical of the market of electronic products and accessories. Sales are higher in the second half of each year, with a peak in demand near and during the Christmas period.
In the 7 main EU countries for which the Company continuously purchases market data, compared to 2023, the EMEA market context for smartphone accessories valued at less than EUR 100 (i.e. the one in which the Group mainly operates) showed a slight downturn in 2024, with a decrease of 1.6% in volume, less significant with reference to the value data (-0.7%). This phenomenon is also linked to the trend in the primary market for smartphones and the transfer of volumes from segments mapped by GFK to unmapped segments.
However, it should be noted that these figures do not include certain product categories (point-of-sale film application services and charging cables) and channels (travel retail, Amazon marketplace) whose weight in Group revenues is increasing.

6

Group performance

The income statement presented in this Directors' Report was reclassified in accordance with the presentation methods deemed useful by Management to represent the trend in the Group's operating profitability during the year.

Reclassified Income Statement - Group

(thousands of Euro)	31/12 2024	Of which related parties	% of revenue	31/12 2023	Of which related parties	% of revenue
Revenue from sales	164.263	5.262	100%	158.648	5.433	100%
Cost of sales	(98.444)		-59,9%	(97.459)		-61,4%
Gross operating profit	**65.819**		**40,1%**	**61.189**		**38,6%**
Sales and distribution costs	(31.421)		-19,1%	(29.233)		-18,4%
General and administrative costs	(27.828)	(13)	-16,9%	(27.818)	(12)	-17,5%
Other non-operating revenue	1.462		0,9%	737		0,5%
Operating profit	**8.033**		**4,9%**	**4.876**		**3,1%**
* of which PPA amortisation/depreciation	6.678		4,1%	6.663		4,2%
* of which impairment losses on non-current asset	33		0,0%	6		0,0%
* of which non-recurring expense	823		0,5%	2.134		1,3%
* of which exchange gains	62		0,0%	335		0,2%
Adjusted operating profit (Adjusted EBIT)	**15.628**		**9,5%**	**14.015**		**8,8%**
* of which depreciation and amortisation (excluding PPA amortisation/depreciation)	7.013		4,3%	6.742		4,2%
Adjusted EBITDA	**22.642**		**13,8%**	**20.757**		**13,1%**
Financial income	3.803		2,3%	2.434		1,5%
Financial expense	(5.718)		-3,5%	(3.942)		-2,5%
Net exchange gains	25		0,0%	622		0,4%
Net gains on equity investments	97		0,1%	260		0,2%
Profit/(loss) before taxes	**6.239**		**3,8%**	**4.250**		**2,7%**
* of which PPA amortisation/depreciation	6.678		4,1%	6.669		4,2%
* of which non-recurring expense	823		0,5%	2.134		1,3%
* of which fair value impact on put & call options	(1.057)		-0,6%	(2.296)		-1,4%
Adjusted profit before taxes	**12.683**		**7,7%**	**10.757**		**6,8%**
Current and deferred taxes	(593)		-0,4%	(655)		-0,4%
Profit() for the year	**5.647**		**3,4%**	**3.595**		**2,3%**
* of which PPA amortisation/depreciation	6.678		4,1%	6.669		4,2%
* of which non-recurring expense	823		0,5%	2.134		1,3%
* of which fair value impact on put & call options	(1.057)		-0,6%	(2.296)		-1,4%
* of which tax effect on the above items	(2.060)		-1,3%	(2.424)		-1,5%
* of which impact of deferred tax liabilities for warrants	(1.412)		-0,9%	-		0,0%
Adjusted Profit for the year	**8.618**		**5,2%**	**7.678**		**4,8%**

6.1

Consolidated revenue

In 2024, Revenues from sales amounted to EUR 164,263 thousand (EUR 158,648 thousand in 2023), an increase of EUR 5,615 thousand (+3.5%), due to increased sales mainly in the international market. The share of revenue generated by the Group outside Italy reached 53.0% in 2024 (51.6% in 2023).

6.1.1

Revenue from sales by product line

The Group designs, distributes and markets a wide range of products divided into the following product lines:

(i) Red Line, including accessories for multimedia devices (such as cases, covers, phone holders for cars, protective glass, power supply units, portable chargers, data and charging cables, headphones, earphones, speakers, wearable technology products and travel adapters);

(ii) Black Line, including all products and accessories related to the world of motorcycles and bicycles (such as, for example, intercoms and supports for smartphones);

(iii) Blue Line, which includes all the products marketed in Italy and abroad, not under the Group's proprietary trademarks.

The following table shows revenue, broken down by product, for the years considered:

Revenues from Sales by product line

	Year ended				Change	
(In thousands of Euro)	31/12/2024	% of revenue	31/12/2023	% of revenue	Δ	%
Red – Italy	55.309	33,7%	52.716	33,2%	2.593	4,9%
Red – International	79.928	48,7%	75.804	47,8%	4.124	5,4%
Revenue from sales - Red	**135.237**	**82,3%**	**128.520**	**81,0%**	**6.717**	**5,2%**
Black – Italy	4.023	2,4%	3.809	2,4%	214	5,6%
Black – International	4.399	2,7%	3.524	2,2%	875	24,8%
Revenue from sales - Black	**8.421**	**5,1%**	**7.333**	**4,6%**	**1.088**	**14,8%**
Blue – Italy	17.930	10,9%	20.334	12,8%	(2.405)	-11,8%
Blue – International	2.675	1,6%	2.460	1,6%	215	8,7%
Revenue from sales - Blue	**20.605**	**12,5%**	**22.795**	**14,4%**	**(2.190)**	**-9,6%**
Total Revenue from Sales	**164.263**	**100,0%**	**158.648**	**100,0%**	**5.615**	**3,5%**

- **The Red Line**, which represents the Group's core business, recorded an increase over the previous year of 5.2% (EUR 135,237 thousand in 2024 compared to EUR 128,520 thousand in 2023). In 2024, sales of the Red Line accounted for approximately 82.3% of total revenues, a slight increase over the previous year. Growth was driven by extending our business operations with selected top partners and engaging new high-potential customers;

- **The Black Line** recorded sales of EUR 8,421 thousand; an increase of Euro 1,088 thousand compared to the previous year, or 14.8%; the proportion of sales of the Black Line in 2024 (5.1%) improved compared to the previous year (4.6%). Our growth is mainly fuelled by our distribution efforts in international markets;

- **The Blue Line** recorded sales of EUR 20,605 thousand, compared to EUR 22,795 thousand in 2023, a decrease of Euro 2,190 thousand or -9.6%..

6.1.2

Consolidated revenue by geographical area

The following table shows revenue, broken down by geographical area, for the years considered:

Revenue from sales by geographical area

	Year ended				Change	
(In thousands of Euro)	31/12/2024	% of revenue	31/12/2023	% of revenue	Δ	%
Italy	77.262	47,0%	76.859	48,4%	402	0,5%
Spain/Portugal	15.366	9,4%	14.292	9,0%	1.074	7,5%
Germany	11.994	7,3%	12.240	7,7%	(246)	-2,0%
Eastern Europe	11.910	7,3%	11.293	7,1%	617	5,5%
Benelux	9.245	5,6%	7.961	5,0%	1.284	16,1%
Northern Europe	8.471	5,2%	7.880	5,0%	591	7,5%
France	8.359	5,1%	6.688	4,2%	1.671	25,0%
Switzerland	7.607	4,6%	8.225	5,2%	(618)	-7,5%
Great Britain	5.959	3,6%	5.412	3,4%	547	10,1%
Middle East	5.840	3,6%	5.220	3,3%	620	11,9%
North America	1.510	0,9%	1.750	1,1%	(240)	-13,7%
Others	740	0,5%	827	0,5%	(88)	-10,6%
Total Revenue from Sales	**164.263**	**100%**	**158.648**	**100,0%**	**5.615**	**3,5%**

With regard to the analysis of sales by geographic area, it should be noted that - thanks to the growth in sales recorded internationally - the share of sales in foreign markets accounted for around 53.0% of the Group's total sales, with an increase in the incidence of approximately 6.4% and an increase in the proportion of total revenues of approximately 1.4% compared with the previous year. Noteworthy are the excellent results from France, with an increase in revenue of Euro 1,671 thousand (+25.0%), alongside the growth within the Iberian Peninsula, where revenues increased by EUR 1,074 thousand (+7.5%)

compared to the previous year. Similarly, the Benelux region saw its revenues swell by EUR 1,284 thousand, a robust 16.1% rise compared to 2023. A slight downturn in the revenues of Germany (decrease of Euro 246 thousand, or -2.0%) and Switzerland (decrease of Euro 618 thousand, or -7.5%) was observed, chiefly attributed to negative market dynamics.

6.2

Cost of sales

In 2024, the cost of sales came to EUR 98,444 thousand, compared with EUR 97,459 thousand in 2023, equating to 59.9% of revenue, as compared with 61.4% of last year.

6.3

Sales and distribution costs

(In thousands of Euro)	Year ended		Change	
	31/12/2024	31/12/2023	Δ	%
Sales and distribution personnel expense	13.992	12.998	994	7,6%
Commissions to agents	7.126	6.906	220	3,2%
Transport	4.698	4.315	382	8,9%
Advertising and advertising consultancy expenses	2.229	2.435	(206)	-8,5%
Other sales and distribution costs	3.376	2.578	797	30,9%
Total sales and distribution costs	**31.421**	**29.233**	**2.188**	**7,5%**

The item increased both in absolute value compared to the previous period by EUR 2,188 thousand and as a percentage of revenue, rising to 19.1% from 18.4% in 2023.

6.4

General and administrative costs

In 2024, general and administrative costs amounted to EUR 27,828 thousand (16.9% of 2024 revenues), compared to EUR 27,818 thousand in the previous year (17.5% of 2023 revenues). The efficiency improvement, which can be seen in the decrease in the incidence on revenue, is a direct consequence of both the higher absorption of fixed costs due to the growth in revenue for the period and the cost control policy implemented by Management.

(In thousands of Euro)	Year ended		Changes	
	31/12/2024	**31/12/2023**	**Δ**	**%**
Amortisation	10.286	10.024	262	2,6%
Depreciation	1.729	1.655	74	4,5%
Depreciation of right-of-use assets	1.676	1.726	(50)	-2,9%
Impairment losses on non-current assets	33	6	27	>100%
Provisions for risks and impairment losses	295	907	(612)	-67,4%
Administrative personnel expense	6.650	6.177	472	7,6%
Strategic, administrative, legal HR consultancy, etc.	2.816	2.780	36	1,3%
Commissions and fees	156	321	(164)	-51,3%
Directors' and Statutory Auditors' fees	947	964	(17)	-1,7%
Other general and administrative costs	3.239	3.258	(20)	-0,6%
Total General and administrative costs	**27.828**	**27.818**	**10**	**0,0%**

6.5

Other non-operating revenue

This item includes non-operating costs and revenue for a net positive balance of EUR 1,462 thousand. This item, which refers to expenses and income related to non-core activities for the Group, can be broken down as follows:

(In thousands of Euro)	Year ended		Change	
	31/12/2024	**31/12/2023**	**Δ**	**%**
(SIAE and CONAI contributions)	(197)	(193)	(5)	2,4%
Recoveries of SIAE fees	3	4	(1)	-26,6%
Prior year and income	191	176	15	8,5%
Other non-operating revenue	1.465	749	716	95,5%
Total Other non-operating revenue	**1.462**	**737**	**725**	**98,4%**

6.6

Adjusted EBITDA

The main data used to calculate adjusted EBITDA is shown below:

(In thousands of Euro)	Year ended		Change	
	31/12/2024	**31/12/2023**	**Δ**	**%**
Operating profit	**8.033**	**4.876**	**3.157**	**64,7%**
Amortisation and depreciation	13.691	13.405	286	2,1%
Impairment losses on intangible and tangible fixed assets	33	6	27	0,0%
Non-recurring expense	823	2.134	(1.312)	-61,5%
Exchange gains	62	335	(273)	-81,5%
Adjusted EBITDA	**22.642**	**20.757**	**1.885**	**9,1%**

Adjusted EBITDA amounted to EUR 22,642 thousand in the year under review, an increase of 9.1% compared to the previous year. Adjusted EBITDA margin showed an increase of 0.7% over the year, from 13.1% in 2023 to the current 13.8%. This was a direct result of the higher absorption of fixed costs due to revenue growth in the period, mix changes and cost control actions implemented by Management.
Adjustments made to EBITDA, excluding amortisation, depreciation and impairment losses, amounted to EUR 885 thousand during 2024 (EUR 2,469 thousand for 2023) and mainly consisted of:

- non-recurring expense (EUR 823 thousand); these are revenue and expense related to non-recurring, atypical events or related to extraordinary transactions;
- exchange gains of EUR 62 thousand due to currency purchases for transactions in USD; although these are not non-recurring revenue and expense, with this adjustment the Group intends to present the operating performance, net of currency effects.

6.7

Financial income and expense

Net financial expense amounted to EUR 1,915 thousand (expense of EUR 1,508 thousand for 2023):

(In thousands of Euro)	Year ended		Change	
	31/12/2024	31/12/2023	Δ	%
Fair value gains	3.775	2.432	1.343	55,2%
Interest income	28	2	27	>100%
Total Financial income	**3.803**	**2.434**	**1.369**	**56,3%**
Commissions, other financial expenses and fair value losses	(3.557)	(1.263)	(2.294)	<100%
Interest expense on loans	(1.964)	(2.337)	373	-15,9%
Other interest expense	(197)	(342)	145	-42,5%
Total Financial expense	**(5.718)**	**(3.942)**	**(1.776)**	**45,1%**
Net financial expense	**(1.915)**	**(1.508)**	**(407)**	**27,0%**

The change in net inancial expense for FY 2024, net of the negative effect of the fair value valuation of put &call options and derivative instruments totalling EUR 951 thousand, was EUR 544 thousand mainly due to lower bank interest expense as a result of the refinancing transaction finalised in the second half of the year and to lower interest rates.

6.8

Net exchange gains

Net exchange gains amounted to EUR 25 thousand (EUR 622 thousand for 2023):

(In thousands of Euro)	Year ended		Change	
	31/12/2024	**31/12/2023**	**Δ**	**%**
Net exchange gains	62	335	(273)	<-100%
Net exchange gains/(losses) on financial transactions	(37)	287	(324)	>100%
Net exchange gains	**25**	**622**	**(597)**	**<-100%**

The decrease of EUR 597 thousand is mainly due to the hedges implemented on the EUR/USD exchange rate.

6.9

Adjusted EBIT

The main data used to calculate adjusted EBIT is shown below:

(In thousands of Euro)	(In thousands of Euro)		Change	
	31/12/2024	**31/12/2023**	**Δ**	**%**
Operating profit	**8.033**	**4.876**	**3.157**	**64,7%**
PPA amortisation/depreciation	6.678	6.663	15	0,2%
Impairment losses on non-current assets	33	6	27	>100%
Non-recurring expense	823	2.134	(1.312)	-61,5%
Net exchange gains	62	335	(273)	-81,5%
Adjusted EBIT	**15.628**	**14.015**	**1.614**	**11,5%**

Adjusted EBIT was positive for EUR 15,628 thousand (in 2023, it was EUR 14,015 thousand). The adjustments made to the Group EBIT refer to the factors mentioned in the paragraph on adjusted EBITDA, and to the amortisation and depreciation related to the purchase price allocation procedure of EUR 6,678 thousand.

6.10

Adjusted profit for the year

The main data used to calculate the adjusted profit for the yearis shown below:

(In thousands of Euro)	Year ended		Changes	
	31/12/2023	**31/12/2022**	**Δ**	**%**
Profit	**5.647**	**3.595**	**2.052**	**57,1%**
Non-recurring expense	823	2.134	(1.312)	-61,5%
PPA amortisation/depreciation	6.678	6.669	9	0,1%
Fair value of put & call options	(1.057)	(2.296)	1.239	-54,0%
Tax effect of the above items	(2.060)	(2.424)	364	-15,0%
of which impact of deferred tax liabilities for warrants	(1.412)	-	(1.412)	>100%
Adjusted profit for the year	**8.618**	**7.678**	**940**	**12,2%**

The Group's adjusted result for 2024 is a profit of EUR 8,618 thousand, an improvement on 2023 of EUR 940 thousand. The adjustments made to the Group's profit, in addition to the factors mentioned in the paragraph related to Adjusted EBIT, mainly refer to the tax effects of the items subject to adjustment and to the effect of income recognised in the Parent's Financial Statements for EUR 1,412 thousand related to the release of a deferred tax liability, the allocation of which, made in previous years and up to 31.12.2023, was not appropriate.

7

Financial position

Statement of financial position

(In thousands of Euro)	Balance as at 31/12/2024	Of which related parties	%	Balance as at 31/12/2023	Of which related parties	%
ASSETS						
Intangible assets	43.264		19,2%	50.594		21,7%
Goodwill	38.192		16,9%	38.505		16,5%
Property, plant and equipment	7.454		3,3%	7.816		3,3%
Equity investments in associates and other companies	428		0,2%	331		0,1%
Right-of-use assets	3.099		1,4%	3.994		1,7%
Deferred tax assets	6.412		2,8%	5.805		2,5%
Financial assets	141		0,1%	54		0,0%
Total non-current assets	**98.989**		**43,8%**	**107.099**		**45,9%**
Inventories	39.682		17,6%	46.931		20,1%
Trade receivables	56.251	3.316	24,9%	51.459	3.761	22,0%
Current tax assets	294		0,1%	473		0,2%
Financial assets	341		0,2%	338		0,1%
Other assets	9.583		4,2%	13.066		5,6%
Cash and cash equivalents	20.753		9,2%	14.041		6,0%
Total current assets	**126.903**		**56,2%**	**126.308**		**54,1%**
TOTAL ASSETS	**225.893**		**100,0%**	**233.407**		**100,0%**
Share capital	21.343		9,4%	21.343		9,1%
Other reserves	104.738		46,4%	107.056		45,9%
Retained earnings	5.338		2,4%	2.665		1,1%
Profit for the year	5.647		2,5%	3.595		1,5%
Equity attributable to owners of the parent	**137.066**		**60,7%**	**134.659**		**57,7%**
Equity attributable to non-controlling interests	-		0,0%	-		0,0%
Total Equity	**137.066**		**60,7%**	**134.659**		**57,7%**

(In thousands of Euro)	Balance as at 31/12/2024	Of which related parties	%	Balance as at 31/12/2023	Of which related parties	%
LIABILITIES						
Bank loans and borrowings and loans and borrowings from other financial backers	21.149		9,4%	8.600		3,7%
Deferred tax liabilities	1.406		0,6%	3.547		1,5%
Employee benefits	604		0,3%	544		0,2%
Provisions for risks and charges	1.850		0,8%	1.939		0,8%
Other financial liabilities	6.766		3,0%	9.061		3,9%
Total non-current liabilities	**31.775**		**14,1%**	**23.691**		**10,2%**
Bank loans and borrowings and loans and borrowings from other financial backers	13.740		6,1%	29.170		12,5%
Trade payables	31.533		14,0%	32.330		13,9%
Current tax liabilities	1.854		0,8%	1.686		0,7%
Provisions for risks and charges	-		0,0%	-		0,0%
Other liabilities	8.478		3,8%	8.939		3,8%
Other financial liabilities	1.446		0,6%	2.932		1,3%
Total current liabilities	**57.051**		**25,3%**	**75.057**		**32,2%**
TOTAL LIABILITIES	**88.826**		**39,3%**	**98.748**		**42,3%**
TOTAL EQUITY AND LIABILITIES	**225.893**		**100,0%**	**233.407**		**100,0%**

Statement of financial position

The Group's reclassified statement of financial position as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 December 2024	**31 December 2023**
Inventories	39.682	46.931
Trade receivables	56.251	51.459
Trade payables	(31.533)	(32.330)
Net trade working capital	**64.400**	**66.060**
Other working capital items	(455)	2.914
Net working capital	**63.944**	**68.974**
Non-current assets	98.989	107.099
Non-current provisions and other liabilities	(3.860)	(6.030)
Net invested capital	**159.074**	**170.043**
Net financial indebtedness	22.007	35.384
Equity	137.066	134.659
Total equity and financial liabilities	**159.074**	**170.043**

The Group's Net trade working capital as at 31 December 2024 amounted to EUR 64,400 thousand with a decrease in absolute value of EUR 1,661 thousand compared to the previous year, mainly due to a decrease in inventories of EUR 7,249 thousand, partially offset by an increase in trade receivables of EUR 4,792 thousand. The change in inventories is attributable to specific efficiency measures implemented by Management.
This aggregate accounted for 39.2% of sales for the period, compared to 41.6% in the previous year.
The decrease in Other working capital items is mainly due to the decrease in prepaid expenses.
Total receivables assigned without recourse to factoring companies amounted to EUR 7,982 thousand as at 31 December 2024 (EUR 13,217 thousand as at 31 December 2023).

Financial Position

(In thousands of Euro)	Balance as at	
Liquid funds/(Financial liabilities):	**31 December 2024**	**31 December 2023**
Cash	10	11
Bank deposits	20.742	14.030
Cash and cash equivalents	**20.753**	**14.041**
Current financial assets	341	338
Current bank loans and borrowings	(13.740)	(29.170)
Other financial liabilities	(1.446)	(2.932)
Current financial indebtedness	**(14.845)**	**(31.764)**
Net current financial indebtedness	**5.908**	**(17.722)**
Non-current bank loans and borrowings	(21.149)	(8.600)
Other financial liabilities	(6.766)	(9.061)
Non-current financial indebtedness	**(27.915)**	**(17.661)**
Net financial indebtedness	**(22.007)**	**(35.384)**

Cash and cash equivalents (EUR 20,753 thousand) and available unused trade and factor credit lines (EUR 23,494 thousand) ensure the Group's high financial strength.

Below is a reconciliation of the net financial indebtedness as at 31 December 2024, of EUR 22,007 thousand, and as at 31 December 2023, of EUR 35,384 thousand, according to the scheme envisaged by ESMA Guidance 32-382-1138 dated 4 March 2021 and indicated in the Consob Note 5/21 dated 29 April 2021:

(In thousands of Euro)	Balance as at		Changes	
	31/12/2024	**31/12/2023**	**Δ**	**%**
(A) Cash	20.753	14.041	6.711	47,8%
(B) Cash and cash equivalents	-	-	-	0%
(C) Other current financial assets	341	338	3	0,9%
(D) Liquidity (A)+(B)+(C)	**21.094**	**14.379**	**6.714**	**46,7%**
(E) Current financial debt	10.168	16.270	(6.102)	-37,5%
(F) Current portion of non-current debt	5.018	15.831	(10.813)	-68,3%
(G) Current financial indebtedness (E) + (F)	**15.186**	**32.101**	**(16.915)**	**-52,7%**
- of which guaranteed	-	-		
- of which not guaranteed	15.186	32.101	(16.915)	-52,7%
(H) Net current financial indebtedness (G) - (D)	**(5.907)**	**17.722**	**(23.629)**	**>-100%**
(I) Non-current financial debt	27.915	17.661	10.253	58,1%
(J) Debt instruments	-	-	-	0%
(K) Trade payables and other non-current payables	-	-	-	0%
(L) Non-current financial indebtedness (I)+(J)+(K)	**27.915**	**17.661**	**10.253**	**58,1%**
- of which guaranteed	-	-		
- of which not guaranteed	27.915	17.661	10.253	58,1%
(M) TOTAL INANCIAL INDEBTEDNESS (H) + (L)	**22.007**	**35.384**	**(13.376)**	**-37,8%**

Net financial indebtedness of EUR 22,007 thousand includes:
- EUR 21,094 thousand in liquid funds;
- EUR 10,168 thousand for current financial liabilities mainly related to current accounts, invoice advances, hot money and short-term portion of liabilities related to the valuation of put & call options for the purchase of minorities;
- EUR 3,572 thousand for financial liabilities of a current nature to repay existing medium- and long-term loans;
- EUR 1,446 thousand mainly related to short-term loan instalments and current por-

tion of IFRS 16 lease obligations;

- EUR 27,915 thousand for non-current financial liabilities, including long-term portions of financial liabilities to credit institutions, long-term liabilities related to the valuation of put & call options and lease payables in application of IFRS 16.

The reduction in Net financial indebtedness as of 31 December 2024, compared to 31 December 2023, was EUR 13,376 thousand.
Eliminating the accounting effects arising from the recognition of right-of-use assets (IFRS 16), the Group's Net financial indebtedness (M) decreased compared to the previous year by EUR 12,504 thousand (EUR 18,747 thousand at 31/12/2024 and Euro 31,251 at 31/12/2023).

The main factors that influenced cash flow trends in the years considered are summarised below.

Net cash flows generated by operating activities

(In thousands of Euro)	Year ended	
Cash flows from operating activities	**31 December 2024**	**31 December 2023**
Profit for the year	5.647	3.595
Adjustments for:		
- Current and deferred taxes	593	655
- Net impairment losses and accruals	2.292	1.681
- Losses on equity investments	1.890	886
- Accrued financial income	(97)	(260)
- Amortisation, depreciation and impairment losses	13.724	13.405
- Other non-monetary changes	-	-
Changes in:		
- Inventories	5.069	(4.587)
- Trade receivables	(4.932)	2.498
- Trade payables	(797)	8.595
- Other changes in operating assets and liabilities	3.022	(8.287)
- Payment of employee benefits and change in provisions	-	(1)
- Taxes paid/offset	(2.993)	(1.432)
Cash flow generated by operating activities	**23.418**	**16.749**
Interest and other net charges paid	(1.890)	(3.703)
Interest and other net charges paid	-	-
Net cash flow generated by operating activities	**21.527**	**13.047**

Net cash flow generated by operating activities records an increase of EUR 8,481 thousand, mainly due to the performance of working capital, explained previously.

Cash flows used in investing activities

(In thousands of Euro)	Year ended	
Cash flows from investing activities	**31 December 2024**	**31 December 2023**
Acquisition of subsidiary, net of cash acquired and other costs	-	(2.552)
Purchase of property, plant and equipment and intangible assets	(5.307)	(4.893)
Cash flows used in investing activities	**(5.307)**	**(7.445)**

In 2024, the investing activity mainly concerned:

- investments in intangible assets of about EUR 3,098 thousand (including the effect of converting Financial Statements carried in foreign currencies), mainly related to the evolution of the main Company software and R&D on new products/brands;

- investments in property, plant and equipment in the amount of about EUR 1,462 thousand (including the effect of converting Financial Statements carried in foreign currencies).

Cash flows used in financing activities

(In thousands of Euro)	Year ended	
Cash flows from financing activities	**31 December 2024**	**31 December 2023**
(Dividend distribution)	(1.824)	-
Disbursed bank loans and borrowings and loans and borrowings from other financial backers	25.000	10.000
Repaid bank loans and borrowings and loans and borrowings from other financial backers	(27.881)	(11.727)
Increase/(decrease) in other financial liabilities	(3.871)	(245)
Other changes in equity	1.046	(592)
Other non-monetary changes in equity	(2.124)	-
Net cash flows used in financing activities	**(9.656)**	**(2.564)**

The cash flows used in financing activities as at 31 December 2024 mainly reflected the decrease of EUR 7,091 thousand in bank payables as a result of the payment of instalments on medium/long-term bank loans for EUR 27,881 thousand and the taking out of new medium/long-term loans for EUR 25,000 thousand.

8

Financial Results of the Parent Company

(thousands of Euro)	31/12/2024	Of which related parties	%	31/12/2023	Of which related parties	%
Revenues from sales	130.899	23.005	100%	126.766	20.823	100%
Cost of sales	(83.067)	(1.993)	-63,5%	(81.560)	(1.491)	-64,3%
Gross operating margin	**47.832**		**36,5%**	**45.206**		**35,7%**
Sales and distribution costs	(21.206)		-16,2%	(19.534)	61	-15,4%
General and administrative costs	(21.310)	(13)	-16,3%	(21.500)	(12)	-17,0%
Other non-operating (expense)/revenue	2.010	(415)	1,5%	476	(145)	0,4%
Operating profit/(loss)	**7.325**		**5,6%**	**4.649**		**3,7%**
* of which PPA amortisation	5.755		4,4%	5.749		4,5%
* of which fixed asset write-downs	33		0,0%	6		0,0%
* of which non-recurring expense/(revenue)	823		0,6%	1.998		1,6%
* of which foreign exchange gains/(losses)	195		0,1%	300		0,2%
Adjusted operating profit/loss (Adjusted EBIT)	**14.130**		**10,8%**	**12.701**		**10,0%**
* of which depreciation and amortisation (excluding PPA amortisation)	5.290		4,0%	5.093		4,0%
Adjusted EBITDA	**19.420**		**14,8%**	**17.795**		**14,0%**
Financial income	718		0,5%	313		0,2%
Financial expense	(3.342)		-2,6%	(3.863)		-3,0%
Foreign exchange gains/(losses)	66		0,1%	674		0,5%
Gains/(losses) on equity investments	(410)		-0,3%	-		0,0%
Profit/(loss) before taxes	**4.360**		**3,3%**	**1.774**		**1,4%**
* of which PPA amortisation	5.755		4,4%	5.755		4,5%
* of which non-recurring expense/(revenue)	823		0,6%	1.998		1,6%
Adjusted profit before taxes	**10.936**		**8,4%**	**9.526**		**7,5%**
Current and deferred taxes	(339)		-0,3%	(638)		-0,5%
Group profit/(loss) for the period	**4.021**		**3,1%**	**1.136**		**0,9%**
* of which PPA amortisation	5.755		4,4%	5.755		4,5%
* of which non-recurring expense/(revenue)	823		0,6%	1.998		1,6%
* of which tax effect on the above items	(1.835)		-1,4%	(2.163)		-1,7%
* of which impact deferred tax liabilities Warrants	(1.412)		-1,1%	-		0,0%
Adjusted Group profit/(loss) for the period	**7.350**		**5,6%**	**6.725**		**5,3%**

9

Investments and research and development activities

As in previous years, in 2024 the Group carried out constant research and development activities, focusing its efforts on selected projects deemed to be of particular importance:

- technological innovation for the development of new product configurations and their packaging with the aim of increasing the degree of environmental sustainability;
- technological process innovation in key business areas;
- technological innovation aimed at developing new products to expand the market proposition.

10

Information on related party transactions

Transactions with related parties are neither atypical nor unusual and are part of the ordinary course of business of the Group's companies. These transactions mainly concern (i) the supply of products and accessories for mobile telephony, (ii) the provision of services that are functional to the performance of the business and (iii) the provision of loans to the above-mentioned related parties. Transactions with related parties, as defined by IAS 24 and governed by Article 4 of Consob Regulation 17221 of 12 March 2010 (and subsequent amendments), implemented by the Group up to 31 December 2024 concern mainly commercial transactions relating to the supply of goods and the provision of services. The following is a list of the related parties with which transactions took place in 2024, indicating the type of relationship:

Parti correlate	Tipologia e principale rapporto di correlazione
Cellular Swiss S.A.	Associate of Cellularline S.p.A. having a 50% investment (consolidated using the equity method); the remaining shareholders are: Maria Luisa Urso (25%) and Antonio Miscioscia (25%)
Christian Aleotti	Shareholder of Cellularline S.p.A.

The table below shows the equity balances of Cellularline's transactions with related parties for 2024:

(In thousands of Euro)	Current trade receivables	Other non-current assets	(Trade payables)
Cellular Swiss S.A.	3.316	-	(34)
Total	**3.316**	**-**	**(34)**
Impact on the financial statements item	**5,9%**	**-**	**-0,1%**

It should be noted that trade receivables are presented net of the related trade payables.

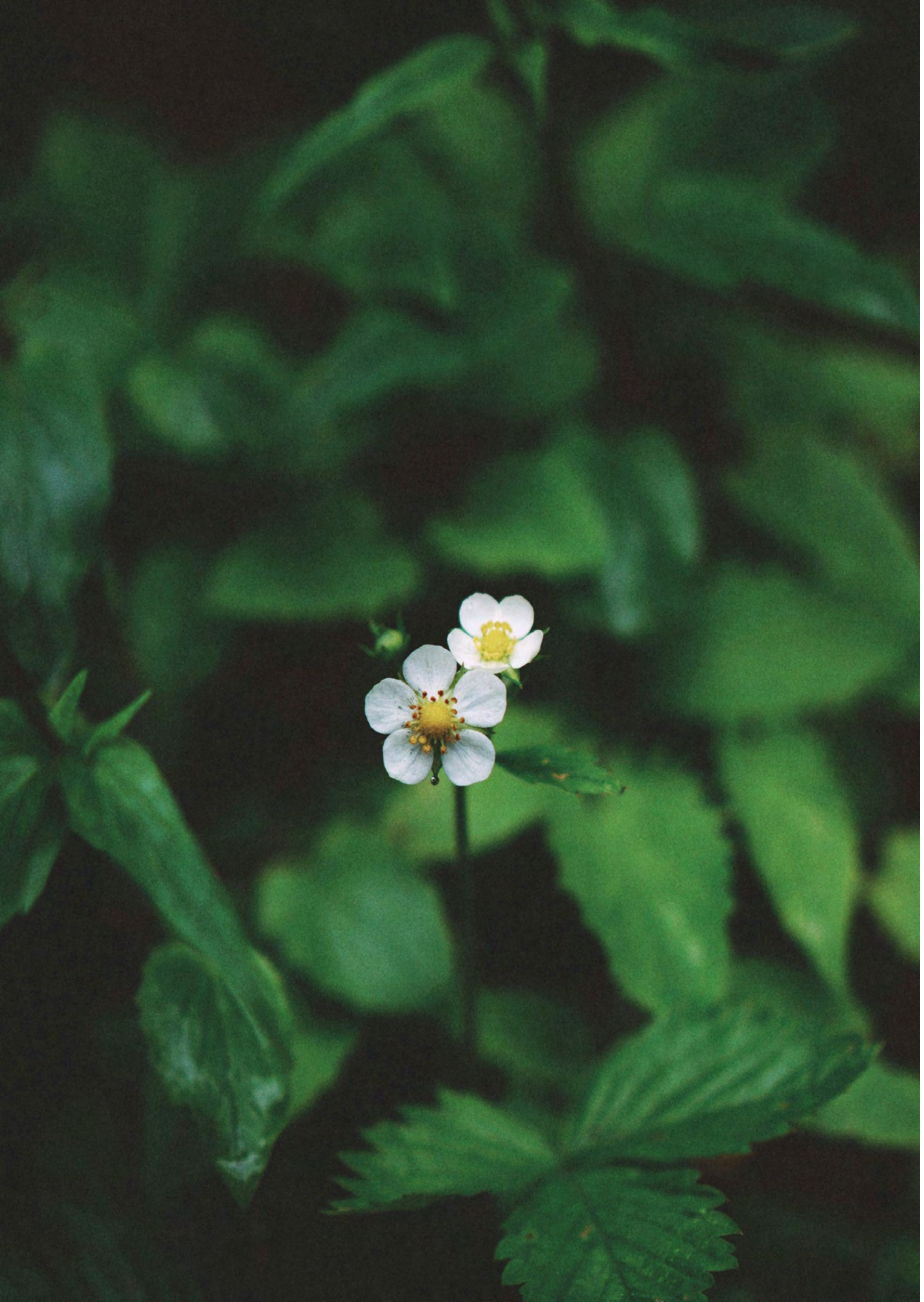
The table below shows the balances the transactions with related parties carried out by Cellularline in the income statement for 2024:

(In thousands of Euro)	Revenue from sales	(Sales and distribution costs)	(General and administrative costs)	Other non-operating expense/(revenue)
Cellular Swiss S.A.	5.262	-	(2)	-
Christian Aleotti	-	-	(11)	-
Total	**5.262**	**-**	**(13)**	**-**
Impact on the financial statements item	3,2%	-	0,1%	-

It should be noted that the main transactions with related parties for 2024 are as follows:

- Cellular Swiss S.A.: commercial relationship involving the transfer of goods held for sale by Cellularline S.p.A. to Cellular Swiss S.A., with the latter recharging a portion of the commercial contributions incurred for the acquisition of new customers and/or the development of existing customers, in line with the Group's commercial policies;
- Christian Aleotti: two leases to which Cellularline S.p.A. is a party, as tenant, entered into on 1 September 2017 and 16 October 2017.

It should be noted that there are no existing transactions with other related parties.



11

Atypical and/or unusual transactions

During the year, there were no atypical and/or unusual transactions, as defined in CONSOB Communication no. DEM/6064293 of 28 July 2006.

12

Share-based payments

Information on share-based payment plans is presented in Note 3.12 to the Consolidated Financial Statements.

13

Treasury shares and shares of the parent

During 2024, 327,634 treasury shares were assigned in connection with the distribution of the extraordinary dividend resolved by the Shareholders' Meeting of 24 April 2024. In addition, on 31 May 2024, following the exercise of the put option by the shareholders of Worldconnect AG, a portion of the consideration was paid with the assignment of 339,459 treasury shares.
The number of treasury shares held in the portfolio as of 31 December 2024 was 568,781 (527,207 as at 31 December 2023), or 2.60% of the share capital. See paragraph "Significant events during the year" for information on the ongoing buy-back programme.

14

Main risks and uncertainties to which the Group is exposed

This section provides information on the Group's exposure to each of the risks and uncertainties, the objectives, policies and processes for managing these risks and the methods used to assess them, as well as the Group's management of capital.
The overall responsibility for creating and supervising a Group risk management system lies with the Parent's Directors, who are responsible for developing and monitoring the Group's risk management policies.
The Group's risk management policies are designed to identify and analyse the risks to which the Group is exposed, to establish appropriate limits and controls and to monitor risks and compliance with these limits. These policies and related systems are reviewed regularly to reflect any changes in market conditions and the Group's activities. Through training, standards and management procedures, the Group aims to create a disciplined and constructive control environment in which its employees are aware of their roles and responsibilities.
In this context, the Parent Cellularline S.p.A. has adopted the Code of Ethics and the Organisation and Management Model pursuant to Legislative Decree no. 231 of 8 June 2001, giving appropriate notice to all the parties concerned, and keeps it updated according to regulatory developments and corporate activity.

14.1

Risks related to competition and competitiveness

The mobile device (smartphones and tablets) accessories market is characterised by a high level of competitiveness, which could also increase further with the possible entry of potential new Italian or foreign competitors.

The Group's current or future competitors may be able to implement marketing and commercial development policies that will enable them to gain market share to the detriment of those operators that use multiple sales channels. In this case, the Group could be forced to reduce its sales prices without any corresponding reduction in the purchase costs of its products, thus achieving a lower margin on the sale of its products. One of the main threats to the Group is the sale of competing products by producers located in the Far East, often through the on-line channel and with low quality and/or non-certified product offerings.

If the Group, in the event of an increase in the number of direct and/or indirect competitors, is not able to maintain its competitive strength on the market, there could be negative effects on its business and growth prospects as well as on its financial position and performance. Further risks are linked to possible changes in consumer purchasing behaviour in the light of demographic changes, increasing digitalisation, changing economic conditions and purchasing power. Any misjudgement regarding developments in consumer behaviour, trends in terms of prices and product ranges may result in the risk of failed or delayed adoption of appropriate sales models and in the failed or delayed exploration of new sales channels, with possible negative effects on the Group's financial position and performance.

14.2

Risks related to seasonality and the obsolescence of inventories

The market the Group operates in is characterised by seasonal phenomena that are typical of the market of electronic products and accessories. In particular, sales in the second half of each year account for more than 60% of total annual sales on average, with demand peaking in the last quarter of the year (Black Friday and Christmas). Absolute EBITDA, in consideration of a far more linear and uniform distribution of overhead costs (personnel, rents and general expenses) throughout the year, is also affected by this seasonality, showing a significantly higher average EBITDA incidence in the second half of the year. Therefore, the Group is exposed to risks related to the availability of certain products in the warehouse as well as the risk that some of them may become obsolete before they are put on the market.
Considering the importance of warehouse management in its business organisation, the Group may be exposed both to an availability risk related to the correct forecast of the quantity and assortment of products for the subsequent marketing in a given period of the year and to a risk related to the obsolescence of inventories due to delays in marketing or because the quantities procured exceed sales on the market in the last quarter with possible sales difficulties in subsequent quarters.
The Group is exposed to the risk associated with possible changes in consumer purchasing behaviour, in light of demographic changes and increased competitive pressure, further amplified by the current macroeconomic conditions that increase price volatility with possible effects on consumers' purchasing choices also in relation to their spending capacity.
The incorrect definition of the product range in terms of variety and availability during the periods of the year that are characterised by high sales or the untimeliness of the change in strategy in terms of updated sales data and information could have a negative impact on the match between product offer and customer demand and the valuation of products held as inventories, with negative effects on the Group's financial position and performance.

a.

Risks related to changes in the regulatory framework

The Group is subject to the regulations applicable to products manufactured and/or marketed. The evolution of the regulations or any changes to the regulations in force, also at international level, could require the Group to sustain additional costs to adapt its production facilities or the characteristics of its products to the new provisions, with a consequent negative effect on the Group's growth prospects as well as on its financial position and performance.

b.

Risk associated with price trends and possible procurement difficulties and relations with suppliers

The Group operates in international markets, with customers operating mainly in the EMEA area and with suppliers of products located mainly in the Far East (principally China); as of today, sales are therefore made almost exclusively in Euro, while the majority of purchases of products are settled in USD, as is the practice of the reference industry. The Group is therefore exposed to exchange rate risk - for the main types of product supplies - almost exclusively in USD. However, there are numerous factors that limit its risk profile, including the possibility to carry out, in a relatively short time (3-6 months), revisions to customer price lists and the high contractual flexibility with suppliers in the Far East (with no commitments to purchase minimum quantities at predefined prices for periods exceeding 6 months, with some rare exceptions).

The performance of foreign exchange rates applied during the year was as follows:

Currency	Average 2024	Year ended 31 December 2024	Average 2023	Year ended 31 December 2023
Euro/US Dollar	1,082	1,039	1,081	1,105

In 2024, the Group used derivative financial instruments to hedge fluctuations in the EUR/USD exchange rate.
In addition, any legislative, political and economic changes, as well as potential social instability and conflict or the introduction of restrictions or customs duties on the export of products, or the introduction into the European Union of any restrictions on the import of products from these countries, could have a negative impact on the production capacity of suppliers and on the procurement activities of the Group, with consequent possible negative effects on the business and prospects, as well as on the financial position and performance of the Group.

The increase in interest rates due to the tightening of monetary policies implemented to tackle inflation, in addition to impacting the cost of debt, could lead to a contraction in consumption also in the sector in which the Group operates, with unfavourable effects on results.

14.3

Liquidity risk

From an operational point of view, the Group controls the liquidity risk through the annual planning of expected cash flows and payments. Based on the results of such planning, it identifies financial requirements and thus the financial resources to cover them. The average debt exposure is shown below:

(In thousands of Euro)	Due within 12 months	1 - 5 years	over 5 years	Total
Employee benefits	-	604	-	**604**
Trade payables	31.533	-	-	**31.533**
Deferred tax liabilities	-	922	484	**1.406**
Bank loans and borrowings and loans and borrowings from other financial backers	13.740	21.149	-	**34.889**
Current provisions for risks and charges	-	1.850	-	**1.850**
Other liabilities	8.478	-	-	**8.478**
Other financial liabilities	1.446	6.766	-	**8.212**
Current tax liabilities	1.854	-	-	**1.854**
Total	**57.051**	**31.291**	**484**	**88.826**

In order to prevent unforeseen cash outflows from becoming critical, the Group aims to keep a balance between maintaining the funding and flexibility, through the use of available liquidity and credit lines. With regard to potential liquidity risks, the Group continues to show a good equity and financial structure, considering the limited leverage ratio (0.97x), the current cash and cash equivalents (EUR 20,753 thousand) and the unsecured trade and factor credit lines made available by various credit institutions and not used (about EUR 23,492 thousand).

14.4

Credit risks

Credit risk is the risk that a customer or one of the counterparties to a financial instrument may cause a financial loss by defaulting on an obligation and arises mainly from the Group's trade receivables and financial investments.

The Group is exposed to the risk that its customers may delay or fail to meet their payment obligations within the agreed terms and conditions and that the internal procedures adopted in relation to the assessment of creditworthiness and solvency of customers are not sufficient to ensure the successful completion of collections. Such failed payments, late payments or other default situations may be due to the insolvency or bankruptcy of the customer, economic events or specific situations of the customer. Specifically, attention must be paid to the credit policy with regard to both long-standing and newly acquired customers, strengthening the policies of preventive action, by acquiring more complete credit information (from different sources) for all major and/or new customers and by progressively increasing the systematic way in which credit report analyses are conducted, including the assessment of the customer portfolio and the assignment of credit limits.

The ageing list of trade receivables as at 31 December 2024 is shown below:

(In thousands of Euro)	Not yet due	Due within 6 months	Due in 6 to 12 months	Due after 12 months	Total
Trade receivables (gross of loss allowance)	46.945	3.151	2.281	4.643	57.019
Amounts due from associates	2.219	1.092	-	5	3.316
Total gross trade receivables	**49.164**	**4.243**	**2.281**	**4.648**	**60.335**
(Loss allowance)	-	-	-	(4.084)	(4.084)
Total net trade receivables	**49.164**	**4.243**	**2.281**	**563**	**56.251**

The Group recognises a loss allowance considering estimated losses on trade receivables, other assets and non-current financial assets, which takes into account the risk level of the counterparties and the related positions by homogeneous classes. In particular, the policy implemented by the Group provides for the stratification of trade receivables on the basis of days past due and an assessment of the counterparty's solvency, and applies different impairment percentages that reflect the relative recovery expectations. The Group then applies an analytical assessment based on the debtor's reliability and ability to pay the amounts due, for impaired loans.

14.5

Interest rate risks

In relation to the risk of changes in interest rates, the Group has not yet entered into interest rate swaps to hedge the risk of changes in interest rates on the loans in place (residual debt at 31 December 2024 of approximately EUR 25.0 million), meaning that interest rates fluctuations could lead to an increase in financial expense relating to indebtedness. It should be noted that on 31 July 2024, the Parent entered into a new financing agreement, reference to which is made in paragraph "Significant events during the year".

14.6

Risks related to the administrative liability of legal persons

In 2017 the parent adopted the organisational model and the code of ethics and appointed the supervisory body as provided for by Legislative Decree no. 231 of 8 June 2001, in order to ensure compliance with the set conditions of fairness and transparency in the execution of business activities, to protect its position and image, the expectations of shareholders and the work of employees. The model is a valid tool for raising the awareness of all those who work on behalf of the parent, so that they behave correctly and properly while performing their activities, as well as a means of prevention against the risk of committing crimes.

14.7

Risks associated with climate change

Risk that a catastrophic event resulting from acute weather phenomena (storms, floods, earthquakes, fires or heat waves) and/or chronic weather phenomena, i.e. long-term climatic changes (temperature changes, rising sea levels, reduced water availability, loss of biodiversity, etc.), may damage assets or cause a production stoppage for the Group and/or suppliers, and prevent the Group from carrying out its operations by interrupting the value chain or lead to a slowdown in the supply chain.

The Group regularly and thoroughly examines the risk of climate change. Although it does not constitute an "NFS" (Non-Financial Statement) pursuant to Legislative Decree no. 254/2016 implementing Directive 2014/95/EU, the "ESG Report 2023" was submitted to the Board of Directors on 26 June 2024 and was made public and distributed to all stakeholders. At present, no significant elements have been highlighted such as to identify trigger events that could generate accounting impacts. In particular, the recoverability of the value of inventories, the potential impact on the residual useful life of assets, following the potential need to replace them in order to comply with new policies or non-compliance with current regulations, and the potential impact on the demand for products were examined without finding any critical issues. Given the ongoing evolution of the subject, the Group will continue and expand its monitoring of such possible risks in the future.

14.8

Risk of cybercrimes and computer system disruptions

The Group is very sensitive to the risks associated with possible interference with the IT system, on which the continuity and operability of the business very much depends. Also with reference to the Cyber Risk (the risk connected to the handling of information in the computer system that may be hacked, stolen or deleted due to accidental events or malicious actions - such as hacker attacks), it should be noted that the Parent has adopted various measures to guarantee the continuity of IT services, including the use of distinct server locations and various levels of security for access to systems, and has also drawn up a plan to guarantee data recovery in the event of a disaster event through a Disaster Recovery system and plan. With reference to the remaining Group companies, the Parent's Management is continuing the process of reconnaissance and evaluation of the measures activated locally with the aim of implementing adequate safeguards at Group level through a programme of continuous improvement of the posture in the area of Cyber Security through the set of measures, policies and technologies put in place to protect its digital assets. In addition, an insurance policy has been stipulated to cover the cyber risk.

15

Management and coordination

Cellularline S.p.A. is not managed and coordinated by companies or entities and defines its general and operational strategic guidelines independently.

16

Corporate Governance

The Parent's Corporate Governance system complies with the principles contained in the Corporate Governance Code for Listed Companies and with international best practice. On 10 March 2025, the Board of Directors approved the Report on corporate governance and ownership structure, pursuant to article 123-bis of the T.U.F. [Consolidated Finance Law], relating to 2023. This Report is published on the Company's website www.cellular-linegroup.com in the "Governance" section - subsection "Shareholders' Meeting" - and explicit reference is made to it as required by law. Cellularline S.p.A.'s management and control model is the traditional one provided for by Italian law, which provides for the presence of a Shareholders' Meeting, a Board of Directors, a Board of Statutory Auditors and the Independent Auditors. The corporate officers are appointed by the Shareholders' Meeting and remain in office for three years. The Independent Directors, as defined in the Code, and the role played by them both within the Board and within the Company's Committees (Risk and Control Committee, Committee for Transactions with Related Parties, Appointments and Remuneration Committee), are appropriate means of ensuring an adequate balance of interests of all the shareholders and a significant degree of debate in the discussions of the Board of Directors.

17

Classes of financial instruments

Below is a breakdown of the financial assets and liabilities required by IFRS 7 according to the categories envisaged by IFRS 9 at 31 December 2024 and 31 December 2023.

		Carrying amount			Fair value level		
(In thousands of Euro)	Carrying amount as at 31/12/2024	Amortised cost	FV to OCI	FV to PL	Level 1	Level 2	Level 3
Cash and cash equivalents	20.753	20.753	-	-	-	-	-
Trade receivables and other assets	65.834	65.834	-	-	-	-	-
Other financial assets	341	-	-	341	-	341	-
Total financial assets	**86.928**	**86.928**	**-**	**-**	**-**	**-**	**-**
Financing	34.889	34.889	-	-	-	-	-
Trade payables and other liabilities	40.011	40.011	-	-	-	-	-
Other financial liabilities	8.212	-	-	8.212	-	8.212	-
Total financial liabilities	**83.112**	**74.900**	**-**	**8.212**	**-**	**8.212**	**-**

		Carrying amount			Fair value level		
(In thousands of Euro)	Carrying amount as at 31/12/2023	Amortised cost	FV to OCI	FV to PL	Level 1	Level 2	Level 3
Cash and cash equivalents	14.041	14.041	-	-	-	-	-
Trade receivables and other assets	64.525	64.525	-	-	-	-	-
Other financial assets	338	338	-	-	-	-	-
Total financial assets	**78.904**	**78.904**	**-**	**-**	**-**	**-**	**-**
Financing	37.770	37.770	-	-	-	-	-
Trade payables and other liabilities	41.269	41.269	-	-	-	-	-
Other financial liabilities	10.878	-	-	10.878	-	10.878	-
Total financial liabilities	**89.917**	**79.039**	**-**	**10.878**	**-**	**10.878**	**-**

IFRS 13 establishes a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure fair value into three levels. The fair value hierarchy gives the highest priority to prices (unadjusted) quoted in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data). In some cases, the data used to measure the fair value of an asset or liability could be classified into different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely at the same level of the hierarchy in which the lowest level input is classified, taking into account its importance for the measurement.
The levels used in the hierarchy are:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

It should be noted that put &call options and derivative financial instruments are measured at fair value. For financial instruments measured at amortised cost, the carrying amount is also considered to be a reasonable approximation of their fair value.

18

Branches

The parent has its registered office in Reggio Emilia, at Via Grigoris Lambrakis no. 1/A and has a branch office in France, in Paris at 91, Rue Du Faubourg Saint Honoré.

19

Workforce

In 2024, in the belief that people are one of the Group's strategic assets, we continued to invest in improving people management practices and policies through the implementation and continuous maintenance of HR processes and systems. Moreover, the Group continues to carry out training and development activities for its employees on a regular basis, in the certainty that the professional and working growth of each individual is a prerequisite for continuous improvement in performance.
The work is carried out in full compliance with the rules and regulations in force regarding safety in the workplace. There have been no specific incidents to be mentioned in this report, such as deaths, serious accidents at work or occupational diseases for which the Group has been held liable.
The number of employee as at 31 December 2024 was 299, in line with the previous year (299).

20

Information on environmental impact

The Group firmly believes in respecting the environment and the ecosystem in which it operates; this is why it carries out its business taking into account the protection of the environment and the need for sustainable use of natural resources, in accordance with the provisions of current environmental legislation, committing itself to act responsibly towards the territory and the community. In particular, the assessment and management of environmental and social impacts along the supply chain, as well as the traceability of its suppliers are extensively analysed in the Environment, Social and Governance (ESG) report published annually. The Group condemns any type of action or behaviour that is potentially harmful to the environment. Although it does not have any significant environmental impacts, the Group has adopted specific procedures for the disposal of Waste Electrical and Electronic Equipment (WEEE).

21

Significant events during the year

- From the beginning of FY 2024, Cellularline S.p.A., within the scope of the authorisation to purchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased 708,666 ordinary treasury shares for a total value of EUR 1,875 thousand. As of 31 December 2024, Cellularline directly held 568,781 treasury shares, representing 2.60% of the share capital.
- During 2024, as per internal dealing and relevant shareholding disclosures pursuant to art. 120 of Legislative Decree no. 58/98, it emerges that:
  - the Chief Executive Officer, Christian Aleotti, purchased 507,368 ordinary shares and received stock dividends in the amount of 41,519 shares, reaching a total shareholding of 12.37%;
  - the Chairman of the Board of Directors, Antonio Luigi Tazartes, purchased a total of 920,368 ordinary shares and received a stock dividend in the amount of 21.669 shares, reaching a total shareholding of 7.19%, a proportion inclusive of the stakes held indirectly.
- On 24 April 2024, the Shareholders' Meeting approved all the items on the agenda and, in particular:
  - the Financial Statements as at 31 December 2023;
  - the allocation of the year's result, along with the distribution of a cash dividend - partly ordinary, up to the full amount of the year's profit, and partly extraordinary, from available reserves - and an additional extraordinary dividend through the assignment of treasury shares held in portfolio;
  - the Explanatory report on the remuneration policy and fees paid approved;
  - the Incentive Remuneration Plan based on financial instruments called the "Cellularline S.p.A. 2024-2026 Incentive Plan".
- On 22 May: dividend payment, partly an ordinary distribution, of EUR 0.054 per share. The Shareholders' Meeting further resolved to distribute an extraordinary dividend from the "Retained Earnings", providing a cash payout of EUR 0.033 per share and allocating treasury shares at a ratio of 1 share for every 64 ordinary shares owned.
- On 31 May 2024, the shareholders of Worldconnect AG exercised the put option reserved to them for the sale to Cellularline of a tranche equating to a total of 10% in the company's share capital. The exercise of the put option by the minority shareholders brings Cellularline to hold a 90% controlling interest in Worldconnect. The consideration for the transaction was paid partly in cash, for CHF 621,628, and partly through Cellularline treasury shares for 339,459 shares corresponding to 1.55% of share capital.
- On 3 July 2024, the 2023 ESG report was published. Inside are best practices and outstanding performances the Group has achieved in six main areas of action - Governance, People, Community, Suppliers, Environment and Customers.
- On 31 July 2024, the Parent entered into a new loan agreement for EUR 35 million to support its medium- to long-term growth plans. As part of the transaction, EUR 25 million represents a refinancing of the originally existing medium- and long-term financial sources, which allows the Parent to obtain a maturity extension of its financial debt of about 2 years (end of the amortisation period 2028). The new agreement also includes a EUR 10 million line to support the growth strategy and is subject to economic and financial covenants. The pre-existing medium- and long-term lines were repaid at the same time.
- On 24 September 2024, the Board of Directors of Cellularline S.p.A. announced that, following the resignation from the office of Director Davide Danieli, notified on 20 September 2024 with immediate effect, it resolved to appoint Mauro Borgogno as Executive Director of the Company by co-optation.
- On 12 December 2024, the Shareholders' Meeting approved the amendment to Clauses 3, 15 and 21 of Cellularline's Articles of Association in order to attain the legal status of "benefit corporation", in accordance with the provisions of article 1 of Law no. 208 of 28 December 2015, paragraphs 376-384 (the "Benefit Legislation").

22

Key events after the reporting date

- From the beginning of FY 2025 until today, Cellularline S.p.A., within the scope of the authorisation to repurchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased 242,390 ordinary treasury shares for a total value of EUR 634 thousand. As of today, Cellularline directly holds 811,171 treasury shares, equal to 3,71% of the share capital with voting rights.

- On 26 February 2025, the Board of Directors approved the 2025-2028 Business Plan.

- From March 2025, the liquidation proceedings of the company Subliros S.L. is underway as part of the Group's e-commerce streamlining efforts, concentrating business operations on its subsidiary, Coverlab S.r.l.

23

Outlook

Based on the performance recorded in the financial year 2024, the actions taken by Management, and the performance of both end markets and FX, the Group anticipates a positive revenue and margin improvement in 2025, thereby confirming the guidance issued.

Reggio Emilia, 10 March 2025

Chair of the Board of Directors
Antonio Luigi Tazartes

2.2

Consolidated Financial Statements

as at and for the year ended 31 December 2024

Statement of Financial Position

2.2

Consolidated Financial Statements as at 31 December 2024

Statement of Financial Position

(thousands of Euro)	Notes	31/12/2024	Of which related parties	31/12/2023	Of which related parties
ASSETS					
Non-current assets					
Intangible assets	4.1	43.264		50.594	
Goodwill	4.2	38.192		38.505	
Property, plant and equipment	4.3	7.454		7.816	
Equity investments		428		331	
Right-of-use assets	4.4	3.099		3.994	
Deferred tax assets	4.5	6.412		5.805	
Financial assets		141		54	
Total non-current assets		**98.989**		**107.099**	
Current assets					
Inventories	4.6	39.682		46.931	
Trade receivables	4.7	56.251	3.316	51.459	3.761
Current tax assets	4.8	294		473	
Financial assets	4.9	341		338	
Other assets	4.10	9.583		13.066	
Cash and cash equivalents	4.11	20.753		14.041	
Total current assets		**126.903**		**126.308**	
TOTAL ASSETS		**225.893**		**233.407**	
EQUITY AND LIABILITIES					
Equity					
Share capital	4.12	21.343		21.343	
Other reserves	4.12	104.738		107.056	
Retained earnings	4.12	5.338		2.665	
Profit for the year		5.647		3.595	
Equity attributable to owners of the parent		**137.066**		**134.659**	
Equity attributable to non-controlling interests		-		-	
TOTAL EQUITY		**137.066**		**134.659**	

(thousands of Euro)	Notes	31/12/2024	Of which related parties	31/12/2023	Of which related parties
LIABILITIES					
Non-current liabilities					
Bank loans and borrowings and loans and borrowings from other financial backers	4.13	21.149		8.600	
Deferred tax liabilities	4.5	1.406		3.547	
Employee benefits	4.14	604		544	
Provisions for risks and charges	4.15	1.850		1.939	
Other financial liabilities	4.19	6.766		9.061	
Total non-current liabilities		**31.775**		**23.691**	
Current liabilities					
Bank loans and borrowings and loans and borrowings from other financial backers	4.13	13.740		29.170	
Trade payables	4.16	31.533		32.330	
Current tax liabilities	4.17	1.854		1.686	
Provisions for risks and charges	4.15	-		-	
Other liabilities	4.18	8.478		8.939	
Other financial liabilities	4.19	1.446		2.932	
Total current liabilities		**57.051**		**75.057**	
TOTAL LIABILITIES		**88.826**		**98.748**	
TOTAL EQUITY AND LIABILITIES		**225.893**		**233.407**	

Consolidated Financial Statements as at 31 December 2024

(thousands of Euro)	Notes	31/12/2024	Of which related parties	31/12/2023	Of which related parties
Revenue from sales	5.1	164.263	5.262	158.648	5.433
Cost of sales	5.2	(98.444)		(97.459)	
Gross operating profit		**65.819**		**61.189**	
Sales and distribution costs	5.3	(31.421)		(29.233)	
General and administrative costs	5.4	(27.828)	(13)	(27.818)	(12)
Other non-operating revenue	5.5	1.462		737	
Operating profit		**8.033**		**4.876**	
Financial income	5.6	3.803		2.434	
Financial expense	5.6	(5.718)		(3.942)	
Net exchange gains	5.7	25		622	
Net gains on equity investments	5.8	97		260	
Profit before taxes		**6.239**		**4.250**	
Current and deferred taxes	5.9	(593)		(655)	
Profit for the year before non-controlling interests		**5.647**		**3.595**	
Profit for the year attributable to non-controlling interests		-		-	
Profit for the year attributable to the owners of the parent		**5.647**		**3.595**	
Basic earnings per share (Euro per share)	**5.10**	**0,26**		**0,17**	
Diluted earnings per share (Euro per share)	**5.10**	**0,26**		**0,17**	

Statement of comprehensive income

(thousands of Euro)	Notes	31/12/2024	31/12/2023
Profit for the year		**5.647**	**3.595**
Other components of comprehensive income that will not be reclassified to profit or loss			
Actuarial gains (losses) on defined benefit plans		4	(40)
Actuarial gains (losses) on provisions for risks		1	(85)
Gains/(losses) on translation of foreign operations		(336)	1.177
Related taxes		(2)	35
Total other components of comprehensive income for the year		**(332)**	**1.087**
Comprehensive income for the year		**5.314**	**4.683**

Consolidated Financial Statements as at 31 December 2024

(thousands of Euro)	Notes	31/12/2024	31/12/2023
Profit for the year		5.647	3.595
Amortisation, depreciation and impairment of goodwill		13.724	13.405
Net impairment losses and provisions included in working capital		2.292	1.681
Losses on equity investments		1.890	886
Accrued financial (income)/expenses and exchange (Gains)/losses		(97)	(260)
Current and deferred taxes		593	655
Other non-monetary changes (*)		-	-
Cash flow generated by operating activities net of NWC		**24.049**	**19.963**
(Increase)/decrease in inventories		5.069	(4.587)
(Increase)/decrease in trade receivables		(4.932)	2.498
Increase/(decrease) in trade payables		(797)	8.595
Increase/(decrease) in other assets and liabilities (*)		3.022	(8.287)
Payment of employee benefits and change in provisions		-	(1)
Interest paid and other net charges paid		(2.993)	(1.432)
Cash flow generated by operating activities		**23.418**	**16.749**
Income taxes paid and offset		(1.890)	(3.703)
Net cash flows generated by operating activities		**21.527**	**13.047**
Acquisition of subsidiaries, net of cash acquired		-	(2,552)
Purchase of property, plant and equipment and intangible assets		(5,307)	(4,893)
Cash flows used in investing activities		**(5,307)**	**(7,445)**
(Dividends distributed)		(1.824)	-
Other financial assets and liabilities		(3.871)	(245)
Disbursed bank loans and borrowings and loans and borrowings from other financial backers (*)		25.000	10.000
Repaid bank loans and borrowings and loans and borrowings from other financial backers (**)		(27.881)	(11.727)
Other changes in equity		1.046	(592)
Other non-monetary changes in equity			-
Net cash flows used in financing activities		**(9.656)**	**(2.564)**
Increase in cash and cash equivalents		**6.565**	**3.038**
Effect of exchange rate fluctuations		146	1.087
Total cash flow		**6.711**	**4.125**
Opening cash and cash equivalents	**4.11**	**14.041**	**9.916**
Closing cash and cash equivalents	**4.11**	**20.753**	**14.041**

(*) New loans/new borrowings

(**) In order to provide better comparability, these items for 31 December 2023 have been reclassified

Statement of changes in equity

(thousands of Euro)	Notes	Share Capital	Other reserves	Retained earnings	Profit/(loss) for the year	Non-controlling interests	Total Equity
Balance as at 31 December 2022		**21.343**	**168.644**	**15.648**	**(75.166)**	**-**	**130.468**
Profit/(loss) for the period		-	-	-	3.595	-	3.595
Other components of the statement of comprehensive income		-	1.087	-	-	-	-
Total statement of comprehensive income for the period		**-**	**1.087**	**-**	**3.595**	**-**	**-**
Allocation of profit/(loss) for previous year		-	(62.162)	(13.003)	75.166	-	-
Dividend distribution		-	-	-	-	-	-
Other changes		-	(512)	20	-	-	(492)
Balance as at 31 December 2023		**21.343**	**107.056**	**2.665**	**3.595**	**-**	**134.659**
Profit/(loss) for the period		-	-	-	5.647	-	5.647
Other components of the statement of comprehensive income		-	(332)	-	-	-	(332)
Total statement of comprehensive income for the period		**-**	**(332)**	**-**	**5.647**	**-**	**5.314**
Allocation of profit/(loss) for previous year		-	1.044	2.551	(3.595)	-	-
Dividend distribution		-	(1.824)	-	-	-	(1.824)
Purchase of treasury shares		-	(1.875)	-	-	-	(1.875)
Other changes		-	670	122	-	-	792
Balance as at 31 December 2024	**4.12**	**21.343**	**104.738**	**5.338**	**5.647**	**-**	**137.066**

2.3

Notes to the Consolidated Financial Statements

as at and for the year ended 31 December 2024

1

Introduction

The Cellularline Group (hereinafter the "Group" or the "Cellularline Group") is one of the main operators in the smartphone and tablet accessories sector in the EMEA area, as well as a market leader in Italy; moreover, the Group ranks, by volume, among the top operators in Spain, Switzerland, Belgium, the Netherlands, Germany and Austria and boasts a strong competitive position in the other European countries.
The Consolidated Financial Statements are submitted for approval by the Shareholders' Meeting convened for 17 April 2025, in line with the financial calendar approved by the Board of Directors on 11 December 2024.
Since 22 July 2019, the Parent's shares have been listed on the STAR segment of the Milan Stock Exchange.
At the reporting date of the Consolidated Financial Statements as at and for the year ended 31 December 2024, the shareholders of Cellularline holding more than 5% of the share capital with voting rights are as follows:

- Christian Aleotti 12,37%
- First Capital S.p.A. 7,77%
- Quaero Capital S.A. 7,33%
- Antonio Luigi Tazartes 7,19%

2

2. Basis of preparation of the Consolidated Financial Statements and summary of accounting policies

The basis of preparation and the main accounting policies adopted in the preparation of the Consolidated Financial Statements as at and for the year ended 31 December 2024 are described below. These standards and criteria have been applied consistently for all the years presented in this document, taking into account what is stated in Note 2.4.1 “New accounting standards, amendments and interpretations endorsed by the European Union that became effective as of the year beginning 1 January 2024”.

2.1

Basis of preparation of the Consolidated Financial Statements

The Financial Statements as at 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and endorsed by the European Union.
IFRS also include all the International Financial Reporting Standards (“IFRS”), all the International Accounting Standards (“IAS”) and all the interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as the Standing Interpretation Committee (“SIC”), endorsed by the European Union at the date of approval of these Financial Statements by the Board of Directors of the Parent and contained in the relative EU regulations published at that date.
Some of the information contained in the Notes to the Consolidated Financial Statements, prepared in ESEF format, extracted from the XHTML format in an XBRL instance, may not be reproduced identically, due to mere technical problems, to that contained in the Consolidated Financial Statements in XHTML format.

2.2

Basis of presentation

The Consolidated Financial Statements have been prepared on the basis of the Financial Statements as at 31 December 2024, drafted by the individual companies included in the consolidation scope of Cellularline S.p.A. (“the Company”, and together with its Subsidiaries and Associates “the Group”). The Financial Statements and reporting packages of the companies included in the scope of consolidation have been adjusted, where necessary, in order to bring them into line with the accounting policies classification criteria of the parent in compliance with IFRS. The Group has applied IFRS for the preparation of Consolidated Financial Statements since the Financial Statements as at 31 December 2018 with transition date 1 February 2017.
The Consolidated Financial Statements as at and for the year ended 31 December 2024 include the Financial Statements of the Parent, Cellularline S.p.A., and of the companies over which it has the right to exercise, directly or indirectly, control. The purpose of the Notes is to illustrate the accounting policies adopted, to provide the information required by IAS/IFRS and not contained in other parts of the Consolidated Financial Statements, as well as to provide additional information not shown in the Consolidated Financial Statements but necessary in order to give a true and fair view of the Group’s operations.
With reference to the use of the going concern assumption in the preparation of the Financial Statements, the joint co-ordination table between the Bank of Italy, Consob and Isvap on the application of IAS/IFRS, with document no. 2 of 06.02.2009 “Information to be provided in financial reports on the going concern assumption, financial risks, impairment testing of assets and uncertainties in the use of estimates”, as well as with the subsequent document no. 4 of 04.03.2010, requires Directors to make particularly accurate assessments on the existence of the going concern assumption.
In addition, paragraphs 25-26 of IAS 1 state that: “When preparing financial statements, management shall make an assessment of the entity’s ability to continue as a going concern. An entity shall prepare the financial statements on a going concern basis unless management intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so”.
Therefore, when preparing the consolidated Financial Statements at 31 December 2024, the Directors carried out a prospective evaluation of the group’s ability to continue to constitute a functioning economic complex intended for the production of income for a foreseeable future period of time, relating to a period of at least twelve months from the date of the Financial Statements. This assessment was also made taking into account:
- the positive evolution of the reference market recorded in the last few years, which was associated with a significant increase in sales revenue of the Parent and the Group, as well as forecasts regarding future trends in revenue and core business;
- the positive economic and financial development forecasts contained in the 2025-28 Business Plan of the Parent and the Group, approved by the Parent’s Board of Directors on 26 February 2025;
- the (past and expected) ability of the Parent and the Group to continue to ge-

nerate positive cash flows that, together with available credit lines, enable them to meet expected payment commitments;
- the high level of capitalisation of the Parent and the Group.

Consequently, the consolidated Financial Statements as at and for the year ended 31 December 2024 have been prepared on a going concern basis, as the Directors have verified that there are no income, financial, managerial or other indicators that could indicate critical issues or uncertainties regarding the Parent's and Group's ability to continue to operate as a going concern for the foreseeable future and in particular over the next 12 months.

The Consolidated Financial Statements are expressed in Euro, the functional currency of the Group and the parent, and all amounts are rounded to the nearest thousand Euro. For the sake of clarity, the mandatory items under IAS 1 that show nil balances in both comparative periods have been omitted from the schedules and tables.

The Consolidated Financial Statements consist of the following statements and these Notes:

- **Statement of financial position:** it presents current and non-current assets separately from current and non-current liabilities, with a description in the Notes, for each asset and liability item, of the amounts that are expected to be settled or recovered within or after 12 months from the reporting date.
- **Income statement:** the classification of costs in the income statement is based on their function, showing the intermediate results relating to gross operating profit/(loss), net operating profit/(loss) and profit/(loss) before taxes.
- **Statement of comprehensive income:** this statement includes the profit/(loss) for the year and the expense and income recognised directly in equity for transactions other than those carried out with the owners.
- **Statement of cash flows:** the statement of cash flows shows cash flows from operating, investing and financing activities. Cash flows from operating activities are presented using the indirect method, through which the profit for the year is adjusted by the effects of non-monetary transactions, any deferral or accrual of previous or future collections or payments and revenue connected with the cash flows deriving from investing or financing activities.
- **Statement of changes in equity:** this statement includes, in addition to the result of the statement of comprehensive income, also the transactions that took place directly with the owners who acted in this capacity and the details of each individual component. Where applicable, it also includes the effects of changes in accounting policies for each item of equity.
- **Notes to the Consolidated Financial Statements.**
- The Consolidated Financial Statements are presented in comparative form.
- These Consolidated Financial Statements were authorised for publication by the Board of Directors on 10 March 2025.

2.3

Basis of consolidation and scope of consolidation

Basis of consolidation

The Consolidated Financial Statements include the Financial Statements or reporting packages at 31 December each year of the subsidiaries included in the scope of consolidation. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. An investor has power over an investee entity when the investor has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect that investee's returns.

The results of subsidiaries acquired, including through mergers, or sold during the year are included in the income statement from the effective date of acquisition until the effective date of disposal. When necessary, adjustments were made to the Financial Statements of subsidiaries to align the accounting policies used with those adopted by the Group and in compliance with IFRS.

All transactions between Group companies and the related balances are derecognised on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. This interest is determined on the basis of the percentage held in the fair values of the assets and liabilities recognised as at the date of the original acquisition and in the

changes in equity after that date.
Subsequently, the losses attributable to non-controlling interests in excess of their equity are allocated to equity attributable to owners of the parent, with the exception of cases in which the non-controlling owners have a binding obligation and are able to provide additional investments to cover the losses.

Business combinations

The acquisition of subsidiaries is accounted for using the acquisition method. The cost of the acquisition is determined by the aggregate acquisition-date fair values of the assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Any goodwill deriving from the acquisition is only determined at acquisition, and is recognised as an asset and measured as the excess of the acquisition cost over the Group's interest in the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities recognised. Non-controlling interests in the acquiree are initially measured in proportion to their interest in the fair values of the assets, liabilities and contingent liabilities recognised. The identifiable assets, liabilities and contingent liabilities of the acquiree that meet the conditions for recognition in accordance with IFRS 3 are recognised at their acquisition-date fair values, with the exception of non-current assets (or disposal groups), which are classified as held for sale in accordance with IFRS 5. These are recognised and measured at their fair values less selling costs. Goodwill arising from the acquisition of control of an investee or a business unit reflects the excess of the acquisition cost (defined as the aggregate considerations transferred in the business combination), plus the fair value of any previously held interests in the acquiree, over the acquisition-date fair values of the acquiree's identifiable assets, liabilities and contingent liabilities. In an acquisition that does not entail control, goodwill can be determined at the acquisition date either in proportion to the percentage of control acquired or by measuring the fair value of non- controlling interests (i.e. "full goodwill"). The choice of the valuation method can be made on a case-by-case basis for each transaction. To determine goodwill, the consideration transferred in a business combination is calculated as the sum of the fair values of the assets transferred and liabilities assumed by the Group at the acquisition date and the equity instruments issued in exchange for control of the acquiree, including the fair value of any consideration subject to the conditions set out in the acquisition contract. Any adjustments to goodwill may be recognised in the measurement period (which may not exceed one year from the acquisition date) as a result of subsequent changes in the fair value of the contingent consideration or in the determination of the fair values of the acquired assets and assumed liabilities, if goodwill could only be determined provisionally at the acquisition date and if such changes are determined to reflect new information about facts and circumstances existing at the combination date. In the event of the sale of interests in subsidiaries, the residual amount of goodwill attributable to them is included in the determination of the gain or loss on the sale.

Scope of consolidation

The Consolidated Financial Statements as at and for the year ended 31 December 2024 include the financial and performance figures of Cellularline S.p.A. (Parent) and operating companies in which the Parent holds, directly or indirectly, an interest of more than 50%, or controls according to the definition in IFRS 10.
The method used for consolidation is that of full consolidation for the following companies:

Company	Office	Currency	Share/quota Capital (in currency/000)	Equity (in currency/000)	Type of ownership	Profit/(loss) for the previous year (in currency/000)	Percentage of ownership
Cellular Spain S.L.U.	Spain (Madrid)	EUR	3	1.498	Diretto	285	100%
Cellular Inmobiliaria S.L.U.	Spain (Madrid)	EUR	3	48	Diretto	(30)	100%
Cellular Immobiliare Helvetica S.A.	Switzerland (Lugano)	CHF	100	250	Diretto	(35)	100%
Systema S.r.l. (*)	Italy (Reggio Emilia)	EUR	100	2.768	Diretto	368	100%
Worldconnect AG	Switzerland (Diepoldsau)	CHF	100	6.453	Diretto	1.290	90%
Cellularline USA Inc.	USA (New York)	USD	50	380	Diretto	(15)	100%
Coverlab S.r.l.	Italy (Parma)	EUR	69	(414)	Diretto	(580)	55%
Subliros S.L.	Spain (Barcellona)	EUR	11	(281)	Diretto	(245)	80%
Peter Jäckel GmbH	Germany (Alfeld)	EUR	100	516	Diretto	(345)	60%
Cellularline Middle East FZE	United Arab Emirates (Dubai)	USD	41	46	Diretto	65	100%

It should be noted that Worldconnect AG, Coverlab S.r.l., Subliros S.L. and Peter Jäckel GmbH are consolidated 100% by virtue of the put/call contracts signed by the Parent, which regulate the acquisition of the remaining shares in the subsidiaries.
On 31 May 2024, the shareholders of Worldconnect AG exercised the put option reserved to them for the sale to Cellularline of a tranche equating to a total of 10% in the company's share capital. The exercise of the put option by the minority shareholders brings Cellularline to hold a 90% controlling interest in Worldconnect.

The associate Cellular Swiss S.A. is measured using the equity method, as shown in the table below:

Company	Office	Currency	Share Capital (in currency/000)	Equity (in currency/000)	ownership %		Profit for the previous year (in currency/000)
					Direct	Indirect	
Cellular Swiss S.A.	Svizzera (Aigle)	CHF	100	743	50%	-	167

USE OF ESTIMATES AND JUDGEMENTS IN THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing the Consolidated Financial Statements, Management has had to make judgements, estimates and assumptions that influence the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised.

Estimates and assumptions are based on elements known at the date of preparation of the Consolidated Financial Statements, Management's experience and other elements considered relevant. The values resulting from the final data may differ from these estimates; these assumptions and hypotheses are reviewed regularly. Significant subjective judgements by Management in applying the Group's accounting policies and the main sources of uncertainty in estimates are listed below.

FAIR VALUE MEASUREMENT

When measuring the fair value of an asset or liability, the Group makes use of observable market data where possible.

The fair values are divided into various hierarchical levels based on the input data used in the valuation techniques, as illustrated below:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement.

IMPAIRMENT TEST ON GOODWILL

At each reporting date, the Group reviews the carrying amount of its non-financial assets, in line with IAS 36, to determine whether there are any indicators of impairment.

If an impairment indicator exists, then the carrying amount of the assets must undergo an impairment test. Goodwill undergoes an impairment test at least annually.

For the purpose of preparing the Consolidated Financial Statements as at 31 December 2024, the Directors identified an impairment indicator, since carrying amount of the Group's equity was higher than the value of the stock market capitalisation at the same date.

According to the provisions of paragraph 22 of IAS 36, the impairment test must be performed "for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs, unless either:

- the asset's fair value less costs of disposal is higher than its carrying amount; or
- the asset's value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured".

Generally, most assets do not have the characteristics to be tested individually and therefore the impairment test is performed at CGU level.

The Cellularline Group has identified a single CGU to which goodwill and other intangible assets recognised as a result of business combinations are allocated. This CGU coincides with the only Operating Segment.

This CGU

- represents the minimum level within the Cellularline Group for which information on goodwill and such other intangible assets is available and monitored for internal management purposes, and
- this level is no larger than an Operating Segment as defined by IFRS 8 before applying the aggregation criteria.

For the purposes of the impairment test, the recoverable amount was determined as value in use using the discounted cash flow model. This criterion is based on the general concept that the Enterprise Value is equal to the discounted value of the following two elements:

- the cash flows it will be able to generate within the forecast period;
- the terminal value, i.e. the value of the business as a whole, after the forecast period.

In applying this method, the Group uses various assumptions, including the estimate of future increases in sales, operating expense, the growth rate of terminal values, investments, changes in working capital and the weighted average cost of capital (discount rate). The Group, therefore, with the support of an Advisor (Deloitte & Touche), performed an impairment test, whose criteria were approved by the Board of Directors of the Parent on 26 February 2025 and the results of which were approved on 5 March 2025. The test revealed no impairment losses.

Refer to Note "4.2 Goodwill" for more detailed information.

Valuation of receivables

The loss allowance reflects the Directors' estimate of credit losses on trade receivables. It is estimated based on the Group's expected credit losses, taking into account expected future changes in the counterparties' credit ratings, current and previous past due amounts, losses and collections, monitoring of credit quality and projections of economic and market conditions. The Group has adopted a specific credit assessment and allowance determination procedure.

Valuation of inventories

The allowance for inventory write-down reflects the Group companies' estimate of losses in the value of inventories that have already occurred or that are expected to occur, determined on the basis of past experience, and historical and expected sales trends. The allowance for inventory write-down takes into account the commercial obsolescence for each category of products on the basis of inventory turnover rates, market values and specific technical assessments related to technological developments.

Valuation of the Stock Grant plan

The valuation of the Stock Grant plans, granted during the three-year period 2021-2023 and the subsequent three-year period 2024-2026, was carried out based on the guidance contained in International Financial Reporting Standard 2 (IFRS 2) - "Share-based payments".

Recoverability of deferred tax assets

The Group's Consolidated Financial Statements include deferred tax assets. These deferred taxes have been recorded taking into consideration their recoverability, on the basis of the future income expectations of the Group companies.

Provisions for risks

As it operates globally, the Group is subject to legal and tax risks deriving from the normal operations. The Group recognises and measures contingent liabilities on the basis of assumptions mainly relating to the probability and extent of the financial outlay.

2.4

Most significant accounting policies used in the preparation of the Consolidated Financial Statements

The Consolidated Financial Statements are presented in Euro, the Parent's functional and presentation currency. Transactions in foreign currencies are translated into the functional currency of each Group company at the exchange rate in force at the date of the transaction. Monetary items in foreign currency at the reporting date are translated into the functional currency using the exchange rate at that date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates in force on the date on which the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the transaction date. Foreign exchange gains and losses arising from the translation are generally recognised in profit or loss for the year under financial income and expense.

The exchange rates used to translate into Euro the Financial Statements of Worldconnect AG and Immobiliare Helvetica SA as at and for the year ended 31 December 2024 were as follows:

Currency	2024 average	31 december 2024	2023 average	31 december 2023
Euro / CHF	0,95	0,94	0,97	0,93

The exchange rates used to translate the Financial Statements of Cellularline USA Inc. and Cellularline Middle East FZE as at 31 December 2024 into EUR were as follows:

Currency	2024 average	31 december 2024	2023 average	31 december 2023
Euro / USD	1,08	1,04	1,08	1,11

INTANGIBLE ASSETS

Intangible assets acquired or generated internally are recognised as assets, in accordance with IAS 38, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined. Intangible assets with finite useful lives are measured at the costs incurred to acquire or internally generate the asset, net of accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful life, which is the estimated period over which the assets will be used by the Group. The amortisation rates used are summarised below, by category of intangible assets:

Category	Amortisation rate
Development costs	50%
Cellularline customer relationships	7,7%
Software	33%
Licenses	33-50%
Cellularline trademark	5,5%
Interphone trademark	10%
Systema trade agreement	14%
Skross trademark	10%
Q2Power trademark	10%
Worldconnect customer relationships	7%
Peter Jäckel customer relationships	7,7%
Worldconnect patents	10%
Other	33%

If the licences refer to specific service contracts, they are amortised over the term of the relevant contract. Some of the above items are detailed below.

DEVELOPMENT COSTS

Costs for research and development projects are those incurred with the aim of studying and acquiring knowledge for new or improved products, processes and services. If these costs reflect a multi-year utility, i.e., if they have benefits that manifest themselves over several years, they may be capitalised; otherwise they are charged to the income statement in the year in which they are incurred.

Advertising expenses, which do not meet the requirements of IAS 38, are taken to profit or loss for the year.

CUSTOMER RELATIONSHIPS

The purchase price allocation procedure entailed the appraisal of the Group's customer relationships as the sum of its customer relationships relating to the Red, Blue and Black Lines, in addition to the customer relationship deriving from the FY 2020 acquisition of Worldconnect and the customer relationship of Peter Jäckel, deriving from the January 2023 acquisition. Customer relationships refer to the existing contracts entered into with key customers, enabling the Group to limit access by third parties through the consolidated relationship it has established with the customers. The fair value of customer relationships can be reliably measured as it is possible to identify the economic benefits attributable to this asset by monitoring the revenue generated by individual customers for each product line. The residual useful life, also considering the customer attrition rate, i.e. the percentage of customers who historically interrupt their trade relationships with the Group companies after a given period of time, can be estimated as approximately 13 years.

SOFTWARE, LICENSE AND TRADEMARKS

This item mainly includes the effect of the purchase price allocation procedure for the fair value of the Cellularline and Interphone trademarks, in addition to the trademarks deriving from the acquisition of Worldconnect (in 2020).

For the purpose of estimating the fair value, a royalty rate was considered, based on the analysis of comparable market transactions, and applied to the cash flows attributable to each asset. These flows were expressed net of marketing costs aimed at maintaining the intangible asset at the conditions in which it was at the measurement date and net of the related tax burden. The value of the asset is the sum of the present values of the cash flows. The trademarks in question may be separated from the Parent and transferred, sold or licensed for use to a third party and the Parent has the option of limiting access by third parties as they are registered trademarks. In addition, the Parent receives the economic benefits attributable to them, reflected in the revenue of the Red Line for the Cellularline brand, recognised in Europe for smartphone and tablet accessories for over 25 years, and in the revenue of the Black line for the Interphone brand. The estimated useful lives of these trademarks are 18 and 10 years, respectively. The Skross trademark - acquired in 2020 following the acquisition of the Worldconnect subsidiary - has an estimated useful life of 10 years. Software costs, including ancillary expense, relate to software acquired for the Group's use. Licenses refer to software licenses dedicated to specific service contracts.

PATENTS

This item mainly includes the effect of the purchase price allocation procedure for the fair value of the patents acquired with the acquisition of Worldconnect (in 2020). The Dual Excess Earnings Model (DEEM) had been used for the valuation at the time of initial registration of the Patents. The useful life is ten years based on an estimate of the competitive positioning to which the patented products refer. The obsolescence factor considered is the "linear" type, in line with practice and consistent with the useful life identified by the Directors. The original estimated useful life of these patents was 10 years.

TRADE AGREEMENT

The purchase price allocation process, carried out following the acquisition of the company Systema S.r.l., entailed the appraisal of a trade agreement with a leading international telephone operator. In 2006, Systema S.r.l. started the production and marketing of accessories for a leading international telephone operator, establishing a long-term strategic partnership. The asset qualifies as a trade agreement of a contractual nature for the supply of goods and/or services to third parties and meets the following conditions:

- it guarantees future sales, with no fixed expiry and despite both parties having the right to withdraw; the relationship remained continuously in place from 2006 to the date of the Business Combination on 3 April 2019;
- sales are regulated at conditions which guarantee a normal return on investment and an extra income.

The trade agreement meets the requirements identified by IFRS 3 (Business Combination) and IAS 38 (Intangible Assets) for the identification and measurement of intangible assets.

GOODWILL

Goodwill acquired in business combinations is initially recognised at cost and represents the excess of the acquisition cost over the Parent's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquirees. Any negative difference, "negative goodwill", is recognised in profit or loss at the time of acquisition. When a subsidiary is acquired in a business combination achieved in stages, the individual assets and liabilities of the subsidiary are not measured at fair value in each subsequent stage and goodwill is only determined in the first acquisition stage. After initial recognition, goodwill is shown net of impairment losses, determined as described below. At the acquisition date, any emerging goodwill is allocated to each of the cash generating units expected to benefit from the synergies achieved as a result of the acquisition. Any impairment losses are identified through assessments of the ability of each cash-generating unit to generate cash flows capable of recovering the portion of goodwill allocated to it, in the manner indicated in the section on property, plant and equipment. If the recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognised. This impairment loss is not reversed if the reasons for it no longer exist. When part or all of an acquiree whose acquisition generated goodwill is sold, the residual carrying amount of goodwill is considered when calculating the gain or loss on the sale.

IMPAIRMENT TEST

Please refer to paragraph "2.3 Use of estimates and judgements in the preparation of the Consolidated Financial Statements - Impairment Test" and the results of the impairment test as at 31 December 2024 reported in section 4.2.1.

PROPERTY, PLANT AND EQUIPMENT

Property, plant, machinery and industrial equipment used for the production or supply of goods and services are recognised at historical cost, net of accumulated depreciation and any impairment losses; the cost also includes any costs directly incurred to prepare the assets for use. Interest expense incurred on loans obtained to purchase or construct property, plant and equipment is recognised as an increase in the assets only in the case of assets that meet the requirements for recognition as such, i.e. they require a significant period of time to be ready for use or marketable. Ordinary maintenance and repair costs are taken directly to profit or loss for the year in which they are incurred, while maintenance costs that increase the value of assets are allocated to such assets and depreciated with the asset on the basis of its residual possibility of use. Assets under construction and payments on account are recognised as assets based on the cost incurred and/or the advance paid, including directly attributable expenses.
Depreciation is calculated on a straight-line basis considering the cost of the assets, net of their residual values (when reasonably estimable), over their estimated useful lives, applying the following rates (main categories):

Category	Depreciation rate
Buildings	3%
Plants and machinery	12-30%
Industrial and commercial equipment	15%
Other assets	12-15-20-25%

Assets intended for specific service contracts are an exception and are depreciated according to the duration of the contract. Depreciation begins when the assets are available for use and is calculated at half the normal rate in the year when the assets are placed in service, with the exception of property, plant and equipment allocated for instrumental use on specific service contracts, which are depreciated in proportion to the remaining days of the service contract. Gains and losses on the sale or disposal of assets are determined as the difference between the revenue from sale and the asset's carrying amount, and are recognised in profit or loss for the year.

RIGHT-OF-USE ASSETS

IFRS 16 introduced a single model of accounting for leases in the Financial Statements of lessees whereby the Group, as lessee, recognises an asset that represents the right to use the underlying asset and a liability that reflects the obligation to pay the lease payments. The accounting methods for the lessor, on the other hand, remain similar to those provided for by the previously applicable standard. The Group has used the option to adopt IFRS 16 with the modified retrospective method, which provided for the possibility of recognising the right-of-use asset at 1 January 2019 for an amount equal to the lease liability remaining at that date, without recalculating the figures for the previous year.

DEFINITION OF LEASING

In accordance with IFRS 16, the Group assesses whether the contract is a lease or contains a lease on the basis of the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At the date of initial application of IFRS 16, the Group decided to adopt an operating procedure that allows it not to re-examine which transactions constitute a lease. IFRS 16 was applied only to contracts that had previously been identified as leases. Contracts that were not identified as leases by applying IAS 17 and IFRIC 4 were not reassessed to determine whether they were leases. Therefore, the definition of a lease in IFRS 16 has been applied only to contracts entered into or amended on or after 1 January 2019.

LESSEE ACCOUNTING MODEL

The Group leases assets such as buildings and motor vehicles. As a lessee, the Group previously classified leases as operating or financial, assessing whether the lease transferred substantially all the risks and rewards of ownership. In accordance with IFRS 16, the Group recognises the right-of-use assets and the lease liabilities in the statement of financial position. However, the Group has decided not to recognise right-of-use assets and lease liabilities of low value assets (less than USD 5,000). Therefore, the Group recognises the lease payments as a cost on a straight-line basis over the lease term. The Group recognises the right-of-use assets that do not meet the definition of investment property under Right-of-use assets, which is the same item it uses to present the same kind of assets that it holds. Right-of-use assets that meet the definition of investment property are presented under Investment property. The Group classifies lease liabilities under "Other financial liabilities" in the statement of financial position. At the commencement date of the lease, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, then at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any measurement of the lease liability. The right-of-use asset that meets the definition of investment property is recognised under the item of the same name and is initially measured at cost and subsequently at fair value, in accordance with the Group's accounting policies. The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounting them using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group uses the incremental borrowing rate. Generally, the Group uses the incremental borrowing rate as the discount rate. The lease liability is subsequently increased to reflect interest accrued on the lease liability and reduced to reflect the lease payments made and is remeasured if there is a change in future lease payments resulting from a change in the index or rate, if there is a change in the amounts that the Group expects to pay under a residual value guarantee or when there is a change in the assessment of an option to purchase the underlying asset, extend or terminate a lease. The Group has estimated the lease term of certain contracts in which it acts as a lessee and which provide for renewal options. The Group's assessment of whether or not there is a reasonable certainty of exercising the option influences the estimated lease term, significantly impacting the carrying amount of the lease liabilities and right-of-use assets recognised. The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- it applied the exemption not to recognise right-of-use assets and liabilities for leases with a term of less than 12 months;
- it excluded initial direct costs from measuring the right-of-use assets at the date of initial application;
- it used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

EQUITY INVESTMENTS IN ASSOCIATES

The Group's equity investments in associates are measured using the equity method. An associate is a company over which the Group exercises significant influence and which cannot be classified as a subsidiary or joint venture. Therefore, the equity investment in an associate is recognised in the statement of financial position at cost, subsequently adjusted for the post-acquisition change in the Group's interest in the associate's equity. Goodwill relating to the associate is included in the carrying amount of the investment and is not subject to amortisation. After application of the equity method, the Group determines whether there is any objective evidence that its net investment in the associate is impaired. The income statement reflects the Group's share of the associate's profit/(loss) for the year. If an associate recognises adjustments directly in equity, the Group recognises its share and presents it, where applicable, in the statement of changes in equity.

EQUITY INVESTMENTS IN OTHER COMPANIES

Investments in companies other than subsidiaries and associates are measured at cost, including incidental expenses.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are accounted for and valued in accordance with IFRS 9.

RECOGNITION AND MEASUREMENT

Trade receivables and debt instruments issued are recognised when they originate. All other financial assets and liabilities are initially recognised at the trade date, i.e. when the Group becomes a contractual party to the financial instrument. With the exception of trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus - in the case of financial assets or liabilities not at Fair Value Through Profit or Loss (FVTPL) - transaction costs directly attributable to the acquisition or issue of the financial asset. At initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Upon initial recognition, a financial asset is classified as either at amortised cost or fair value through profit or loss (FVTPL). Financial assets are not reclassified after initial recognition, unless the Group changes its business model for managing financial assets. In this case, all the financial assets concerned are reclassified on the first day of the first reporting period following the change in the business model. A financial asset shall be measured at amortised cost if it is not designated as at FVTPL and both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset provide for cash flows at certain dates that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or Fair Value Through Other Comprehensive Income (FVOCI), as indicated above, are measured at FVTPL. Upon initial recognition, the Group may irrevocably designate the financial asset as measured at FVTPL if, by doing so, it eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortised cost or at FVOCI.

FINANCIAL ASSETS: SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

Financial assets are classified according to the FVTPL or amortised cost measurement method:

- Financial assets measured at FVTPL are subsequently measured at fair value. Net gains and losses, including dividends or interest received, are recognised in profit or loss for the year.
- Financial assets measured at amortised cost are subsequently measured at amortised cost in accordance with the effective interest method. The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment losses are recognised in profit or loss for the year as are any gains or losses from derecognition.

FINANCIAL LIABILITIES: CLASSIFICATION, SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss, along with any gains or losses on derecognition.

DERECOGNITION

The following are the main requirements for the derecognition of items recorded in the Financial Statements:

- Financial assets are derecognised when the contractual rights to cash flows from the financial asset expire, when the contractual rights to receive cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or when the Group does not transfer nor substantially retain all the risks and rewards of ownership of the financial asset and has not retained control of the financial asset.
- Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled or expires. The Group also derecognises a financial liability in the event of a change in the related contractual terms when the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms. The difference between the carrying amount of the financial liability settled and the consideration paid (including assets not represented by transferred cash and cash equivalents or assumed liabilities) is recognised in profit or loss for the year.

OFFSETTING

Financial assets and financial liabilities can be offset and the amount resulting from the offset presented in the statement of financial position if, and only if, the Group has both the legal right to offset the amounts and intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously.

IMPAIRMENT LOSSES

Financial instruments and contract assets

The Group recognises loss allowances considering lifetime credit losses. Loss allowances for trade receivables and contract assets are always recognised considering lifetime credit losses. To determine whether the credit risk of a financial asset has increased significantly after initial recognition, in order to estimate the expected credit losses, the Group considers information that reflect reasonable and supportable assumptions that are relevant and available. This includes quantitative and qualitative information and analyses, based on the Group's historical credit losses, on credit assessments and information on expected developments. Lifetime expected credit losses are expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the expected credit losses that result from default events on a financial instrument that are possible within twelve months after the reporting date (or a shorter period of time if the expected life of a financial instrument is less than 12 months). The maximum period to consider when assessing expected credit losses is the maximum contractual period during which the Group is exposed to credit risk.

IMPAIRED FINANCIAL ASSETS

At each reporting date, the Group assesses whether financial assets measured at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the Group or of the debtor;
- a breach of contract, such as a default or past-due event (more than 90 days);
- the restructuring of a debt or an advance by the Group under conditions that the Group would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

WRITE-OFF

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The Group's policy is to write off the gross carrying amount when the financial asset is more than 90 days past due, based on its historical credit losses of similar assets. Financial assets that have been written off could still be claimed in accordance with the Group's credit recovery procedures.

NON-FINANCIAL ASSETS

At each reporting date, the Group verifies whether there is objective evidence of impairment based on the carrying amounts of its non-financial assets, investment property, inventories and deferred tax assets; if, on the basis of this verification, there is indication that the assets are impaired, the Group estimates their recoverable amount. Conversely, the recoverable amount of goodwill is estimated annually.

INVENTORIES

Inventories are measured at the lower of purchase or production cost, determined using a method similar to weighted average cost, including incidental expenses, direct and indirect costs reasonably attributable to them and the estimated realisable value based on market trends. If the net realisable value is lower than cost, the inventories are written down by the difference calculated separately for each item. The write-down is determined following a specific recoverability analysis and is reversed in subsequent years if the reasons for the write-down no longer exist, by reinstating the original value. Goods in transit are measured by specifically identifying the purchase cost.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances and demand deposits with a maturity of three months or less from the original acquisition date, which are subject to an insignificant risk of changes in fair value and are used by the Group to manage short-term commitments.

EMPLOYEE BENEFITS

Post-employment benefits were accounted for in accordance with IAS 19.

The post-employment benefits of Italian companies until 31 December 2006 were considered a defined-benefit plan; the regulations governing these benefits were amended by Law no. 296 of 27/12/2006. They are now to be considered a defined-benefit plan exclusively for the amounts accrued before 1 January 2007 (and not yet paid as at the reporting date), while after that date they are treated as a defined-contribution plan, since the amounts of post-employment benefits accrued after 1 January 2007 are transferred to the specific "Treasury Fund" established by INPS (the Italian social security institution) or to another equivalent pension fund, in compliance with the provisions of the aforementioned legislation. Due to the legislative context, the composition of the Parent's workforce and its seniority, the effects deriving from the use of actuarial techniques and the discounting of future liabilities at the reporting date are considered to be immaterial, considering the nominal amount of the assets as a reliable approximation of the fair value of their expected settlement amount.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects that some or all of the expenditure covered by a provision for risks and charges will be reimbursed by another party (for example, through insurance contracts), it recognises a provision for the full amount of the liability and a separate asset for the expected reimbursement when it is virtually certain that reimbursement will be received. In this case, the cost of any related provision is taken to profit or loss, net of the amount recognised for the reimbursement. If the effect of the time value of money is material, the amount of a provision is discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When provisions are discounted, the increase in the provision due to the passing of time is recognised as a financial expense. The agents' severance indemnity provision (FISC) includes the annual accruals for the payment of indemnities to agents following termination. In fact, in accordance with Italian legislation (art. 1751 of the Italian Civil Code), upon termination of the agency contract for no fault of the agent, the principal must pay an agent severance indemnity calculated in proportion to the total amount of commissions the agent earned during the contract, even if they were not entirely paid when the contract was terminated.

Under IFRS, and considering the guidance provided by the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), the FISC has been considered a post-employment benefit, specifically a defined-benefit plan, which must therefore be accounted for using actuarial techniques. The actuarial valuation of the FISC was carried out using the "Projected Unit Credit Method" (PUM) as provided for by paragraphs 64-66 of IAS 19. This method consists of valuations that express the average present value of the defined benefit obligations and past service cost up to the date of the actuarial valuation, projecting, however, the agent's commissions until the anticipated end date of continuing the agency contract.

TRADE PAYABLES

The Cellularline Group holds contracts for the supply of goods that include the provision of bonuses, discounts and, in certain circumstances, contributions classified as a reduction of trade payables. These bonuses, discounts and contributions are recognised either as a percentage of the quantities purchased, as a fixed amount on the quantities bought or sold, or as a defined contribution. Mainly with reference to agreements with a maturity date later than the end of the year, which represent a minority share of the bonuses and contributions for the year, the determination of their amount represents a complex accounting estimate that requires a high degree of judgement as it is influenced by multiple factors. The parameters and information that are used for the estimate are based on the amount purchased or sold and on assessments that take into account historical data regarding the actual recognition of bonuses and contributions by suppliers.

FOREIGN CURRENCY TRANSLATION

The functional and presentation currency adopted by the Group is the Euro. Assets and liabilities, with the exception of property, plant and equipment, intangible and non-current financial assets, originally expressed in the currencies of non-EU countries, are translated into Euro at the closing spot rate and the exchange gains and/or losses are taken to profit or loss. Revenue and income, costs and expense relating to foreign currency transactions are recognised at the transaction date exchange rate.

RECOGNITION OF REVENUE

Revenue is recognised when control of goods or services is transferred to the customer and to the extent that the Group will receive the economic benefits and the amount can be measured reliably. In addition, it is recognised net of returns, discounts, rebates and premiums.

RECOGNITION OF COSTS

Costs and other operating expenses are recognised in the income statement when they are incurred on an accruals basis and related to revenue, when they do not produce future economic benefits or when they do not qualify for recognition as assets.

FINANCIAL INCOME AND EXPENSE

Financial income and expense are recognised on an accruals basis using the effective interest rate and include exchange gains and losses and hedging gains and losses recognised in profit or loss. Financial expense is recognised in profit or loss when incurred. Financial expense is capitalised when it refers to an item of property, plant and equipment or an intangible asset that requires a significant period of time to be available for its intended use or for sale.

GOVERNMENT GRANTS

Government grants are recognised when there is a reasonable assurance that they will be received and the Group will comply with the conditions relating to them. When grants are related to cost components, they are recognised as revenue, but are systematically allocated over the years so as to match the costs they are intended to offset.

INCOME TAXES

Current taxes

Current tax assets and liabilities for the current and previous years are measured on the basis of the amount expected to be recovered or paid to the tax authorities. The tax rates and rules used to calculate the amount are those issued and in force at the reporting date.

Deferred taxes

Deferred taxes are calculated using the liability method on the temporary differences at the reporting date between the tax values of assets and liabilities and their corresponding carrying amounts.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);
- for the taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the reversal of the temporary differences can be controlled and it is likely that it will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for the carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses and unused tax credits can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). With reference to taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, a deferred tax asset is recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed annually at the end of each reporting period and a previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted by the end of the reporting period. Income taxes relating to items recognised directly in equity are recognised directly in equity and not in profit or loss. Deferred tax assets and liabilities are offset if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

EARNINGS PER SHARE

Basic and diluted earnings per share are shown at the bottom of the income statement. Basic earnings per share are calculated by dividing the profit for the year attributed to owners of the parent by the weighted average of ordinary shares outstanding during the year, excluding treasury shares. To calculate diluted earnings per share, the weighted average of outstanding shares is adjusted by assuming the conversion of all potential dilutive shares.

RISKS, COMMITMENTS, GUARANTEES

Commitments and guarantees are indicated at their contractual value, along with the risks for which a liability is only possible, without allocating provisions for risks. Risks for which a liability is probable are described in the Notes and the amount is accrued, in accordance with the principle of fairness, in the provisions for risks. Risks of a remote nature are not taken into account.

2.4.1

2.4.1 New accounting standards, amendments and interpretations endorsed by the European Union that became effective as of the year beginning 1 January 2024

As required by IAS 8 - Accounting policies, changes in accounting estimates and errors -, new accounting standards and interpretations, as well as amendments to existing standards and interpretations already applicable, not yet in force at the date, which may apply in the future in the Cellularline Group's Consolidated Financial Statements, are set out below:

a) New documents issued by the IASB and endorsed by the EU to be mandatorily adopted as of Financial Statements for years beginning on 1 January 2024

Document title	Date of issue	Date of entry into force	Endorsement date	EU Regulation and date of publication
Lease liabilities in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	20 November 2023	(EU) 2023/2579
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1)	January 2020	1 January 2024	19 December 2023	21 November 2023
Disclosures: supplier finance arrangements (Amendments to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments)	July 2020	1 January 2024	15 May 2024	(EU) 2023/2822

The accounting standards, amendments and interpretations, in force from 1 January 2024 and endorsed by the European Commission, are set out below:

Amendments to IFRS 16 – Lease liabilities in a sale and leaseback

On 22 September 2022, the IASB issued the document "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 – Lease)" with the aim of indicating the correct valuation to be performed by the seller-lessee following a sale and leaseback transaction.

The amendment to IFRS 16 clarifies the following aspects that the seller-lessee shall determine lease payments so as not to recognise any gain or loss related to the right of use retained by the seller-lessee.

Amendments to IAS 1 – Classification of liabilities as current or non-current and Non-current liabilities with covenants

On 23 January 2020, the IASB issued the document "Classification of Liabilities as Current or Non-current (Amendments to IAS 1 – Presentation of Financial Statements" with the aim of specifying how an entity should determine debt and other liabilities with an uncertain settlement date in the statement of financial position. According to these amendments, the debt or other liabilities must be classified as current (with an actual or potential settlement date within one year) or non-current.

On 31 October 2022, the IASB issued the document "Non-current Liabilities with Covenants (Amendments to IAS 1 – Presentation of Financial Statements)" with the aim of clarifying how an entity should classify, whether as current or non-current, liabilities arising from a loan agreement with covenants. These amendments also improve the information that a company must provide when its right to defer the discharge of a liability for at least twelve months is subject to covenants.

Amendments to IAS 7 and IFRS 7 – Disclosures: supplier finance arrangements

On 25 May 2023, the IASB issued the document: "Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments)". The amendments introduce some specific disclosure requirements for supplier finance arrangements and also provide guidance on the characteristics of such arrangements. In this regard:

- The objective of the disclosures referred to in the amendment to IAS 7 is to enable users of Financial Statements to evaluate the effects of supplier finance arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. To achieve this, an entity shall describe the following: a) the terms and conditions of the arrangement, b) the carrying amounts of the suppliers' financial liabilities and the financial liability items in which they are presented, c) non-monetary items in the carrying amounts of the supplier finance arrangement liabilities, and the carrying amounts and related items of the financial liabilities referred to in (a) for which the suppliers have already received payment from the lenders, d) the payment due dates for both the financial liabilities referred to in (a) and comparable trade payables that are not part of a supplier finance arrangement. If payment due date intervals are wide, explanatory information on these intervals or additional intervals (e.g. stratified intervals) is required.
- The IFRS 7 application guidance provides examples of factors that an entity may consider in preparing liquidity risk disclosures. The amendments incorporated supplier finance agreements as an additional factor relevant to liquidity risk. The guidance to IFRS 7 was amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk.

The adoption of the new standards as of 1 January 2024 had no impact on the Group's Consolidated Financial Statements.

b) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, EU endorsed documents as at 31 December 2024:

As at the date of approval of these Consolidated Financial Statements, the following new accounting standards, interpretations and amendments were issued by the IASB, but not yet endorsed by the European Union, some of which are still in the consultation phase, including the following:

Document title	Date of issue	Date of entry into force	Endorsement date	EU Regulation and date of publication
Lack of Exchangeability	August 2023	1 January 2025	12 November 2024	(EU) 2024/2862 13 November 2024

c) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, non-EU endorsed documents as at 31 December 2024:

Document title	Date of issue by the IASB	Date of entry into force of the IASB document
New IFRS accounting standards		
IFRS 18 - Presentation and disclosure in Financial Statements	April 2024	1 January 2027
IFRS 19 - Subsidiaries without public accountability: disclosure	May 2024	1 January 2027
Amendments to IFRS accounting standards		
Amendments to the classification and measurement of financial instruments (Amendments IFRS 9 and IFRS 7)	May 2024	1 January 2026
Annual improvements - Volume 11	July 2024	1 January 2026
Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7)	December 2024	1 January 2026

For all newly-issued standards, as well as for revisions and amendments to existing standards, the Cellularline Group is assessing any impacts that cannot currently be reasonably estimated arising from their future application.

2.5

Segment reporting

The Group has identified one operating segment, which includes all the services and products provided to customers, and it coincides with the entire Group. The Group's vision of a single business means that it has identified one single Strategic Business Unit ("SBU"). The Group's activities develop through one operating segment, which can be divided into three main product lines:

- Red Line (accessories for multimedia devices);
- Black Line (accessories for motorcycles and cycling);
- Blue Line (third party products marketed under distribution agreements).

3

Information on financial risks

Within the framework of business risks, the main risks identified, monitored and, to the extent specified below, actively managed by the Group are the following:

- credit risk (both in relation to normal business relations with customers and financing activities);
- liquidity risk (with reference to the availability of financial resources and access to the credit market and financial instruments in general);
- market risk (defined as exchange rate and interest rate risk).

The aim is to maintain a balanced management of its financial exposure over time, ensuring a liability structure that is in balance with the composition of the assets on the statement of financial position and capable of ensuring the necessary operational flexibility through the use of liquidity generated by current operating activities and recourse to bank loans.

The following section provides qualitative and quantitative benchmarks on the incidence of these risks.

3.1

Credit risk

Credit risk is the risk that a customer or one of the counterparties to a financial instrument may cause a financial loss by defaulting on an obligation and arises mainly from the Group's trade receivables and financial investments. The Group is exposed to the risk that its customers may delay or fail to meet their payment obligations within the agreed terms and conditions and that the internal procedures adopted in relation to the assessment of creditworthiness and solvency of customers are not sufficient to ensure the successful completion of collections. Such failed payments, late payments or other default situations may be due to the insolvency or bankruptcy of the customer, economic events or specific situations of the customer. Specifically, attention must be paid to the credit policy with regard to both long-standing and newly acquired customers, strengthening the policies of preventive action, by acquiring more complete commercial information (from different sources) for all major and/or new customers and by progressively increasing the systematic way in which credit report analyses are conducted, including the assessment of the customer portfolio and the assignment of credit limits. The Group recognises a loss allowance considering estimated losses on trade receivables, other assets and non-current financial assets. The main components of this allowance are the individual losses on

significant exposures and the collective impairment of homogeneous groups of assets for losses already incurred that have not yet been identified; the collective impairment is determined on the basis of the historical data on similar credit losses.
To date, credit risk on trade receivables has not increased as a result of COVID-19, thanks to both the high quality of the customer portfolio and the careful credit monitoring strategy managed at Group level.

3.2

Liquidity risk

From an operational point of view, the Group controls the liquidity risk through the annual planning of expected cash flows and payments. Based on the results of such planning, it identifies financial requirements and thus the financial resources to cover them. In order to prevent unforeseen cash outflows from becoming critical, the Group aims to keep a balance between maintaining the funding and flexibility, through the use of available liquidity and credit lines.

3.3

3.3 Interest rate risks

In relation to the risk of changes in interest rates, the Group has not yet entered into interest rate swaps to hedge the risk of changes in interest rates on the loans in place (residual debt at 31 December 2024 of approximately EUR 25.0 million). Should further fluctuations in interest rates occur, these could lead to an increase in borrowing costs. It should be noted that, on 31 July 2024, the Parent entered into a new financing agreement, reference to which is made in paragraph "Significant events during the year".

4

Notes to the Statement of Financial Position

The following are Notes to the main assets and liabilities in the Consolidated Financial Statements as at 31 December 2024 and 31 December 2023.

ASSETS
NON-CURRENT ASSETS

4.1

Intangible assets

The specific table below shows changes in this item, indicating the historical cost, accumulated amortisation, changes in the year and the closing balance of each asset. Amortisation was calculated using the rates that reflect the assets' residual useful lives.

The balance of intangible assets, broken down by category as at 31 December 2024 and 31 December 2023, is shown below:

(In thousands of Euro)	Carrying amount 31 December 2023	Increases	(Decreases)	Acquisitions	(Amortisation)	(Impairment losses)	Reclassifications	Exchange difference	Carrying amount 31 december 2024
Start-up and expansion costs	22		-	-	(6)	-	-	-	16
Development costs	1.097	1.497	(5)	-	(1.418)	-	-	2	1.173
Industrial patents and intellectual property rights	4.592	1.534	-	-	(2.011)	-	-	(49)	4.065
Concessions, licenses, trademarks and similar rights	16.376	68	-	-	(1.540)	-	-	(42)	14.861
Customer relationships	28.448	-	-	-	(5.310)	-	-	(48)	23.090
Assets under development and payments on account	59	-	-	-	-	-	-	-	59

- With reference to the Consolidated Financial Statements as at 31 December 2024, it should be noted that the Group made investments of EUR 3,098 thousand, mainly for the implementation of IT systems and for R&D of product and brand.
- In particular, investments are mainly attributable to:
- development costs of approximately EUR 1,497 thousand; this item includes the costs incurred for investments in specific product and process innovation projects. These are considered to generate long-term benefits, as they relate to projects under development, whose products are clearly identified, are intended for a market with sufficient profit margins to cover the amortisation of capitalised costs, which is normally two years;
- industrial patents and intellectual property rights, equal to EUR 1,534 thousand: this item mainly includes software, i.e. the costs incurred for the implementation and development of the main management programme and other specific applications, which are normally amortised over three years. The investments are mainly related to innovations in SAP management and further innovations/IT projects, aimed at increasingly effective and efficient information tools to support the organisational structure of the Group.

4.1.1

Customer Relationships and Trademarks

As at 31 December 2024, Cellularline's Customer Relationships with a finite useful life, recognised in the Consolidated Financial Statements, amounted to EUR 23,090 thousand, net of accumulated amortisation and impairment losses, while the value of the Trademarks, net of amortisation, amounted to EUR 14,861 thousand.

4.2

Goodwill

The details of Goodwill as at 31 December 2024 and 31 December 2023 are shown below:

(In thousands of Euro)	Carrying amount 31 December 2023	Increases	(Decreases)	Acquisitions	(Amortisation)	(Impairment losses)	Reclassifi-cations	Exchange difference	Carrying amount 31 December 2024
Goodwill	38.505	-	-	-	-	-		(313)	38.192

The value of goodwill as at 31 December 2024, amounting to EUR 38,192 thousand, was down compared to the previous year due to exchange rate effects.

4.2.1

Impairment test on goodwill

As at 31 December 2024, goodwill recognised in the Group's Consolidated Financial Statements amounted to EUR 38.2 million and was allocated to the sole cash-generating unit (hereinafter also referred to as the "CGU"), which coincides with the entire Cellularline Group.

As required by the relevant accounting standard (IAS 36), at the time of closing the Financial Statements as at 31 December 2024, the Directors verified whether the intangible assets with an indefinite useful life (goodwill) were impaired by comparing the carrying amount with the related recoverable amount. The Directors therefore performed a special impairment test with the assistance of a consultant (Deloitte & Touche) in order to determine the relative recoverable amount of the Group's net invested capital.

In particular, the impairment test was performed on the basis of the economic-financial forecasts based on the 2025-2028 Business Plan approved by the Board of Directors on 26 February 2025.

The recoverable amount is determined as value in use using the discounted cash flow method.

This criterion is based on the general concept that the Enterprise Value is equal to the discounted value of the following two elements:

- the cash flows it will be able to generate within the forecast period;
- the residual value, i.e. the value of the business as a whole, after the forecast period.

The discount rate used was the Weighted Average Cost of Capital (WACC) of 10.66% (12.02% at 31 December 2023) and a perpetually sustainable growth rate (g) estimated at 1.96% (1.93% at 31 December 2023), determined in line with expected long-term inflation (source: International Monetary Fund, October 2024), representative of the geographical market areas in which the Group operates.

The WACC is the average of the cost of equity and the cost of debt capital weighted according to the financial structure of comparable companies. It should be noted that the estimates and data relating to the performance and financial forecasts to which the above parameters are applied are determined by Management on the basis of past experience and expectations of developments in the markets in which the Group operates.

In addition, it should be noted that WACC used for the purpose of the impairment test in these Consolidated Financial Statements also includes an execution risk component, with an impact on the calculation of the finished rate equal to 1.10%, which represents an estimate of the risk of not completely achieving the Plan objectives, as well as the current degree of volatility and uncertainty reflected in the market trend and, in general, in the macro-economic context. Therefore, this component, although reflected in the discount rate and not in the cash flows, originates from simulations carried out on the assumption that the Plan's objectives will not be fully achieved, given the persistence of a context of uncertainty.

The analyses performed, based on the assumptions and limitations highlighted above, led to an estimate of the recoverable amount, in terms of Enterprise Value, of approximately EUR 186.0 million. This value is higher than the Carrying Amount, which is equal to the Group's net invested capital at the reference date (approximately EUR 159.1 million), giving rise to no impairment losses.

Impairment testing is characterised by a high level of judgement, in addition to the uncertainty inherent in any forecast, especially in relation to:

- the expected operating cash flows, calculated by taking into account the general economic performance (including expected inflation rates and exchange rates) and that of the group's sector and the actual cash flows generated by the CGU in previous years;
- the financial parameters to be used to discount the above cash flows.
- In addition, sensitivity analyses were carried out which simultaneously consider a change in:
- the WACC and the growth rate (g-rate), in order to verify the impact generated by changes in these parameters on the Enterprise Value and, consequently, on the difference between the latter and the Carrying Amount at the reporting date;
- the WACC and EBITDA according to the 2025-

2028 Plan and the Terminal Value in order to verify the impact generated by changes in these parameters on the Enterprise Value and, consequently, on the difference between the latter and the carrying amount at the reporting date.

Sensitivity analyses revealed potential impairment situations in the event of a deterioration of WACC and g-rate. They showed no potential impairment in the event of a reduction of more than 10% in Plan EBITDA and Terminal Value, further to what was already considered in the execution risk estimate.

Sensitivity analysis: Cover/Impairment - WACC and g-rate (€ thousand)

		WACC				
		-1,0% 9,7%	-0,5% 10,2%	**Company** 10,7%	+0,5% 11,2%	+1,0% 11,7%
G-rate	-	27,5	17,7	8,9	0,9	(6,5)
	0,5%	32,3	21,9	12,5	4	(3,7)
	1%	38,1	26,9	16,8	7,7	(0,5)
	1,5%	44,6	32,4	21,6	11,9	3,1
	2%	51,9	38,7	26,9	16,5	7,1
	2,5%	60,3	45,7	32,9	21,6	11,5
	3%	69,9	53,8	39,7	27,4	16,5

Sensitivity analysis: Cover/Impairment - WACC and g-rate (€ thousand)

		WACC
		Company 10,7%
EBITDA reduction - over and above what is already included in the execution (WACC)	(10,0%)	1,7
	(7,5%)	8
	(5,0%)	14,3
	(2,5%)	20,6
	-	26,9

It should be noted that the inclusion of an Execution Risk Premium in the WACC implies a tolerance with respect to a possible reduction in EBITDA in the Plan forecasts. In the specific case, this tolerance is 13.0% over the Plan period and consequently, the sensitivity shown here is calculated starting from an EBITDA 13.0% lower than that of the 2025-28 Business Plan.

4.3

Property, plant and equipment

The specific table below shows changes in this item, indicating the historical cost, accumulated depreciation, changes in the year and the closing balance of each asset. Depreciation was calculated using the rates that reflect the property, plant and equipment's residual useful lives. The balance of Property, plant and equipment, broken down by category as at 31 December 2024 and 31 December 2023, is shown below:

(In thousands of Euro)	Carrying amount 31 December 2023	Increases	(Decreases)	Acquisitions	(Deprecia-tion)	(Impair-ment losses)	Exchange difference	Reclassi-fications	Carrying amount 31 December 2024
Land and buildings	4.863	58	-	-	(175)	-	(20)	-	4.727
Plants and machinery	356	52	-	-	(110)	-	(1)	-	297
Industrial and commercial equipment	2.468	1.237	(17)	-	(1.445)	-	(7)	16	2.253
Assets under construction and payments on account	129	115	(51)	-	-	-	-	(16)	177
Total property, plant and equipment	**7.816**	**1.462**	**(68)**	**-**	**(1.729)**	**-**	**(27)**	**-**	**7.454**

As at 31 December 2024, the item consisted mainly of buildings used as the operating offices of Group companies for EUR 4,727 thousand and industrial and commercial equipment for EUR 2,253 thousand (in particular furniture, furnishings, office equipment and moulds). The Group made investments of EUR 1,462 thousand, mainly relating to industrial and commercial equipment.

4.4

Right-of-use assets

This item, amounting to EUR 3,099 thousand (EUR 3,994 thousand as at 31 December 2023), refers exclusively to the recognition of rights of use due to the initial application of IFRS 16 - Leases.
The changes in the year were as follows:

(In thousands of Euro)	Carrying amount 31 December 2023	Increases	(Decreases)	Acquisitions	(Deprecia-tion)	(Impair-ment losses)	Exchange difference	Reclassi-fications	Carrying amount 31 December 2024
Right-of-use assets	3.994	867	(84)	-	(1.676)	-	(2)	-	3.099
Total right-of-use assets	**3.994**	**867**	**(84)**	**-**	**(1.676)**	**-**	**2**	**-**	**3.099**

The increases in the year, equal to EUR 867 thousand, mainly refer to some new contracts to lease cars and commercial vehicles.

4.5

Deferred tax assets and liabilities

Changes in Deferred tax assets and Deferred tax liabilities between 31 December 2023 and 31 December 2024 are shown below.

Deferred tax assets

(In thousands of Euro)	
Balance as at 31 December 2023	**5.805**
Accruals in profit or loss	607
Balance as at 31 December 2024	**6.412**

The balance of EUR 6,412 thousand at 31 December 2024 is composed of deferred tax assets originating mainly in the Parent from allocations to taxed provisions, from temporarily non-deductible amortisation, depreciation and impairment losses, and from temporary differences relating to trademarks and customer relationships. Compared to the previous year, the Parent has recognised deferred IRES and IRAP tax assets calculated, mainly, on partially deductible amortisation and depreciation such as those of the Cellularline and Interphone trademarks and other minor changes amounting to EUR 562 thousand.

The 2022 Budget Law (no. 234/2021, art. 1, paragraphs 622-624) has retroactively modified the regime for revaluations and realignments of trademarks and goodwill carried out on the basis of art. 110 of Decree Law no. 104/2020, increasing the time span of deductions from 18 to 50 years (2% per annum from 2021).

The rule also provided the following two additional alternatives:

1. maintenance of the deduction over 18 years against payment of the ordinary substitute tax on the franking of extraordinary transactions (12%, 14% and 16% for revaluations of up to 5 million, between 5 million and 10 million and over 10 million, respectively);
2. revocation of the realignment for tax purposes, with repayment or right to offset the substitute tax already paid, in accordance with procedures to be defined by a future measure.

Considering that:

- the dilution of the benefit over 50 years shifts the cost-benefit balancing point from the second to the seventh year, while still maintaining a significant overall tax saving;
- the outlay for the "ordinary" substitute tax, necessary to maintain deductibility over 18 years, is very costly and close in time, considerably reducing the advantage of the operation;
- revocation of the realignment would entail cancellation of the income from the release of the deferred tax liabilities, with an inevitable impact on the parent's equity;

it was deemed reasonable to maintain the realignment carried out with the 50-year deduction and to recognise deferred tax assets on temporarily non-deductible amortisation/depreciation and impairment losses, with annual monitoring of the reasonable certainty of their recovery.

The following aspects were taken into account in the calculation of deferred tax assets:

- the tax regulations of the country in which the Group operates and their impact on temporary differences, and any tax benefits deriving from the use of tax losses carried forward, considering their potential recoverability over a period of three years;
- the Group's forecast profits in the medium and long term.

On the basis of the above, the Group expects that it can recover with reasonable certainty the deferred tax assets recognised.

Deferred tax liabilities

(In thousands of Euro)	
Balance as at 31 December 2023	**3.547**
Releases to profit or loss	(2.129)
Releases to comprehensive income (income tax)	(12)
Balance as at 31 December 2024	**1.406**

Deferred tax liabilities at 31 December 2024 are primarily attributable to the deferred taxation arising from the PPA of Worldconnect, Systema and Peter Jäckel.

The change for the year, amounting to EUR 2,141 thousand, is mainly due to the release of a deferred tax liability, the allocation of which (amounting to EUR 1,412 thousand), made in previous years and up to 31.12.2023, is not appropriate.

It is estimated that the residual deferred tax liability refers to differences that will be reabsorbed in the medium and long term.

CURRENT ASSETS

4.6
Inventories

Inventories as at 31 December 2024 amounted to EUR 39,682 thousand (EUR 46,931 thousand as at 31 December 2023), net of the allowance for inventory write-down of EUR 4,734 thousand. Inventories include those at the Group's warehouses and goods in transit, for which the Group has already acquired ownership, for EUR 7,215 thousand (EUR 3,199 thousand as at 31 December 2023).
Inventories are made up as follows:

(In thousands of Euro)	Balance as at	
	31 December 2024	31 December 2023
Finished products and goods	35.194	45.230
Goods in transit	7.215	3.199
Advances	2.007	1.007
Gross inventories	**44.416**	**49.436**
(Allowance for inventory write-down)	(4.734)	(2.505)
Total Inventories	**39.682**	**46.931**

The decrease in gross inventories, amounting to EUR 5,020 thousand compared to 31 December 2023, is mainly attributable to an improvement in inventory management and timely purchase planning. The carrying amount of inventories is adjusted by the allowance for inventory write-down, which includes the write-down of goods at risk of potential obsolescence.

Changes in allowance for inventory write-down between 31 December 2023 and 31 December 2024 are shown below:

(In thousands of Euro)	Allowance for inventory write-down
Balance as at 31 December 2023	**(2.505)**
(Accruals)	(2.180)
Exchange difference	(49)
Balance as at 31 December 2024	**(4.734)**

Accruals made relate to the analysis of slow moving products faced with problems (typical of the sector) related to the obsolescence/slow turnover of inventories, in order to align their value to the estimated realisable value.

4.7
Trade receivables

As at 31 December 2024 this item amounted to EUR 56,251 thousand, net of the loss allowance of EUR 4,084 thousand (EUR 51,459 thousand, net of a loss allowance of EUR 3,946 thousand as at 31 December 2023). Trade receivables as at 31 December 2024 and 31 December 2023 are shown in detail below:

(In thousands of Euro)	Balance as at	
	31 December 2024	31 December 2023
Trade receivables from third parties	57.019	51.644
Trade receivables from related parties (Note 5)	3.316	3.761
Gross trade receivables	**60.335**	**55.406**
(Loss allowance)	(4.084)	(3.946)
Total trade receivables	**56.251**	**51.459**

Trade receivables are presented net of total receivables assigned without recourse to factoring companies and amounted to EUR 7,982 thousand as at 31 December 2024 (EUR 13,217 thousand as at 31 December 2023).

Changes in the loss allowance as at 31 December 2024 are shown below:

(In thousands of Euro)	Loss allowance
Balance as at 31 December 2023	**(3.946)**
(Accruals)	(475)
Exchange difference	2
Utilisations	335
Balance as at 31 December 2024	**(4.084)**

Impaired assets refer mainly to disputed amounts or customers subject to bankruptcy proceedings. The utilisations reflect amounts that, based on certain, precise information or pending bankruptcy procedures were impaired in full. As shown in the tables above, the loss allowance amounted to EUR 4,084 thousand as at 31 December 2024 and to EUR 3,946 thousand as at 31 December 2023. Credit risk is the exposure to potential losses arising from non-performance of the obligations taken on by the counterparty. The Group has credit control processes in place that include customer creditworthiness analyses and credit exposure controls based on reports with a breakdown of due dates and average collection times. The change in the loss allowance is the result of an analytical assessment of non-performing assets and assets that have been proven to be of uncertain recoverability as well as a general assessment based on the asset's historical credit loss. As at the date of the assessment, there were no significant effects that could be attributed to the consequences of the pandemic. The carrying amounts of trade receivables are deemed to approximate their fair value.

4.8

Current tax assets

The breakdown of current tax assets as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 December 2024	31 December 2023
Receivables from tax authorities	163	270
Receivables for tax payments on account	14	88
Tax rebate assets	117	115
Total current tax assets	**294**	**473**

Current tax assets mainly include the following items recorded in the Parent's Financial Statements: (i) the receivable for research, development, innovation and design for EUR 139 thousand, (ii) the receivable for taxes for which a rebate of EUR 117 thousand has been requested.

4.9

Financial assets

Financial assets amounted to EUR 341 thousand (338 thousand as at 31 December 2023) and refer mainly to receivables for active derivative instruments.

4.10

Other assets

The breakdown of other current assets as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 December 2024	31 December 2023
Prepaid expenses	7.218	11.043
Others	2.365	2.023
Total Other current assets	**9.583**	**13.066**

This item mainly includes prepaid expenses referring to the advance payment of costs relating to future years and the receivable due from the tax authority for period VAT.

4.11

4.11 Cash and cash equivalents

Cash and cash equivalents include cash balances and demand deposits with a maturity of three months or less from the original date of acquisition, which are subject to an insignificant risk of changes in fair value and are used by the Group to manage short-term commitments.

The breakdown of cash and cash equivalents as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 December 2024	31 December 2023
Bank accounts	20.742	14.030
Cash on hand	10	11
Total Cash and cash equivalents	**20.753**	**14.041**

Cash and cash equivalents amount to EUR 20,753 thousand as at 31 December 2024 (EUR 14,041 thousand as at 31 December 2023). The item consists of cash on hand, securities and demand deposits or short-term deposits with banks that are currently available and readily usable.

For further details regarding the dynamics that influenced cash and cash equivalents, reference should be made to the Statement of Cash Flows.

EQUITY AND LIABILITIES

4.12

Equity

Equity was EUR 137,066 thousand (EUR 134,659 thousand as at 31 December 2023), having increased mainly as a result of the profit for the year.

Share capital

The share capital as at 31 December 2024 amounts to EUR 21,343, divided into 21,868,189 ordinary shares.

On 22 July 2019, Borsa Italiana S.p.A. commenced trading of the Parent's ordinary shares and warrants on the Mercato Telematico Azionario (MTA), including them in the STAR segment.

Other reserves

As at 31 December 2024, other reserves amounted to EUR 104,738 thousand (EUR 107,056 thousand as at 31 December 2023) and were mainly broken down as follows:

- The share premium, which amounts to EUR 102,135 thousand, including EUR 59,253 in suspended taxation following the realignment of trademarks and customer relationships.
- Other reserves amounting to EUR 4,690 thousand which mainly originated as a result of the effects of the application of the IFRS and the Business Combination which took place in 2018;
- Treasury shares of EUR 2,087 thousand.

Retained earnings

As at 31 December 2024, retained earnings amounted to EUR 5,338 thousand.

Profit/(loss) for the year attributable to owners of the Parent

2024 ended with a profit for the year of EUR 5,647 thousand.

Long Term Incentive Plan Reserve (Share-based payment arrangements)

In 2021, the Group approved a Stock Grant Plan, which envisages the award of rights to certain employees to receive Company shares free of charge.

The free award of such rights to receive shares comes under the scope of the "Cellularline S.p.A. 2021-2023 Incentive Plan", submitted for approval by the Ordinary Shareholders' Meeting on 28 April 2021.

The following table summarises the main conditions of the Stock Grant plan:

Date of assignment	Maximum number of instruments	Vesting conditions	Contractual duration of options
17 March 2022	90.000 *	30% Relative Total Shareholder Return 70% Consolidated Adjusted EBITDA	Three years
Date of assignment	**Maximum number of instruments**	**Vesting conditions**	**Contractual duration of options**
15 March 2023	90.000 *	30% Relative Total Shareholder Return 70% Consolidated Adjusted EBITDA	Three years

(*) The number of instruments reported refers to the first tranche of awards of the three-year cycle, of which 55,000 assigned to CEOs and key managers. At the date of this Report, the second and third award cycles have been completed.

The Plan envisages three cycles of annual awards of rights to Beneficiaries (2021, 2022 and 2023), each of which with a three-year performance period and a two-year lock-up on the shares assigned by virtue of the rights awarded for each cycle, where conditions are met and in accordance with the terms and conditions set forth in the Plan and its Regulation. The rights assigned to the beneficiaries will accrue, and accordingly give entitlement to their holders to receive the parent's shares, according to the degree to which measurable long-term performance objectives, pre-determined by the parent, are achieved. These performance objectives contribute with a different percentage weighting towards the accrual of the rights and attribution of the shares, all as indicated:

- (i) the Relative Total Shareholder Return (or Relative TSR) is the share performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 30%,
- (ii) the Consolidated Three-Year Adjusted EBITDA is the corporate performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 70%.

As at 31 December 2024, in accordance with IFRS 2, the valuation regarded the total fair value of the approved plan.

The market based component (Relative Total Shareholder Return) has been estimated using a stochastic simulation with the Monte Carlo Method, which, on the basis of suitable hypotheses, made it possible to define a significant number of alternative scenarios over the time frame considered.

The non-market based component was valued at the reporting date to account for expectations regarding the number of rights that may vest.

In addition, in 2024, the Group approved a new Stock Grant Plan, which envisages the award to certain employees of rights to receive the parent's shares free of charge.

The free award of such rights to receive shares comes under the scope of the "Cellularline S.p.A. 2024-2026 Incentive Plan", submitted for approval by the Ordinary Shareholders' Meeting on 24 April 2024.

The following table summarises the main conditions of the Stock Grant plan:

Date of assignment	Maximum number of instruments	Vesting conditions	Contractual duration of options
8 May 2024	109.000 *	50% Relative Total Shareholder Return 50% Consolidated Adjusted EBITDA	Three years

(*) As at the date of this Report, only the first cycle of the above-mentioned Plan has been activated.

The Plan envisages three cycles of annual awards of rights to Beneficiaries (2024, 2025 and 2026), each of which with a three-year performance period and a two-year lock-up on the shares assigned by virtue of the rights awarded for each cycle, where conditions are met and in accordance with the terms and conditions set forth in the Plan and its Regulation. The rights assigned to the beneficiaries will accrue, and accordingly give entitlement to their holders to receive the parent's shares, according to the degree to which measurable long term performance objectives, pre-determined by the parent, are achieved. These performance objectives contribute with a different percentage weighting towards the accrual of the rights and attribution of the shares, all as indicated:

- (i) the Relative Total Shareholder Return (or Relative TSR) is the share performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 50%,
- (ii) the Consolidated Three-Year Adjusted EBITDA is the corporate performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 50%.

As at 31 December 2024, in accordance with IFRS 2, the valuation regarded the total fair value of the approved plan.

The market based component (Relative Total Shareholder Return) has been estimated using a stochastic simulation with the Monte Carlo Method, which, on the basis of suitable hypotheses, made it possible to define a significant number of alternative scenarios over the time frame considered.

The non-market based component was valued at the reporting date to account for expectations regarding the number of rights that may vest.

The LTI reserve at 31 December 2024 amounts to EUR 255 thousand (EUR 279 thousand as at 31 December 2023).

Reconciliation of the Parent's equity and profit for the year with consolidated equity and profit for the year.

The following table shows the reconciliation between the equity reported in the Financial Statements of the Parent as at 31 December 2024 and that reported in the Consolidated Financial Statements as at the same date (in thousands of Euro).

RECONCILIATION OF PARENT'S EQUITY WITH CONSOLIDATED EQUITY	Equity as at 31/12/2022	Profit for 2023	Other changes to equity of the Parent	Equity as at 31/12/2023	Profit for 2024	Other changes to equity of the Parent	Equity as at 31/12/2024
Cellularline S.p.A.	**127.531**	**1.136**	**(578)**	**128.089**	**4.021**	**(2.808)**	**129.302**
Difference between carrying amount and equity of subsidiaries	3.008	2.571	1.174	6.755	1.124	(431)	7.448
Measurement of Cellular Swiss at equity	38	260	-	298	96	-	394
Derecognition of intragroup gains	(110)	(373)	-	(483)	(3)	-	(486)
Elimination of intragroup impairment losses	-	-	-	-	410	-	410
Cellularline Group	**130.468**	**3.595**	**596**	**134.659**	**5.647**	**(3.239)**	**137.066**

4.13

4.13Bank loans and borrowings and other financial liabilities (current and non-current)

The breakdown of Financial liabilities (current and non-current) as at 31 December 2024 is shown below:

(In thousands of Euro)	Balance as at	
	31 december 2024	**31 december 2023**
Current bank loans and borrowings and loans and borrowings from other financial backers	13.740	29.170
Non-current bank loans and borrowings and loans and borrowings from other financial backers	21.149	8.600
Total bank loans and borrowings and loans and borrowings from other financial backers	**34.889**	**37.770**
Other current financial liabilities	1.446	2.932
Other non-current financial liabilities	6.766	9.061
Total other financial liabilities	**8.212**	**11.993**
Total financial liabilities	**43.101**	**49.763**

As at 31 December 2024, bank loans and borrowings and loans and borrowings from other financial backers came to EUR 34,889 thousand (EUR 37,770 thousand as at 31 December 2023) and mainly include:

- the bank loan of the Parent, stipulated in July 2024 in the re-financing transaction for EUR 25,000 thousand;
- the Parent's short-term hot money bank loans and other current financial liabilities, in the amount of EUR 10,168 thousand.

The Parent's bank loan, gross of bank fees, is shown below:

(In thousands of Euro)	Inception	Maturity	Original amount	Balance as at 31 December 2024		
				Outstanding debt	current portion	non-current portion
Syndicate						
"Ordinary" facility	31/07/2024	31/07/2028	25.000	25.000	3.752	21.248
Total sydicated loan (*)			**25.000**	**25.000**	**3.752**	**21.248**

(*) The syndicated loan was signed with con BNL S.p.A. and Unicredit S.p.A

The bank loan repayable to the above institutions is subject to economic and financial covenants. These covenants, calculated on a leverage ratio defined as the Net Financial Position in relation to EBITDA on the basis of contractual agreements with credit institutions, were met as of 31 December 2024.
The loan is measured at amortised cost in accordance with IFRS 9 and therefore its carrying amount of EUR 24,721 thousand as at 31 December 2024 (EUR 23,000 thousand as at 31 December 2023) is reduced by transaction costs.

For details regarding the item Other financial liabilities (current and non-current), please refer to Note 4.20.

Below is a reconciliation of the net financial indebtedness as at 31 December 2024, of EUR 22,007 thousand, and as at 31 December 2023, of EUR 35,384 thousand, according to the scheme envisaged by ESMA Guidance 32-382-1138 dated 4 March 2021 and indicated in the Consob Note 5/21 dated 29 April:

	Balance as at		Changes	
(In thousands of Euro)	**31 december 2024**	**31 december 2023**	**Δ**	**%**
(A) Cash	20.753	14.041	6.712	47,8%
(B) Cash and cash equivalents	-	-	-	-
(C) Other current financial assets	341	338	3	0,9%
(D) Liquidity (A)+(B)+(C)	**21.094**	**14.379**	**6.715**	**46,7%**
(E) Current financial debt	10.168	16.270	(6.103)	-37,5%
(F) Current portion of non-current debt	5.018	15.831	(10.813)	-68,3%
(G) Current financial indebtedness (E) + (F)	**15.186**	**32.101**	**(16.916)**	**-52,7%**
- of which guaranteed	-	-	-	-
- of which not guaranteed	15.186	32.101	(16.916)	-52,7%
(H) Net current financial indebtedness (G) - (D)	**(5.908)**	**17.722**	**(23.631)**	**>-100%**
(I) Non-current financial debt	27.915	17.661	10.254	58,1%
(J) Debt instruments	-	-	-	-
(K) Non-current trade and other payables	-	-	-	-
(L) Non-current financial indebtedness (I)+(J)+(K)	**27.915**	**17.661**	**10.254**	**58,1%**
- of which guaranteed	-	-	-	-
- of which not guaranteed	27.915	17.661	10.254	58,1%
(M) TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**22.007**	**35.384**	**(13.377)**	**-37,8%**

A breakdown of the financial liabilities is shown below based on their maturity:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Within 1 year	15.186	32.101
From 1 to 5 years	27.915	17.566
Over 5 years	-	96
Total	**43.101**	**49.763**

4.14

Employee benefits

As at 31 December 2024, the item amounted to EUR 604 thousand (EUR 544 thousand as at 31 December 2023) and derives from the actuarial valuations of the Italian companies' post-employment benefits (TFR), which represent a defined-benefit plan. These valuations were made on the basis of the accrued benefits method using the "Projected Unit Credit" method, as required by IAS 19.
The actuarial model is based on:

- discount rate of 3.18%, which was derived from the Iboxx Corporate AA index with a duration of 7-10;
- annual inflation rate of 2.00%;
- annual rate of TFR increase of 3.00%.

In addition, sensitivity analyses were carried out for each actuarial assumption, considering the effects that would have occurred as a result of reasonably possible changes in the actuarial assumptions at the reporting date; the results of these analyses do not give rise to significant effects.

4.15

Provisions for risks and charges

Changes in the Provisions for risks and charges, broken down for the period between 31 December 2023 and 31 December 2024 are shown below:

(In thousands of Euro)	Agents' severance indemnity provision (FISC)	Provision for future risks	Total
Balance as at 31 December 2023	**1.582**	**357**	**1.939**
- of which current portion	-		-
- of which non-current portion	1.582	357	1.939
Accruals	252	-	252
From change in the scope of consolidation	-	-	-
Utilisations/Releases	(52)	(288)	(341)
Balance as at 31 December 2024	**1.781**	**69**	**1.850**
- of which current portion	-		-
- of which non-current portion	1.781	69	1.850

The Agents' severance indemnity provision (FISC) refers to the measurement of the agents' severance indemnity of the Parent and of Systema for the amount to be paid to agents for the termination of the agency relationship through no fault of the agent. The actuarial valuation, consistent with IAS 37, was carried out by quantifying future payments through the projection of the indemnity accrued at the reporting date by the agents operating until the presumed (random) termination of the contractual relationship. For actuarial valuations, demographic and economic-financial assumptions were adopted; specifically, the discount rate was set with reference to the Iboxx Eurozone AA index in relation to the duration of the collective at 3.18%.

4.16

Trade payables

The breakdown of Trade payables as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Trade payables to third parties	31.533	32.330
Total trade payables	**31.533**	**32.330**

As at 31 December 2024, trade payables amounted to EUR 31,533 thousand (EUR 32,330 thousand as at 31 December 2023) and refer to the acquisition of goods and services, all due within the year.

4.17

Current tax liabilities

The item, amounting to EUR 1,854 thousand, mainly includes the debt of the Parent for EUR 1,593 thousand, as well as tax liabilities of the other Group companies for EUR 261 thousand.

4.18

Other liabilities

The breakdown of Other liabilities as at 31 December 2024 and 31 December 2023 is shown below:

(In migliaia di Euro)	Balance as at	
	31 december 2024	31 december 2023
Due to employees	2.311	2.119
Tax liabilities	2.240	2.854
Social security liabilities	994	875
Other payables	2.933	3.091
Total Other liabilities	**8.478**	**8.939**

As at 31 December 2024, the item amounts to EUR 8,478 thousand (EUR 8,939 thousand as at 31 December 2023) and mainly consists of:

- EUR 2,311 thousand due to employees for wages to be settled and bonuses;
- tax liabilities of EUR 2,240 thousand (withholdings and VAT);
- EUR 994 thousand due to social security institutions for contributions to be settled;
- EUR 2,933 thousand for other payables (accrued expenses and deferred income).

4.19

Other financial liabilities (current and non-current)

The breakdown of Other financial liabilities as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Other current financial liabilities	1.446	2.932
Other non-current financial liabilities	6.766	9.061
Total other financial liabilities	**8.212**	**11.993**

As at 31 December 2024, Other financial liabilities come to EUR 8,212 thousand (EUR 11,993 thousand at 31 December 2023) and mainly include:

- financial liabilities relating to put/call options and agreements signed for the purchase of the remaining shares of subsidiaries for EUR 4,952 thousand, of which EUR 4,352 thousand relating to Worldconnect, EUR 200 thousand relating to Peter Jäckel and EUR 400 thousand relating to Coverlab;
- the lease liability deriving from the application of IFRS 16 for EUR 3,260 thousand (EUR 4,132 as at 31 December 2023).

5

Notes to the consolidated income statement

The notes to the consolidated income statement with reference to the years ending 31 December 2024 and 31 December 2023 are provided below.

5.1

Revenue from sales

In 2024, revenue from sales amounts to EUR 164,263 thousand (EUR 158,648 thousand in 2023). As mentioned earlier, the Group's business is developed in a single operating segment and can be divided into three main product lines:

- Red Line (accessories for multimedia devices);
- Black Line (accessories for motorcycles and bicycles);
- Blue Line (third party products marketed under distribution agreements).

The following tables show revenue, broken down by product line and geographical area.

Revenue from Sales by product line

	Year ended				Change	
(In thousands of Euro)	31/12/2024	% sui ricavi	31/12/2023	% of revenue	Δ	%
Red – Italy	55.307	33,7%	52.716	33,2%	2.591	4,9%
Red – International	79.928	48,7%	75.804	47,8%	4.124	5,4%
Revenue from sales - Red	**135.235**	**82,3%**	**128.520**	**81,0%**	**6.715**	**5,2%**
Black – Italy	4.024	2,4%	3.809	2,4%	215	5,6%
Black – International	4.399	2,7%	3.524	2,2%	875	24,8%
Revenue from sales - Black	**8.422**	**5,1%**	**7.333**	**4,6%**	**1.089**	**14,8%**
Blue – Italy	17.931	10,9%	20.334	12,8%	(2.404)	-11,8%
Blue – International	2.675	1,6%	2.460	1,6%	215	8,7%
Revenue from sales - Blue	**20.606**	**12,5%**	**22.795**	**14,4%**	**(2.189)**	**-9,6%**
Total Revenue from Sales	**164.263**	**100,0%**	**158.648**	**100,0%**	**5.615**	**3,5%**

- The **Red Line**, which represents the Group's core business, recorded an increase over the previous year of 5.2% (EUR 135,235 thousand in 2024 compared to EUR 128,520 thousand in 2023). In 2024, sales of the Red Line accounted for approximately 82.3% of total revenue, a slight increase over the previous year. Growth was driven by extending our business operations with selected top partners and engaging new high-potential customers;

- The **Black Line** recorded sales of EUR 8,422 thousand; an increase of Euro 1,089 thousand compared to the previous year, or 14.8%; the proportion of sales of the Black Line in 2024 (5.1%) improved compared to the previous year (4.6%). Our growth is mainly fuelled by our distribution efforts in international markets;

- The **Blue Line** recorded sales amounting to EUR 20,605 thousand, compared to EUR 22,795 thousand in 2023 a decrease of Euro 2,189 thousand or -9.6%.

Revenue from sales by geographical area

	Year ended				Change	
(In thousands of Euro)	31/12/2024	% of revenue	31/12/2023	% of revenue	Δ	%
Italy	77.262	47,0%	76.859	48,4%	402	0,5%
Spain/Portugal	15.366	9,4%	14.292	9,0%	1.074	7,5%
Germany	11.994	7,3%	12.240	7,7%	(246)	-2,0%
Eastern Europe	11.910	7,3%	11.293	7,1%	617	5,5%
Benelux	9.245	5,6%	7.961	5,0%	1.284	16,1%
Northern Europe	8.471	5,2%	7.880	5,0%	591	7,5%
France	8.359	5,1%	6.688	4,2%	1.671	25,0%
Switzerland	7.607	4,6%	8.225	5,2%	(618)	-7,5%
Great Britain	5.959	3,6%	5.412	3,4%	547	10,1%
Middle East	5.840	3,6%	5.220	3,3%	620	11,9%
North America	1.510	0,9%	1.750	1,1%	(240)	-13,7%
Others	740	0,5%	827	0,5%	(88)	-10,6%
Total Revenue from Sales	**164.263**	**100%**	**158.648**	**100,0%**	**5.615**	**3,5%**

With regard to the analysis of sales by geographical area, it should be noted that - thanks to the growth in sales recorded internationally - the share of sales in foreign markets accounted for around 53.0% of the Group's total sales, with an increase in the incidence of approximately 6.4% and an increase in the proportion of total revenues of approximately 1.4% compared with the previous year. Noteworthy are the good results from France, with an increase in revenue of Euro 1,671 thousand (+25.0%), alongside the growth within the Iberian Peninsula, where revenue increased by EUR 1,074 thousand (+7.5%) compared to the previous year. Similarly, the Benelux region saw its revenue swell by EUR 1,284 thousand, a robust 16.1% increase. A slight downturn in the revenue of Germany (decrease of Euro 246 thousand, or -2.0%) and Switzerland (decrease of Euro 618 thousand, or -7.5%) was observed, chiefly attributed to negative market dynamics.

5.2

Cost of sales

The cost of sales amounts to EUR 98,444 thousand as at 31 December 2024 (EUR 97,459 thousand as at 31 December 2023) and mainly includes the costs of purchasing and processing raw materials (EUR 92,491 thousand), personnel expense (EUR 3,068 thousand), logistics costs (EUR 2,086 thousand) and related costs (EUR 799 thousand).

5.3

Sales and distribution costs

The following table shows details of sale and distribution costs:

(In thousands of Euro)	Year ended			
	31 December 2024	% of revenue	31 December 2023	% of revenue
Sales and distribution personnel expense	13.992	8,5%	12.998	8,2%
Commissions to agents	6.984	4,3%	6.906	4,4%
Transport	4.698	2,9%	4.315	2,7%
Advertising and commercial consultancy expenses	2.229	1,4%	2.435	1,5%
Other sales and distribution costs	3.517	2,1%	2.578	1,6%
Total sales and distribution costs	**31.421**	**19,1%**	**29.233**	**18,4%**

In 2024, sales and distribution costs amounted to EUR 31,421 thousand, compared to EUR 29,233 thousand in 2023.

5.4

General and administrative costs

The following table shows the breakdown of other general and administrative costs:

(In thousands of Euro)	Year ended			
	31 December 2024	% of revenues	31 December 2023	% of revenues
Amortisation	10.286	6,3%	10.024	6,3%
Depreciation	1.729	1,1%	1.655	1,0%
Depreciation of right-of-use assets	1.676	1,0%	1.726	1,1%
Impairment losses on non-current assets	33	0,0%	6	0,0%
Provisions for risks and impairment losses	295	0,2%	907	0,6%
Administrative personnel expense	6.650	4,0%	6.177	3,9%
Administrative, legal and management consultancy	2.816	1,7%	2.780	1,8%
Commissions and fees	156	0,1%	321	0,2%
Directors' and Statutory Auditors' fees	947	0,6%	964	0,6%
Other general and administrative costs	3.239	2,0%	3.258	2,1%
Total general and administrative costs	**27.828**	**16,9%**	**27.818**	**17,5%**

General and administrative costs amounted to EUR 27,828 thousand in 2024, compared to EUR 27,818 thousand as at 2023.

5.5
Other non-operating revenue

The following table shows details of Other non-operating revenue.

(In thousands of Euro)	Year ended			
	31 December 2024	% of revenues	31 December 2023	% sui ricavi
Prior year income		% of revenues	176	0,1%
Recoveries of SIAE fees	3	0,0%	4	0,0%
(SIAE and CONAI contributions)	(197)	-0,1%	(193)	-0,1%
Other non-operating revenue	1.465	0,9%	749	0,5%
Total other non-operating revenue	**1.462**	**0,9%**	**737**	**0,5%**

Total Other non-operating revenue amounted to EUR 1,462 thousand, an increase of EUR 725 thousand compared with 2023.

5.6
Net financial expense

Net financial expense amounts to EUR 1,915 thousand (expense of EUR 1,508 thousand for 2023). The following table shows details of financial income:

(In thousands of Euro)	Year ended			
	31 December 2024	% of revenue	31 December 2023	% of revenue
Other financial income and fair value gains	3.775	2,3%	2.432	1,5%
Interest income	28	0,0%	2	0,0%
Total Financial income	**3.803**	**2,3%**	**2.434**	**1,5%**
Commissions, other financial expense and fair value losses	(3.557)	-2,2%	(1.263)	-0,8%
Interest expense on loans	(1.959)	-1,2%	(2.337)	-1,5%
Other interest expense	(201)	-0,1%	(342)	-0,2%
Total Financial expense	**(5.718)**	**-3,5%**	**(3.942)**	**-2,5%**
Net financial expense	**(1.915)**	**-1,2%**	**(1.508)**	**-0,9%**

The change in net expense for FY 2024, net of the negative effect of the fair value valuation of put &call options and derivative instruments totalling EUR 951 thousand, was EUR 544 thousand mainly due to lower bank interest expense as a result of the refinancing transaction finalised in the second half of the year and to lower interest rates

5.7
Net exchange gains

Net exchange gains showed a balance of EUR 25 thousand (EUR 622 thousand for 2023).

(In migliaia di Euro)	Year ended			
	31 December 2024	% of revenue	31 December 2023	% of revenue
Net exchange gains on trading	62	0,0%	68	0,0%
Net exchange gains/(losses) on financial transactions	(37)	0,0%	554	0,3%
Net exchange gains	**25**	**0,0%**	**622**	**0,4%**

In FY 2024, the item net exchange gains is mainly influenced by hedging transactions of US Dollar/Euro exchange rate differences.

5.8
Net gains on equity investments

Gains on equity investments amount to EUR 97 thousand as at 31 December 2024 (EUR 260 thousand for 2023) and refer exclusively to the impairment gain recognised on the investment in the associate Cellular Swiss, measured using the equity method.

5.9

Income taxes

The breakdown of Income taxes for the years ended 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Year ended	
	31/12/2024	31/12/2023
Current taxes of the year	(3.219)	(1.301)
Current taxes of previous years	(22)	(9)
Deferred tax assets/(liabilities)	2.648	656
Total income taxes	**(593)**	**(655)**

The item includes the expense for current taxes pertaining to the year, amounting to EUR 3,219 thousand, and for taxes relating to previous years, amounting to EUR 22 thousand.

Deferred taxes of EUR 2,648 thousand mainly refer to:

- income recorded in the Parent's Financial Statements of EUR 1,413 thousand for the release of a deferred tax liability, the allocation of which, made in previous years and up to 31.12.2023, was not appropriate;
- income for the release of a deferred tax liability of the Parent in the amount of EUR 278 thousand on exchange rate differences arising from foreign currency items;
- income due to the recognition of deferred tax assets of the Parent amounting to EUR 563 thousand on partially-deductible amortisation, like that of the Cellularline and Interphone trademarks, and on the accrual made to the allowance for inventory (direct) write-down;
- minor changes (in the amount of EUR 157) arising from the recognition of deferred tax assets on the Financial Statements of other Group companies;
- other minor changes arising from the consolidation entries of Subsidiaries for EUR 237 thousand and from deferred tax assets.

5.10

Basic and diluted earnings per share

Basic earnings per share were calculated by dividing the profit for the year by the average number of ordinary shares. The table below shows the details of the calculation:

(thousands of Euro)	Year ended	
	31 December 2024	31 December 2023
Profit for the year attributable to owners of the parent	5.647	3.595
Average number of ordinary shares outstanding	21.328	21.164
Basic earnings per share	**0,26**	**0,17**

(thousands of Euro)	Year ended	
	31 December 2024	31 December 2023
Group profit for the year:	5.647	3.595
Average number of outstanding shares	21.328	21.164
Number of shares with a dilutive effect	-	-
Average number of shares to calculate the diluted earnings	21.328	21.164
Diluted earnings per share	**0,26**	**0,17**

5.11

Statement of cash flows

The main factors that influenced cash flow trends in the years considered are summarised below.

Net cash flows generated by operating activities

(In thousands of Euro)	31/12/2024	31/12/2023
Cash flows from operating activities		
Profit for the year	5.647	3.595
Adjustments for:		
- Current and deferred taxes	593	655
- Net impairment losses and accruals	2.292	1.681
- Losses on equity investments	1.890	886
- Accrued financial income	(97)	(260)
- Amortisation, depreciation and impairment losses	13.724	13.405
- Other non-monetary changes	-	-
Changes in:		
- Inventories	5.069	(4.587)
- Trade receivables	(4.932)	2.498
- Trade payables	(797)	8.595
- Other changes in operating assets and liabilities	3.022	(8.287)
- Payment of employee benefits and change in provisions	-	(1)
- Taxes paid/offset	(2.993)	(1.432)
Cash flows generated by operating activities	**23.418**	**16.749**
Interest and other net charges paid	(1.890)	(3.703)
Interest and other net charges paid	-	-
Cash flows generated by operating activities	**21.527**	**13.047**

Cash flows used in investing activities

(In thousands of Euro)	Year ended	
	31 December 2024	31 December 2023
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired and other costs	-	(2.552)
Purchase of property, plant and equipment and intangible assets	(5.307)	(4.893)
Cash flows used in investing activities	**(5.307)**	**(7.445)**

Cash flows used in financing activities

(In thousands of Euro)	Year ended	
	31 December 2024	31 December 2023
Cash flows from financing activities		
(Dividend distribution)	(1.824)	-
Disbursed bank loans and borrowings and loans and borrowings from other financial backers [1] (*)	25.000	10.000
Repaid bank loans and borrowings and loans and borrowings from other financial backers (*)	(27.881)	(11.727)
Decrease in other financial liabilities	(3.871)	(245)
Other changes in equity	1.046	(592)
Other non-monetary changes in equity	(2.124)	-
Net cash flows used in financing activities	**(9.656)**	**(2.564)**

Transactions with related parties

Transactions with related parties are neither atypical nor unusual and are part of the ordinary course of business of the Group's companies. These transactions mainly concern (i) the supply of products and accessories for mobile telephony, (ii) the provision of services that are functional to the performance of the business and (iii) the granting of loans to the above-mentioned related parties. Transactions with related parties, as defined by IAS 24 and governed by Article 4 of Consob Regulation 17221 of 12 March 2010 (and subsequent amendments), implemented by the Group up to 31 December 2024 concern mainly commercial transactions relating to the supply of goods and the provision of services. The following is a list of the related parties with which transactions took place in 2024, indicating the type of relationship:

Related parties	Type and main relationship
Cellular Swiss S.A.	Associate of Cellularline S.p.A. having a 50% investment (measured using the equity method); the remaining shareholders are: Maria Luisa Urso (25%) and Antonio Miscioscia (25%)
Christian Aleotti	Shareholder of Cellularline S.p.A.

The table below shows the balances of Cellularline's transactions with related parties in 2024 in the statement of financial position:

(In thousands of Euro)	Current trade receivables	Other non-current assets	(Trade payables)
Cellular Swiss S.A.	3.316	-	(34)
Total	**3.316**	**-**	**(34)**
Impact on the financial statements item	5,9%	-	-0,1%

It should be noted that trade receivables are presented net of the related trade payables.

The table below shows the balances of the transactions with related parties carried out by Cellularline in the income statement for 2024:

(In migliaia di Euro)	Revenue from sales	(Sales and distribution costs)	(General and administrative costs)	Other non-operating expense/(revenue)
Cellular Swiss S.A.	5.262	-	(2)	-
Christian Aleotti	-	-	(11)	-
Total	**5.262**	**-**	**(13)**	**-**
Impact on the financial statements item	3,2%	-	0,1%	-

The main related parties with which Cellularline carried out transactions in 2024 are as follows:

- Cellular Swiss S.A.: commercial relationship involving the transfer of goods held for sale by Cellularline to Cellular Swiss S.A., with the latter recharging a portion of the commercial contributions incurred for the acquisition of new customers and/or the development of existing customers, in line with the Group's commercial policies;
- Christian Aleotti: two lease agreements to which Cellularline is a party, as tenant, entered into on 1 September 2017 and 16 October 2017.

It should be noted that there are no existing relations with other related parties.

6

Other information

Classes of financial instruments

Below is a breakdown of the financial assets and liabilities required by IFRS 7 according to the categories envisaged by IFRS 9 at 31 December 2024 and 31 December 2023.

		Carrying amount			Fair value level		
(In thousands of Euro)	Carrying amount as at 31/12/2024	Amortised cost	FV to OCI	FV to PL	Level 1	Level 2	Level 3
Cash and cash equivalents	20.753	20.753	-	-	-	-	-
Trade receivables and other assets	65.834	65.834	-	-	-	-	-
Other financial assets	341	-	-	341	-	341	-
Total financial assets	**86.928**	**86.928**	**-**	**-**	**-**	**-**	**-**
Financing	34.889	34.889	-	-	-	-	-
Trade payables and other liabilities	40.011	40.011	-	-	-	-	-
Other financial liabilities	8.212	-	-	8.212	-	8.212	-
Total financial liabilities	**83.112**	**74.900**	**-**	**8.212**	**-**	**8.212**	**-**

		Carrying amount			Fair value level		
(In thousands of Euro)	Carrying amount as at 31/12/2023	Amortised cost	FV to OCI	FV to PL	Level 1	Level 2	Level 3
Cash and cash equivalents	14.041	14.041	-	-	-	-	-
Trade receivables and other assets	64.525	64.525	-	-	-	-	-
Other financial assets	338	338	-	-	-	-	-
Total financial assets	**78.904**	**78.904**	**-**	**-**	**-**	**-**	**-**
Financing	37.770	37.770	-	-	-	-	-
Trade payables and other liabilities	41.269	41.269	-	-	-	-	-
Other financial liabilities	10.878	-	-	10.878	-	10.878	-
Total financial liabilities	**89.917**	**79.039**	**-**	**10.878**	**-**	**10.878**	**-**

IFRS 13 establishes a fair value hierarchy that classifies the inputs of the valuation techniques adopted to measure fair value into three levels. The fair value hierarchy gives the highest priority to prices (unadjusted) quoted in active markets for identical assets or liabilities (Level 1 data) and the lowest priority to unobservable inputs (Level 3 data). In some cases, the data used to measure the fair value of an asset or liability could be classified into different levels of the fair value hierarchy. In such cases, the fair value measurement is classified entirely at the same level of the hierarchy in which the lowest level input is classified, taking into account its importance for the measurement.
The levels used in the hierarchy are:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

It should be noted that put &call options and derivative financial instruments are measured at fair value. For financial instruments measured at amortised cost, the carrying amount is also considered to be a reasonable approximation of their fair value.

Contingent liabilities

On the basis of the information available to date, the parent's Directors believe that, at the date of approval of these consolidated Financial Statements, the accrued provisions are sufficient to ensure the correct presentation of financial information.

Risks

The Group is exposed to the various risks already illustrated in Paragraph 13 of the Directors' Report.

Guarantees granted in favour of third parties

There are guarantees in favour of third parties, in particular for a customer for EUR 600 thousand and rental guarantees for EUR 11 thousand.

Number of employees

The average number of employees of the Group for the year, broken down by category, was as follows:

AVERAGE NUMBER OF EMPLOYEES		
HEADCOUNT	**Average 2024**	**Average 2023**
Managers	14	15
Junior managers	41	45
Clerical staff	221	217
Blue collar workers	1	1
Apprentices	17	13
TOTAL	**295**	**291**

Remuneration of Executive Directors and Key Managers

The following table shows the fees:

Category	2024	2023
(In thousands of Euro)		
Executive Directors	998	995
Other key managers	235	242
Total remuneration	**1.233**	**1.237**

The remuneration of the Executive Directors includes both the emolument for this office and the remuneration as executives.

Directors' and Statutory Auditors' fees

The Directors' fees for 2024 amounted to approximately EUR 310 thousand.
The Board of Statutory Auditors' fees for 2024 amounted to approximately EUR 76 thousand.

Independent Auditors' fees

The Parent is required to prepare Consolidated Financial Statements and, by resolution of the Shareholders' Meeting of 16 April 2019, appointed KPMG S.p.A. as Independent Auditor until the approval of the 2027 Financial Statements. Fees for the statutory audit of the Parent's and the Group's separate and consolidated Financial Statements (annual and half-yearly) amounted to a total of approximately EUR 180 thousand, in addition to EUR 63 thousand for other appointments for the issue of an attestation and EUR 11 thousand for other accounting services as shown in the following table:

(In migliaia di Euro)

Type of services	Recipient	KPMG Network	2024
A) Audit services	Parent	KPMG S.p.A.	148
		KPMG Network	-
B) Attestation services	Parent	KPMG S.p.A.	63
		KPMG Network	-
C) Other services	Parent	KPMG S.p.A.	8
		KPMG Network	-
Total - Parent			**219**
A) Audit services	Subsidiaries	KPMG S.p.A.	13
		KPMG Network	19
B) Attestation services	Subsidiaries	KPMG S.p.A.	-
		KPMG Network	-
C) Other services	Subsidiaries	KPMG S.p.A.	3
		KPMG Network	-
Total - Subsidiaries			**35**

Key events after the reporting date

- From the beginning of FY 2025 until today, Cellularline S.p.A., within the scope of the authorisation to repurchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased 242,390 ordinary treasury shares for a total value of EUR 634 thousand. As of today, Cellularline directly holds 811,171 treasury shares, equal to 3.71% of the share capital with voting rights.

- On 26 February 2025, the Board of Directors approved the 2025-2028 Business Plan.

- In March 2025, the liquidation proceedings of the company Subliros S.L. is underway as part of the Group's e-commerce streamlining efforts, concentrating business operations on its subsidiary, Coverlab S.r.l.

Reggio Emilia, lì 10 marzo 2025

Chair of the Board of Directors
Antonio Luigi Tazartes

Attestation of the consolidated financial statements as at and for the year ended 31 december 2024

Pursuant to art. 81-TER of consob regulation No. 11971 of 14 may 1999, as amended and supplemented

1. We, the undersigned Christian Aleotti, as Chief Executive Officer, and Mauro Borgogno, in his capacity as Manager responsible for preparing the financial information of the Cellularline Group, attest, also considering the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:
   - that the consolidated Financial Statements are consistent with the characteristics of the business;
   - that the administrative and accounting procedures for the preparation of the Consolidated Financial Statements as at and for the year ended 31 December 2024 have been effectively applied.

2. In this regard, we note that no significant issues emerged.

3. We also attest that:

3.1. The Consolidated Financial Statements as at and for the year ended 31 December 2024 of the Cellularline Group:

- have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond with the entries in the ledgers and the accounting records;
- give a true and fair view of the performance and financial position of the issuer and of all the companies included in the consolidation scope.

3.2. The Directors' Report includes a reliable analysis of the performance and results of operations as well as of the issuer's position and of all the companies included in the consolidation scope, together with a description of the main risks and uncertainties to which they are exposed.prese incluse nel consolidamento, unitamente alla descrizione dei principali rischi e incertezze cui sono esposte.

Reggio Emilia, 10 marzo 2025

Christian Aleotti	**Mauro Borgogno**
Chief Executive Officer	Manager responsible for preparing the financial information

2.4

Separate Financial Statements

as at and for the year ended 31 December 2024

SEPARATE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2024

2.4

Separate financial statements as at 31 december 2024

Statement of financial position

(thousands of Euro)	Notes	31/12/2024	Of which related parties	31/12/2023	Of which related parties
ASSETS					
Non-current assets					
Intangible assets	6.1	33.596		39.333	
Goodwill	6.2	18.432		18.432	
Property, plant and equipment	6.3	4.997		5.282	
Equity investments in subsidiaries and associates	6.4	24.940		23.561	
Right-of-use assets	6.5	1.816		2.622	
Deferred tax assets	6.6	5.765		5.203	
Financial assets	6.7	2.522	2.498	6.912	6.912
Total non-current assets		**92.067**		**101.344**	
Current assets					
Inventories	6.8	31.343		37.710	
Trade receivables	6.9	55.419	20.038	48.864	17.341
Current tax assets	6.10	257		415	
Financial assets		341		269	
Other assets	6.11	7.376	115	10.392	75
Cash and cash equivalents	6.12	13.906		6.356	
Total current assets		**108.642**		**104.005**	
TOTAL ASSETS		**200.709**		**205.349**	
EQUITY AND LIABILITIES					
Equity					
Share capital	6.13	21.343		21.343	
Other reserves	6.13	103.913		103.189	
Retained earnings	6.13	26		2.420	
Profit for the year		4.021		1.136	
TOTAL EQUITY		**129.302**		**128.089**	

(thousands of Euro)	Notes	31/12/2024	Of which related parties	31/12/2023	Of which related parties
LIABILITIES					
Non-current liabilities					
Bank loans and borrowings and loans and borrowings from other financial backers	6.14	21.149		8.600	
Deferred tax liabilities	6.6	39		1.727	
Employee benefits	6.15	204		211	
Provisions for risks and charges	6.17	1.667		1.795	
Other financial liabilities	6.21	607		1.909	
Total non-current liabilities		**23.666**		**14.242**	
Current liabilities					
Bank loans and borrowings and loans and borrowings from other financial backers	6.14	13.739		29.169	
Trade payables	6.18	27.144	1.291	27.296	605
Current tax liabilities	6.19	1.593		1.268	
Provisions for risks and charges	6.17	-		-	
Other liabilities	6.20	3.925		4.221	
Other financial liabilities	6.21	1.339		1.063	
Total current liabilities		**47.741**		**63.017**	
TOTAL LIABILITIES		**71.407**		**77.260**	

Income Statement

(thousands of Euro)	Notes	31/12/2024	Of which related parties	31/12/2023	Of which related parties
Revenue from sales	7.1	130.899	23.005	126.766	20.832
Cost of sales	7.2	(83.067)	(1.993)	(81.560)	(1.491)
Gross operating profit		**47.832**		**45.206**	
Sales and distribution costs	7.3	(21.206)		(19.534)	61
General and administrative costs	7.4	(21.310)	(13)	(21.500)	(12)
Other non-operating revenue	7.5	2.010	415	476	(145)
Operating profit		**7.325**		**4.649**	
Financial income	7.6	718	278	313	177
Financial expense	7.6	(3.341)		(3.862)	
Net exchange gains	7.7	66		674	
Net losses on equity investments		(410)		-	
Profit before taxes		**4.360**		**1.774**	
Current and deferred taxes	7.8	(339)		(638)	
Profit for the year		**4.021**		**1.136**	

Statement of comprehensive income

(thousands of Euro)	Notes	31/12/2024	31/12/2023
Profit for the year		**4.021**	**1.136**
Other components of comprehensive income that will not be reclassified to profit or loss			
Actuarial gains (losses) on defined benefit plans		2	(19)
Actuarial gains (losses) on provisions for risks		1	(79)
Gains/(losses) on translation of foreign operations		-	-
Related taxes		(1)	27
Other components of comprehensive income (expense) for the year		**2**	**(71)**
Comprehensive income for the year		**4.023**	**1.065**

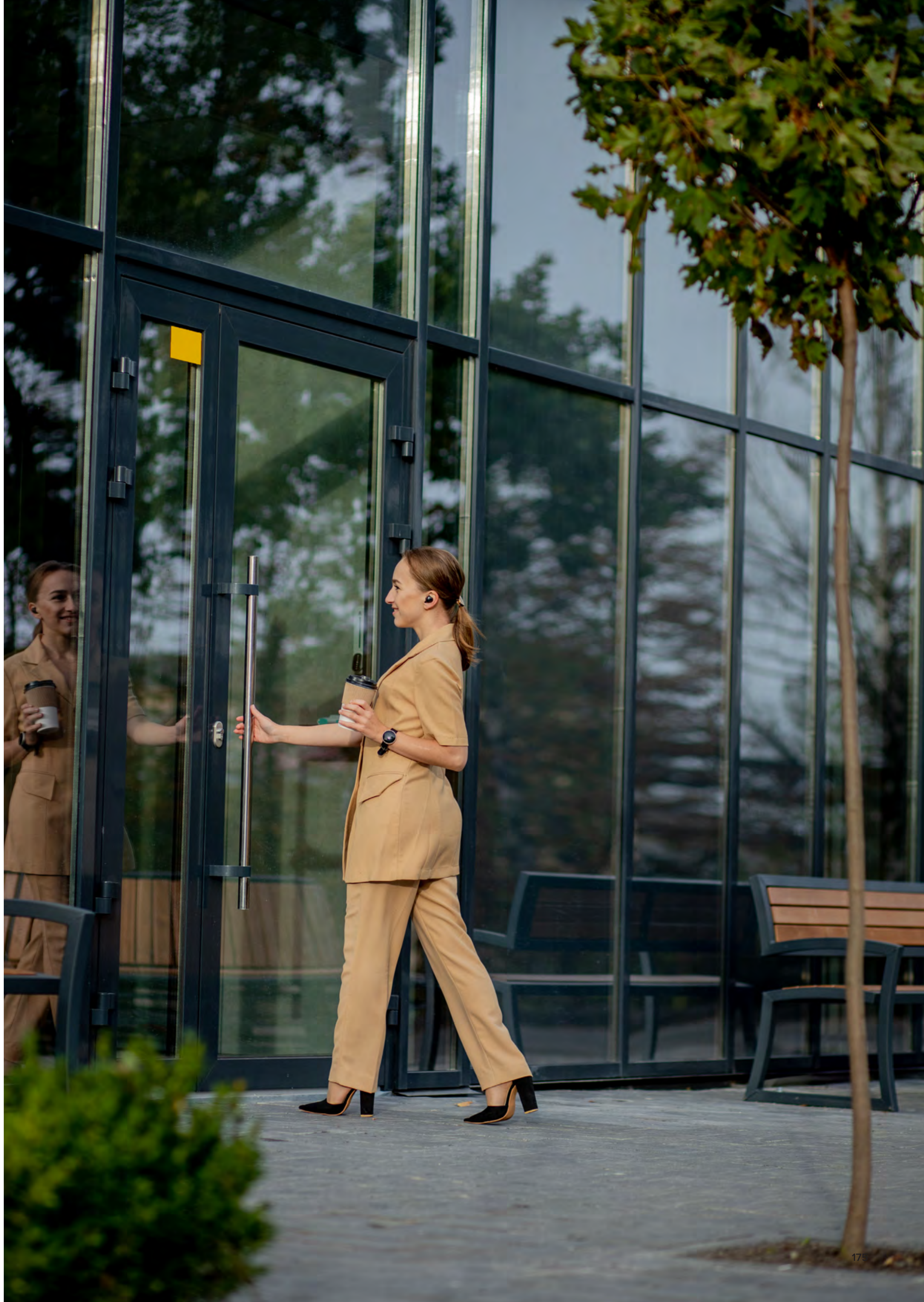
Statement of cash flows

(thousands of Euro)	Notes	31/12/2024	31/12/2023
Profit for the year		4.021	1.136
Amortisation, depreciation and impairment losses		11.044	10.842
Net impairment losses and accruals		1.937	1.203
Accrued financial (Income)/expenses and exchange (Gains)/losses		2.556	2.875
(Gains)/losses on equity investments		410	-
Current and deferred taxes		339	638
Other non-monetary changes		(913)	-
Cash flow generated by operating activities net of NWC		**19.394**	**16.694**
(Increase)/decrease in inventories		4.587	(2.866)
(Increase)/decrease in trade receivables		(6.646)	(374)
Increase/(decrease) in trade payables		(151)	8.415
Increase/(decrease) in other assets and liabilities		2.721	(6.469)
Payment of employee benefits and change in provisions		(201)	(18)
Income taxes paid and offset		(2.107)	(933)
Cash flow generated by operating activities		**17.595**	**14.447**
Interest paid and other net charges paid		(2.556)	(2.901)
Net cash flows generated by operating activities		**15.039**	**11.547**
Acquisition of subsidiary, net of cash acquired		(643)	(2.945)
Purchase of property, plant and equipment and intangible assets		(4.216)	(3.977)
Cash flows used in investing activities		**(4.859)**	**(6.922)**
(Dividends distributed)		(1.824)	-
Other financial assets and liabilities		(3.058)	(1.761)
Disbursed bank loans and borrowings and loans and borrowings from other financial backers (*)		25.000	10.000
Repaid bank loans and borrowings and loans and borrowings from other financial backers (**)		(27.881)	(10.749)
Other changes in equity		(1.875)	(508)
Other non-monetary changes in equity		892	(71)
Net cash flows used in financing activities		**(2.630)**	**(3.088)**
Increase in cash and cash equivalents		**7.550**	**1.538**
Opening cash and cash equivalents	**6.12**	**6.356**	**4.818**
Closing cash and cash equivalents	**6.12**	**13.906**	**6.356**

(*) New loans/new borrowings
(**) In order to provide better comparability, these items for 31 December 2023 have been reclassified

Statement of changes in equity

(thousands of Euro)	Notes	Share Capital	Other reserves	Retained earnings	Risultato d'esercizio	Profit for the year	Total Equity
Balance as at 31 December 2022		**21.343**	**166.260**	**15.821**	**(75.893)**	**-**	**127.531**
Profit for the year		-	-	-	1.136	-	1.136
Other components of the statement of comprehensive income		-	(71)	-	-	-	(71)
Total comprehensive income for the year		**-**	**(71)**	**-**	**1.136**	**-**	**1.066**
Allocation of profit for previous year		-	(75.893)	-	75.893	-	-
Dividend distribution		-	-	-	-	-	-
Other changes		-	508	-	-	-	508
Balance as at 31 December 2023		**21.343**	**89.789**	**15.821**	**1.136**	**-**	**128.089**
Profit for the year		-	-	-	4.021	-	4.021
Other components of the statement of comprehensive income		-	2	-	-	-	2
Comprehensive income for the year		**-**	**2**	**-**	**4.021**	**-**	**4.023**
Allocation of profit for previous year		-	-	1.136	(1.136)	-	0
Dividend distribution		-	1.697	(3.521)	-	-	(1.824)
Purchase of treasury shares			(1.875)	-	-	-	(1.875)
Other changes		-	(985)	-	-	-	(985)
Balance as at 31 December 2024	**6.13**	**21.343**	**90.502**	**13.436**	**4.021**	**-**	**129.302**



2.5

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2024

1

Introduction

Cellularline S.p.A. (hereinafter also “Cellularline” or the “Company”), a company incorporated under Italian law with registered office in Reggio Emilia, Via G. Lambrakis 1/a, is one of the main operators in the smartphone and tablet accessories sector in the EMEA area, as well as a market leader in Italy; moreover, in terms of volume, the Company ranks among the top operators in Switzerland, Spain, Belgium, the Netherlands, Germany and Austria and boasts a strong competitive position in the other European countries.
The Separate Financial Statements are submitted for approval by the Shareholders’ Meeting convened for 17 April 2025, in line with the financial calendar approved by the Board of Directors on 11 December 2024.
Since 22 July 2019, Cellularline shares have been listed on the STAR segment of the Milan Stock Exchange.
As at 31 December 2024, the shareholders of Cellularline holding more than 5% of the share capital with voting rights are as follows:

- Christian Aleotti 12,37%
- First Capital S.p.A. 7,77%
- Quaero Capital S.A. 7,19%

2

Basis of preparation and summary of accounting policies

The basis of preparation and the main accounting policies adopted in the preparation of the Separate Financial Statements as at and for the year ended 31 December 2024 are described below. They have been applied consistently for all previous years. The purpose of the Notes is to illustrate the accounting policies adopted, to provide the information required by IAS/IFRS that is not contained in other parts of the Separate Financial Statements, as well as to provide additional information that is not shown in the financial schedules, but is required to give a true and fair view of the Company’s operations.

2.1

Basis of presentation

With reference to the use of the going concern assumption in the preparation of the Separate Financial Statements, the joint co-ordination table between the Bank of Italy, Consob and Isvap on the application of IAS/IFRS, with document no. 2 of 06.02.2009 “Information to be provided in financial reports on the going concern assumption, financial risks, impairment testing of assets and uncertainties in the use of estimates”, as well as with the subsequent document no. 4 of 04.03.2010, requires Directors to make particularly accurate assessments on the existence of the going concern assumption.
In addition, paragraphs 25-26 of IAS 1 state that: “When preparing financial statements, management shall make an assessment of the entity’s ability to continue as a going concern. An entity shall prepare the financial statements on a going concern basis unless management intends to liquidate the entity or cease trading, or has no realistic alternative but to do so”.
Therefore, when preparing the separate Financial Statements at 31 December 2024, the Directors carried out a prospective evaluation of the Company’s ability to continue to constitute a functioning economic complex intended for the production of income for a foreseeable future period of time, relating to a period of at least twelve months from the date of the Financial Statements. This assessment was also made taking into account:
- the positive evolution of the reference market recorded in the last few years, which was associated with a significant increase in sales revenue, as well as forecasts regarding future trends in revenue and core business;
- the positive economic and financial development forecasts contained in the 2025-2028 Business Plan approved by the Com-

pany on 26 February 2025;
- the (past and expected) ability of the Company to continue to generate positive cash flows that, together with available credit lines, enable them to meet expected payment commitments;
- the high level of capitalisation of the Company. The Separate Financial Statements as at and for the year ended 31 December 2024 have been prepared on a going concern basis. The Financial Statements are expressed in Euro, which is the Company's functional currency. For the sake of clarity, the mandatory items under IAS 1 that show nil balances in both comparative periods have been omitted from the schedules and tables. The following schedules have been used in the preparation of these Separate Financial Statements:

- **Statement of financial position:** it presents current and non-current assets separately from current and non-current liabilities, with a description in the Notes, for each asset and liability item, of the amounts that are expected to be settled or recovered within or after 12 months from the reporting date.

- **Income statement:** the classification of costs in the income statement is based on their function, showing the intermediate results relating to gross operating profit/(loss), net operating profit/(loss) and profit/(loss) before taxes.

- **Statement of comprehensive income:** this statement includes the profit/(loss) for the year and the expenses and income recognised directly in equity for transactions other than those carried out with the owners.

- **Statement of cash flows:** the statement of cash flows shows cash flows from operating, investing and financing activities. Cash flows from operating activities are presented using the indirect method, through which the profit for the year is adjusted by the effects of non-monetary transactions, any deferral or accrual of previous or future collections or payments and revenue connected with the cash flows deriving from investing or financing activities.

- **Statement of changes in equity:** this statement includes, in addition to the result of the statement of comprehensive income, also the transactions that took place directly with the owners who acted in this capacity and the details of each component. Where applicable, it also includes the effects of changes in accounting policies for each item of equity.

- **Notes to the Financial Statements.**

The income statement presents the following results, since Management believes that they are significant for the purposes of providing a better understanding of the Company's results:
- Gross operating profit: this is the difference between revenue from sales and services and the cost of sales;
- Operating profit: this is the profit for the year before financial income and expense and income taxes.

These operating results are not accounting measures in accordance with the IFRS and, therefore, should not be considered a substitute for assessing performance. Furthermore, the criteria for determining these operating results may not be consistent with those adopted by other companies and, therefore, that these data may not be comparable. The Statement of Cash Flows has been prepared using the indirect method and shows the cash flows for the year, classifying them under operating, investing and financing activities. With reference to CONSOB Resolution no. 15519 of 27 July 2006 on financial statement formats, it should be noted that the income statement and statement of financial position include mention of transactions with related parties.

2.2

Use of estimates and judgements in the preparation of the Separate Financial Statements

In preparing the Separate Financial Statements, Management has had to make judgements, estimates and assumptions that influence the application of the accounting policies and the amounts of assets, liabilities, costs and revenue recognised. However, since these are estimates, actual results will not necessarily be the same as those represented here; these estimates and assumptions are regularly reviewed.

Significant subjective judgements made by Management in the application of the accounting policies and the main sources of uncertainty in estimates are listed below.

FAIR VALUE MEASUREMENT

When measuring the fair value of an asset or liability, the Company makes use of observable market data as far as possible.

The fair values are divided into various hierarchical levels based on the input data used in the valuation techniques, as illustrated below:

- Level 1 inputs are quoted prices (unadjusted) on active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

If the inputs used to measure the fair value of an asset or a liability might be categorised within different levels of the fair value hierarchy, the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level of input that is significant to the entire measurement.

IMPAIRMENT TEST

The Company reviews the carrying amount of its non-financial assets at each reporting date in line with IAS 36 so as to determine whether there are any indicators of impairment.

If an impairment indicator exists, then the carrying amount of the assets must undergo an impairment test. Goodwill undergoes an impairment test at least annually.

For the purpose of preparing the Financial Statements for the year ended 31 December 2024, the Directors identified an impairment indicator because the carrying amount of equity was higher than the value of the stock market capitalisation at the same date.

According to the provisions of paragraph 22 of IAS 36, the impairment test must be performed “for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs, unless either:

- the asset’s fair value less costs of disposal is higher than its carrying amount; or
- the asset’s value in use can be estimated to be close to its fair value less costs of disposal and fair value less costs of disposal can be measured”.

Generally, most assets do not have the characteristics to be tested individually and therefore the impairment test is performed at CGU level.

The Company has identified a single CGU, which corresponds to the entire Cellularline Group, to which goodwill and other intangible assets recognised as a result of business combinations are allocated. This CGU coincides with the only Operating Segment.

This CGU:

- represents the minimum level at which information on goodwill and such other intangible assets is available and monitored for internal management purposes, and
- this level is no larger than an Operating Segment as defined by IFRS 8 before applying the aggregation criteria.

For the purpose of the impairment test, the value in use of the Company’s invested capital is therefore derived from the impairment test carried out at the Consolidated Financial Statements level, making the following adjustments to the Consolidated Enterprise Value:

- Deduction of the net financial position pertaining to subsidiaries
- Deduction of the liability recognised in the Consolidated Financial Statements for put options relating to minority interests in the above-mentioned subsidiaries

In order to verify the recoverability of goodwill, this value is compared with Cellularline S.p.A.’s net invested capital, including goodwill and investments in subsidiaries. Refer to Note “6.2 Goodwill” for more detailed information.

Valuation of receivables

The loss allowance reflects the Directors’ estimate of credit losses on trade receivables. It is estimated based on the expected credit losses, taking into account expected future changes in the counterparties’ credit ratings, current and previous past due amounts, losses and collections, monitoring of credit quality and projections of economic and market conditions. The Company has adopted a specific credit assessment and allowance determination procedure.

Valuation of inventories

The allowance for inventory write-down reflects the estimate of the losses in the value of inventories, that have already occurred or that are expected to occur determined on the basis of past experience, and historical and expected sales trends. The allowance for inventory write-down takes into account the commercial obsolescence for each category of products on the basis of inventory turnover rates, market values and specific technical assessments related to technological developments.

Valuation of the Stock Grant plan

The valuation of the Stock Grant plans, granted during the three-year period 2021-2023 and the subsequent three-year period 2024-2026, was carried out based on the guidance contained in International Financial Reporting Standard 2 (IFRS 2) - “Share-based payments”.

Recoverability of deferred tax assets

The Separate Financial Statements include deferred tax assets. These deferred taxes have been recorded taking into consideration their recoverability, on the basis of the future income expectations of the companies.

Provisions for risks

As it operates globally, the Company is subject to legal and tax risks deriving from normal operations. The Company recognises and measures contingent liabilities on the basis of assumptions mainly relating to the probability and extent of the financial outlay.

2.3

Most significant accounting policies used in the preparation of the Separate Financial Statements

Transactions in foreign currencies are translated into the Company's functional currency at the exchange rate in force at the transaction date. Monetary items in foreign currency at the reporting date are translated into the functional currency using the exchange rate at that date. Non-monetary items that are measured at fair value in a foreign currency are translated into the functional currency using the exchange rates in force on the date on which the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate in force at the transaction date. Foreign exchange gains and losses arising from the translation are generally recognised in profit or loss for the year under financial income and expense.

INTANGIBLE ASSETS

Intangible assets acquired or generated internally are recognised as assets, in accordance with IAS 38, when it is probable that the use of the asset will generate future economic benefits and when the cost of the asset can be reliably determined. Intangible assets with finite useful lives are measured at the costs incurred to acquire or internally generate the asset, net of accumulated amortisation and impairment losses.
Intangible assets are amortised on a straight-line basis over their estimated useful life, which is the estimated period over which the assets will be used by the Company.

The amortisation rates used are summarised below, by category of intangible assets:

Category	Amortisation rate
Development costs	50%-33%
Customer relationships	7,7%
Software	33%
Licenses	33-50%
Cellularline trademark	5,5%
Interphone trademark	10%
Other	33%

If the licences refer to specific service contracts, they are amortised over the term of the relevant contract.
Some of the above items are detailed below.

DEVELOPMENT COSTS

Costs incurred for research and development projects are those incurred with the aim of studying and acquiring knowledge for new or improved products, processes and services. If these costs reflect a multi-year utility, i.e., if they have benefits that manifest themselves over several years, they may be capitalised, otherwise they are charged to the income statement in the year in which they are incurred.
Advertising expenses, which do not meet the requirements of IAS 38, are taken to profit or loss for the year.

CUSTOMER RELATIONSHIPS

The purchase price allocation procedure entailed the appraisal of the Company's customer relationship, as the sum of its customer relationships relating to the Red, Blue and Black Lines. Customer relationships refer to the existing contracts with key customers, enabling the Company to limit access by third parties through the consolidated relationship it has established with customers. The fair value of customer relationships can be reliably measured as it is possible to identify the economic benefits attributable to this asset by monitoring the revenue generated by individual customers for each product line. The residual useful life, also considering the customer attrition rate, i.e. the percentage of customers who historically interrupt their trade relationships with the Company after a given period of time, can be estimated at 13 years.

SOFTWARE, LICENSE AND TRADEMARKS

This item mainly includes the effect of the purchase price allocation procedure for the fair value of the Cellularline and Interphone brands. For the purpose of estimating the fair value, a royalty rate was considered, based on the analysis of comparable market transactions, and applied to the cash flows attributable to each asset. These flows were expressed net of marketing costs aimed at maintaining the intangible asset at the conditions in which it was at the measurement date and net of the related tax burden. The value of the asset is the sum of the present values of the cash flows. The trademarks in question may be separated from the Company and transferred, sold or licensed for use to a third party and the Company has the option of limiting access by third parties as they are registered trademarks. In addition, the Company receives the economic benefits attributable to them, reflected in the revenue of the Red Line for the Cellularline brand, recognised in Europe for smartphone and tablet accessories for over 25 years, and in the revenue of the Black division for the Interphone brand. The estimated useful lives of these trademarks are 18 and 10 years, respectively. Software costs, including ancillary expense, relate to software acquired for the Group's use. Licenses refer to software licenses dedicated to specific service contracts.

GOODWILL

Goodwill acquired in business combinations is initially recognised at cost and represents the excess of the acquisition cost over the Company's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the acquirees. Any negative difference, "negative goodwill", is recognised in profit or loss at the time of acquisition. When a subsidiary is acquired in a business combination achieved in stages, the individual assets and liabilities of the subsidiary are not measured at fair value in each subsequent stage and goodwill is only determined in the first acquisition stage. After initial recognition, goodwill is shown net of impairment losses, determined as described below. At the acquisition date, any emerging goodwill is allocated to each of the cash generating units expected to benefit from the synergies achieved as a result of the acquisition. Any impairment losses are identified through assessments of the ability of each cash-generating unit to generate cash flows capable of recovering the portion of goodwill allocated to it, in the manner indicated in the section on property, plant and equipment. If the recoverable amount of the cash-generating unit is lower than the carrying amount, an impairment loss is recognised. This impairment loss is not reversed if the reasons for it no longer exist. When part or all of an acquiree whose acquisition generated goodwill is sold, the residual carrying amount of goodwill is considered when calculating the gain or loss on the sale.

Goodwill is not subject to amortisation.

IMPAIRMENT TEST

Please refer to paragraph "2.2 Use of estimates and judgements in the preparation of the Separate Financial Statements – Impairment Test" and to the results of the impairment test as at 31 December 2024 reported in section 6.2.1.

PROPERTY, PLANT AND EQUIPMENT

Property, plant, machinery and industrial equipment (including that under finance lease) used for the production or supply of goods and services are recognised at historical cost, net of accumulated depreciation and any impairment losses; the cost also includes any costs directly incurred to prepare the assets for use. Interest expense incurred on loans obtained to purchase or construct property, plant and equipment is recognised as an increase in the assets only in the case of assets that meet the requirements for recognition as such, i.e. they require a significant period of time to be ready for use or marketable. Ordinary maintenance and repair costs are taken directly to profit or loss for the year in which they are incurred, while maintenance costs that increase the value of assets are allocated to such assets and depreciated with the asset on the basis of its residual possibility of use. Assets under construction and payments on account are recognised as assets based on the cost incurred and/or the advance paid, including directly attributable expenses. Depreciation is calculated on a straight-line basis considering the cost of the assets, net of their residual values (when reasonably estimable), over their estimated useful lives, applying the following rates (main categories):

Category	Depreciation rate
Buildings	3%
Plants and machinery	12-30%
Industrial and commercial equipment	15%
Other assets	12-15-20-25%

Assets intended for specific service contracts are an exception and are depreciated according to the duration of the contract. Depreciation begins when the assets are available for use and is calculated at half the normal rate in the year when the assets are placed in service, with the exception of property, plant and equipment allocated for instrumental use on specific service contracts, which are depreciated in proportion to the remaining days of the service contract. Gains and losses on the sale or disposal of assets are determined as the difference between the revenue from sale and the asset's carrying amount, and are recognised in profit or loss for the year.

EQUITY INVESTMENTS IN SUBSIDIARIES

Cellularline controls a company when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Controlling interests are initially recognised at fair value and subsequently measured at cost, adjusted by any subsequent impairment.

EQUITY INVESTMENTS IN ASSOCIATES

The Company's investments in associates are measured using the equity method. An associate is a company over which the Company has significant influence but which cannot be classified as a subsidiary or joint venture. Therefore, the investment in an associate is recognised in the statement of financial position at cost, subsequently adjusted for the post-acquisition changes in the Company's interest in the associate's equity. Goodwill relating to the associate is included in the carrying amount of the investment and is not subject to amortisation. After application of the equity method, the Company determines whether there is any objective evidence that its net investment in the associate is impaired. The income statement reflects the Company's share of the associate's profit/(loss) for the year. If an associate recognises adjustments directly in equity, the Company recognises its share and presents it, where applicable, in the statement of changes in equity.

EQUITY INVESTMENTS IN OTHER COMPANIES

Investments in other unconsolidated and unrelated companies are measured at cost, including incidental expenses.

FINANCIAL ASSETS AND LIABILITIES

The application of IFRS 9 has not had a significant impact on financial assets and liabilities.
The standard introduces a new model of hedge accounting in order to update the requirements of the current IAS 39. The main updates concern:

- changes to the effectiveness test by replacing the current 80-125% parameter-based approach, with the principle of the "economic relationship" between the hedged item and the hedging instrument; moreover, an assessment of the retrospective effectiveness of the hedging relationship is no longer required;
- the increase in the types of transactions eligible for hedge accounting, also including the risks of non-financial assets/liabilities eligible for hedge accounting;
- the change in the accounting treatment of forward contracts and options when they are included in a hedging relationship in order to reduce the volatility in the income statement.

RECOGNITION AND MEASUREMENT

Trade receivables and debt instruments issued are recognised when they originate. All other financial assets and liabilities are initially recognised at the trade date, i.e. when the Company becomes a contractual party to the financial instrument. With the exception of trade receivables that do not contain a significant financing component, financial assets are initially measured at fair value plus or minus - in the case of financial assets or liabilities not at Fair Value Through Profit or Loss (FVTPL) - transaction costs directly attributable to the acquisition or issue of the financial asset. At initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price.

CLASSIFICATION AND SUBSEQUENT MEASUREMENT

Upon initial recognition, a financial asset is classified as either at amortised cost or fair value through profit or loss (FVTPL).
Financial assets are not reclassified after initial recognition, unless the Company changes its business model for managing financial assets. In this case, all the financial assets concerned are reclassified on the first day of the first reporting period following the change in the business model.
A financial asset shall be measured at amortised cost if it is not designated as at FVTPL and both of the following conditions are met:

- the financial asset is held as part of a business model whose objective is to hold assets to collect contractual cash flows;
- the contractual terms of the financial asset provide for cash flows at certain dates that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or Fair Value Through Other Comprehensive Income (FVOCI), as indicated above, are measured at FVTPL. Upon initial recognition, the Company may irrevocably designate the financial asset as measured at FVTPL if, by doing so, it eliminates or significantly reduces an accounting mismatch that would otherwise result from measuring the financial asset at amortised cost or at FVOCI.

FINANCIAL ASSETS: SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

- **Financial assets measured at FVTPL** are subsequently measured at fair value. Net gains and losses, including dividends or interest received, are recognised in profit or loss for the year.

- **Financial assets measured at amortised cost** are subsequently measured at amortised cost in accordance with the effective interest method. The amortised cost is reduced by impairment losses. Interest income, exchange gains and losses and impairment losses are recognised in profit or loss for the year as are any gains or losses from derecognition.

FINANCIAL LIABILITIES: CLASSIFICATION, SUBSEQUENT MEASUREMENT AND GAINS AND LOSSES

Financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense and exchange gains and losses are recognised in profit or loss, along with any gains or losses on derecognition.

DERECOGNITION

- **Financial assets** assets are derecognised when the contractual rights to cash flows from the financial asset expire, when the contractual rights to receive cash flows are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or when the Company does not transfer nor substantially retain all the risks and rewards of ownership of the financial asset and has not retained control of the financial asset.

- **Financial liabilities** are derecognised when the obligation specified in the contract is discharged or cancelled or expires. The Company also derecognises a financial liability in the event of a change in the related contractual terms when the cash flows of the modified liability are substantially different. In this case, a new financial liability is recognised at fair value on the basis of the modified contractual terms. The difference between the carrying amount of the financial liability settled and the consideration paid (including assets not represented by transferred cash and cash equivalents or assumed liabilities) is recognised in profit or loss for the year.

OFFSETTING

Financial assets and financial liabilities can be offset and the amount resulting from the offset is presented in the statement of financial position if, and only if, the Company has both the legal right to offset the amounts and intends either to settle on a net basis or to realise the financial asset and settle the financial liability simultaneously.

IMPAIRMENT LOSSES

Financial instruments and contract assets

The Company recognises loss allowances considering lifetime credit losses. Loss allowances for trade receivables and contract assets are always recognised considering lifetime credit losses. To determine whether the credit risk of a financial asset has increased significantly after initial recognition, in order to estimate the expected credit losses, the Company considers information that reflect reasonable and supportable assumptions that are relevant and available. This includes quantitative and qualitative information and analyses, based on the Company's historical credit losses, on credit assessments and information on expected developments. Lifetime expected credit losses are expected credit losses that result from all possible default events over the expected life of a financial instrument. 12-month expected credit losses are the expected credit losses that result from default events on a financial instrument that are possible within twelve months after the reporting date (or a shorter period of time if the expected life of a financial instrument is less than 12 months).
The maximum period to consider when assessing expected credit losses is the maximum contractual period during which the Company is exposed to credit risk.

IMPAIRED FINANCIAL ASSETS

At each reporting date, the Company assesses whether financial assets measured at amortised cost are credit-impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the Company or of the debtor;
- a breach of contract, such as a default or past-due event (more than 90 days);
- the restructuring of a debt or an advance by the Company under conditions that the Company would not otherwise consider;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties.

WRITE-OFF

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. The Company's policy is to write off the gross carrying amount when the financial asset is more than 90 days past due, based on its historical credit losses of similar assets. Financial assets that have been written off could still be claimed in accordance with the Company's credit recovery procedures.

NON-FINANCIAL ASSETS

At each reporting date, the Company verifies whether there is objective evidence of impairment based on the carrying amounts of its non-financial assets, investment property, inventories and deferred tax assets; if, on the basis of this verification, there is indication that the assets are impaired, the Company estimates their recoverable amount. Conversely, the recoverable amount of goodwill is estimated annually.

INVENTORIES

Inventories are measured at the lower of purchase or production cost, determined using a method similar to weighted average cost, including incidental expenses, direct and indirect costs reasonably attributable to them and the estimated realisable value based on market trends. If the net realisable value is lower than cost, the inventories are written down by the difference calculated separately for each item. The write-down is determined following a specific recoverability analysis and is reversed in subsequent years if the reasons for the write-down no longer exist, by reinstating the original value. Goods in transit are measured by specifically identifying the purchase cost.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash balances and demand deposits with a maturity of three months or less from the original date of acquisition, which are subject to an insignificant risk of changes in fair value and are used by the Company to manage short-term commitments.

EMPLOYEE BENEFITS

Post-employment benefits were accounted for in accordance with IAS 19.
The post-employment benefits of Italian companies until 31 December 2006 were considered a defined-benefit plan; the regulations governing these benefits were amended by Law no. 296 of 27/12/2006. They are now to be considered a defined-benefit plan exclusively for the amounts accrued before 1 January 2007 (and not yet paid as at the reporting date), while after that date they are treated as a defined-contribution plan, since the amounts of post-employment benefits accrued after 1 January 2007 are transferred to the specific "Treasury Fund" established by INPS (the Italian social security institution) or to another equivalent pension fund, in compliance with the provisions of the aforementioned legislation. Due to the legislative context, the composition of the Company's workforce and its seniority, the effects deriving from the use of actuarial techniques and the discounting of future liabilities at the reporting date are considered to be immaterial, considering the nominal amount of the assets as a reliable approximation of the fair value of their expected settlement amount.

PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects that some or all of the expenditure covered by a provision for risks and charges will be reimbursed by another party (for example, through insurance contracts), it recognises a provision for the full amount of the liability and a separate asset for the expected reimbursement when it is virtually certain that reimbursement will be received. In this case, the cost of any related provision is taken to profit or loss, net of the amount recognised for the reimbursement. If the effect of the time value of money is material, the amount of a provision is discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liability. When provisions are discounted, the increase in the provision due to the passing of time is recognised as a financial expense.

The agents' severance indemnity provision (FISC) includes the annual accruals for the payment of indemnities to agents following termination. In fact, in accordance with Italian legislation (art. 1751 of the Italian Civil Code), upon termination of the agency contract for no fault of the agent, the principal must pay an agent severance indemnity calculated in proportion to the total amount of commissions the agent earned during the contract, even if they were not entirely paid when the contract was terminated.
Under IFRS, and considering the guidance provided by the International Accounting Standard Board (IASB) and the International Financial Reporting Interpretation Committee (IFRIC), the FISC has been considered a post-employment benefit, specifically a defined-benefit plan, which must therefore be accounted for using actuarial techniques. The actuarial valuation of the FISC was carried out using the "Projected Unit Credit Method" (PUM) as provided for by paragraphs 64-66 of IAS 19. This method consists of valuations that express the average present value of the defined benefit obligations and past service cost up to the date of the actuarial valuation, projecting, however, the agent's commissions until the anticipated end date of continuing the agency contract.

TRADE PAYABLES

The Company holds contracts for the supply of goods that include the provision of bonuses, discounts and, in certain circumstances, contributions classified as a reduction of trade payables. These bonuses, discounts and contributions are recognised either as a percentage of the quantities purchased, as a fixed amount on the quantities bought or sold, or as a defined contribution. Mainly with reference to agreements with a maturity date later than the end of the year, which represent a minority share of the bonuses and contributions for the year, the determination of their amount represents a complex accounting estimate that requires a high degree of judgement as it is influenced by multiple factors. The parameters and information that are used for the estimate are based on the amount purchased or sold and on assessments that take into account historical data regarding the actual recognition of bonuses and contributions by suppliers.

FOREIGN CURRENCY TRANSLATION

The functional and presentation currency adopted by the Company is the Euro.
Assets and liabilities, with the exception of property, plant and equipment, intangible and non-current financial assets, originally expressed in the currencies of non-EU countries, are translated into Euro at the closing spot rate and the exchange gains and/or losses are taken to profit or loss. Revenue and income, costs and expense relating to foreign currency transactions are recognised at the transaction date exchange rate.

RECOGNITION OF REVENUE

Revenue is recognised when control of goods or services is transferred and to the extent that the Company will receive the economic benefits and the amount can be measured reliably. In addition, it is recognised net of returns, discounts, rebates and premiums.

RECOGNITION OF COSTS

Costs and other operating expenses are recognised in the income statement when they are incurred on an accruals basis and related to revenue, when they do not produce future economic benefits or when they do not qualify for recognition as assets.

INTEREST AND FINANCIAL INCOME

Financial income and interest are recognised on an accruals basis using the effective interest rate and include exchange gains and losses and hedging gains and losses recognised in profit or loss.

GOVERNMENT GRANTS

Government grants are recognised when there is a reasonable assurance that they will be received and the Company will comply with the conditions relating to them. When grants are related to cost components, they are recognised as revenue, but are systematically allocated over the years so as to match the costs they are intended to offset.

FINANCIAL EXPENSE

Financial expense is recognised in profit or loss when incurred. Financial expense is capitalised when it refers to an item of property, plant and equipment or an intangible asset that requires a significant period of time to be available for its intended use or for sale.

DIVIDENDS

Dividend income is recognised when the Company has the right to receive them, which normally coincides with the year when the investee's Shareholders' Meeting that approved the distribution of profit or reserves is held. Dividend distributions on the Company's ordinary shares are recognised as a liability in the Separate Financial Statements for the year in which the distribution is approved by the Shareholders' Meeting.

INCOME TAXES

CURRENT TAXES

Current tax assets and liabilities for the current and previous years are measured on the basis of the amount expected to be recovered or paid to the tax authorities. The tax rates and rules used to calculate the amount are those issued and in force at the reporting date.

DEFERRED TAXES

Deferred taxes are calculated using the liability method on the temporary differences at the reporting date between the tax values of assets and liabilities and their corresponding carrying amounts.
Deferred tax liabilities are recognised for all taxable temporary differences, except:

- to the extent that the deferred tax liability arises from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss);
- for the taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, if the reversal of the temporary differences can be controlled and it is likely that it will not occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and for the carry-forward of unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax losses and unused tax credits can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). With reference to taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, a deferred tax asset is recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reassessed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed annually at the end of each reporting period and a previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted by the end of the reporting period.
Income taxes relating to items recognised directly in equity are recognised directly in equity and not in profit or loss.
Deferred tax assets and liabilities are offset if, and only if, the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority.

RISKS, COMMITMENTS, GUARANTEES

Commitments and guarantees are indicated at their contractual value, along with the risks for which a liability is only possible, without allocating provisions for risks. Risks for which a liability is probable are described in the Notes and the amount is accrued, in accordance with the principle of fairness, in the provisions for risks. Risks of a remote nature are not taken into account.

RIGHT-OF-USE ASSETS

The Company has adopted IFRS 16 Leases from 1 January 2019. IFRIC 23, IAS 28 and IAS 19, which became effective on 1 January 2019. IFRS 16 introduced a single model of accounting for leases in the Financial Statements of lessees whereby the Company, as lessee, recognised an asset that represents the right to use the underlying asset and a liability that reflects the obligation to pay the lease payments. The accounting methods for the lessor, on the other hand, remain similar to those provided for by the previously applicable standard.
The Company has used the option to adopt IFRS 16 with the modified retrospective method, which provides for the possibility of recognising the right-of-use asset as at 1 January 2019 for an amount equal to the lease liability remaining at that date, without recalculating the figures for the previous year.

DEFINITION OF LEASING

In accordance with IFRS 16, the Company assesses whether the contract is a lease or contains a lease on the basis of the new definition of a lease. Under IFRS 16, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. As at the date of initial application of IFRS 16, the Company decided to adopt an operating procedure that allows it not to re-examine which transactions constitute a lease. IFRS 16 was applied only to contracts that had previously been identified as leases. Contracts that were not identified as leases by applying IAS 17 and IFRIC 4 were not reassessed to determine whether they were leases. Therefore, the definition of a lease in IFRS 16 has been applied only to contracts entered into or amended on or after 1 January 2019.

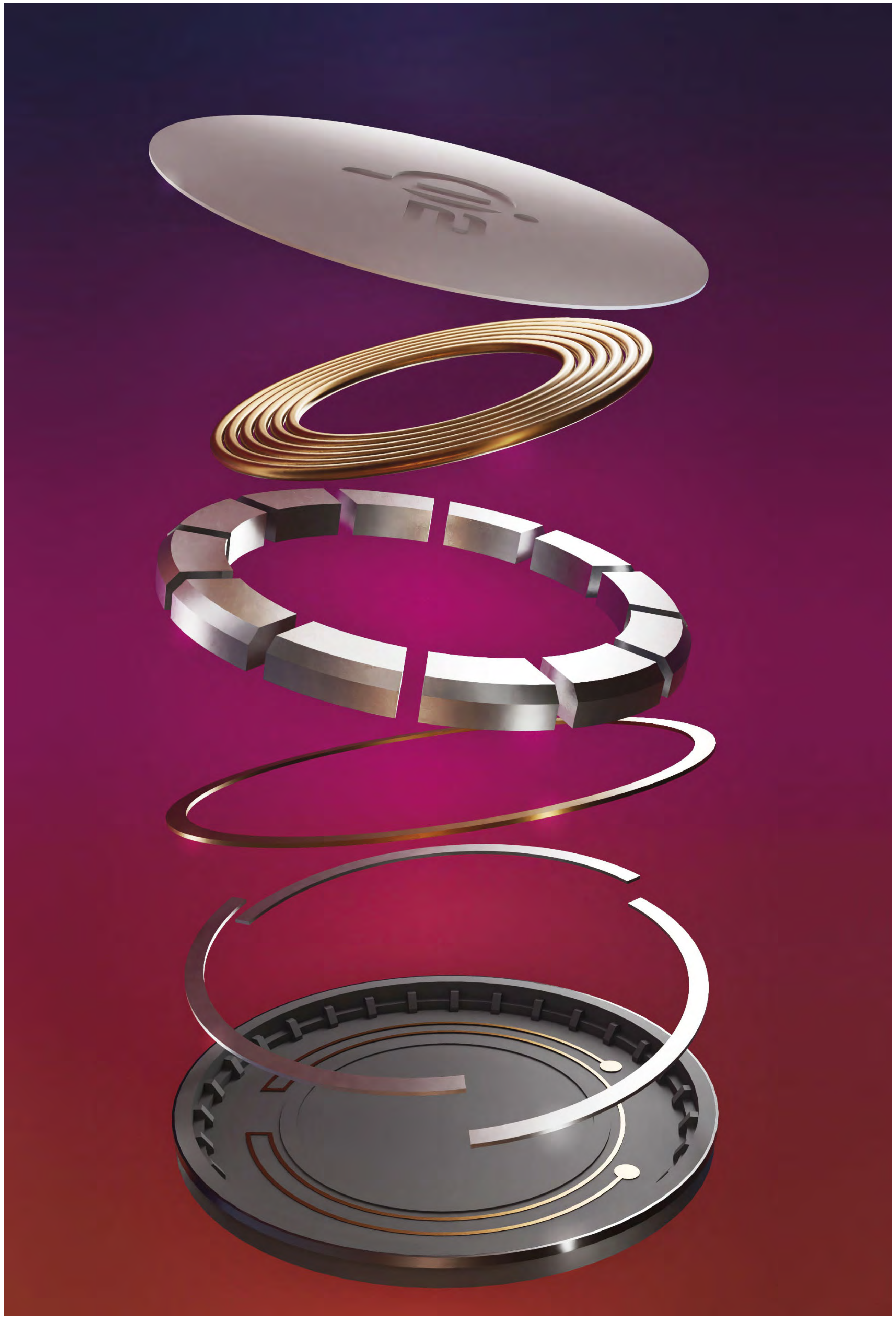
LESSEE ACCOUNTING MODEL

The Company leases assets such as buildings and motor vehicles. As a lessee, the Company previously classified leases as operating or financial, assessing whether the lease transferred substantially all the risks and rewards of ownership. In accordance with IFRS 16, the Company recognises the right-of-use assets and the lease liabilities in the statement of financial position. However, the Company has decided not to recognise right-of-use assets and lease liabilities of low value assets (less than USD 5,000). Therefore, the Company recognises the lease payments as a cost on a straight-line basis over the lease term. The Company recognises the right-of-use assets that do not meet the definition of investment property under “Property, plant and equipment”, which is the same item it uses to present the same kind of assets that it holds. The Company classifies lease liabilities under “Other financial liabilities” in the statement of financial position. As at the commencement date of the lease, the Company recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, then at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any measurement of the lease liability. The right-of-use asset that meets the definition of investment property is recognised in the item of the same name and is initially measured at cost and subsequently at fair value, in accordance with the Company’s accounting policies.
The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date, discounting them using the interest rate implicit in the lease. If that rate cannot

be readily determined, the Company uses the incremental borrowing rate. Generally, the Company uses the incremental borrowing rate as the discount rate.

The lease liability is subsequently increased to reflect the interest accrued on the lease liability and reduced to reflect the lease payments made and is remeasured if there is a change in future lease payments resulting from a change in the index or rate, if there is a change in the amounts that the Company expects to pay under a residual value guarantee or when there is a change in the assessment of an option to purchase the underlying asset, extend or terminate a lease.

The Company has estimated the lease term of certain contracts in which it acts as a lessee and which provide for renewal options. The assessment of whether or not there is a reasonable certainty of exercising the option influences the estimated lease term, significantly impacting the carrying amount of the lease liabilities and right-of-use assets recognised.



3

3. New accounting standards, amendments and interpretations endorsed by the European Union that became effective as of the year beginning 1 January 2024.

As required by IAS 8 – Accounting policies, changes in accounting estimates and errors, new accounting standards and interpretations, as well as amendments to existing standards and interpretations already applicable, not yet in force at the date, which may apply in the future in the Company's Separate Financial Statements, are set out below:

d) New documents issued by the IASB and endorsed by the EU to be mandatorily adopted as of Financial Statements for years beginning on 1 January 2024

Document title	Date of issue	Date of entry into force	Endorsement date	EU Regulation and date of publication
Lease liabilities in a sale and leaseback (Amendments to IFRS 16)	September 2022	1 January 2024	20 November 2023	(EU) 2023/2579 21 November 2023
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1)	January 2020 July 2020 October 2022	1 January 2024	19 December 2023	(EU) 2023/2822 20 December 2023
Disclosures: supplier finance arrangements (Amendments to IAS 7 – Statement of cash flows and IFRS 7 – Financial instruments)	May 2023	1 January 2024	15 May 2024	16 May 2024

The accounting standards, amendments and interpretations, in force from 1 January 2024 and endorsed by the European Commission, are set out below:

Amendments to IFRS 16 – Lease liabilities in a sale and leaseback

On 22 September 2022, the IASB issued the document "Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 – Lease)" with the aim of indicating the correct valuation to be performed by the seller-lessee following a sale and leaseback transaction.
The amendment to IFRS 16 clarifies the following aspects that the seller-lessee shall determine lease payments so as not to recognise any gain or loss related to the right of use retained by the seller-lessee.

Amendments to IAS 1 – Classification of liabilities as current or non-current and Non-current liabilities with covenants.

On 23 January 2020, the IASB issued the document "Classification of Liabilities as Current or Non-current (Amendments to IAS 1 – Presentation of Financial Statements" with the aim of specifying how an entity should determine debt and other liabilities with an uncertain settlement date in the statement of financial position. According to these amendments, the debt or other liabilities must be classified as current (with an actual or potential settlement date within one year) or non-current.
On 31 October 2022, the IASB issued the document "Non-current Liabilities with Covenants (Amendments to IAS 1 – Presentation of Financial Statements)" with the aim of clarifying how an entity should classify, whether as current or non-current, liabilities arising from a loan agreement with covenants. These amendments also improve the information that a company must provide when its right to defer the discharge of a liability for at least twelve months is subject to covenants.

Amendments to IAS 7 and IFRS 7 – Disclosures: supplier finance arrangements

On 25 May 2023, the IASB issued the document: "Disclosures: Supplier Finance Arrangements (Amendments to IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments)". The Amendments introduce some specific disclosure requirements for supplier finance arrangements and also provide guidance on the characteristics of such arrangements. In this regard:

- The objective of the disclosures referred to in the amendment to IAS 7 is to enable users of Financial Statements to evaluate the effects of supplier finance arrangements on an entity's liabilities and cash flows and on the entity's exposure to liquidity risk. To achieve this objective, an entity shall describe the following: a) the terms and conditions of the arrangement, b) the carrying amounts of the suppliers' financial liabilities and the items of the financial liabilities in which they are presented, c) non-monetary items in the carrying amounts of the supplier finance arrangement liabilities, and the carrying amounts and related items of the financial liabilities referred to in (a) for which the suppliers have already received payment from the lenders, d) the payment due dates for both the financial liabilities referred to in (a) and comparable trade payables that are not part of a supplier finance arrangement. If payment due date intervals are wide, explanatory information on these intervals or additional intervals (e.g. stratified intervals) is required.
- The IFRS 7 application guidance provides examples of fac-

tors that an entity may consider in preparing liquidity risk disclosures. The amendments incorporated supplier finance agreements as an additional factor relevant to liquidity risk. The guidance to IFRS 7 was amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk

The adoption of the new standards as of 1 January 2024 had no impact on the Company's Separate Financial Statements.

e) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, EU endorsed documents as at 31 December 2024:

As at the date of approval of these Separate Financial Statements, the following new accounting standards, amendments and interpretations were issued by the IASB, but not yet endorsed by the EU, some of which are still in the consultation phase, including the following:

Document title	Date of issue	Date of entry into force	Endorsement date	EU Regulation and date of publication
Lack of Exchangeability (Amendments to IAS 21)	August 2023	1 January 2025	12 November 2024	(EU) 2024/2862 13 November 2024

f) New documents issued by the IASB and endorsed by the EU applicable to Financial Statements for years beginning after 1 January 2024, non-EU endorsed documents as at 31 December 2024:

Document title	Date of issue by the IASB	Date of entry into force of the IASB document
New IFRS accounting standards		
IFRS 18 - Presentation and Disclosure in Financial Statements	April 2024	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosure	May 2024	1 January 2027
Amendments to IFRS accounting standards		
Amendments to the classification and measurement of financial instruments (Amendments IFRS 9 and IFRS 7)	May 2024	1 January 2026
Annual improvements - Volume 11	July 2024	1 January 2026
Contracts referencing nature-dependent electricity (Amendments to IFRS 9 and IFRS 7)	December 2024	1 January 2026

For all newly-issued standards, as well as for revisions and amendments to existing standards, Cellularline is assessing any impacts that cannot currently be reasonably estimated arising from their future application.

4

Segment reporting

The Company has identified one operating segment, which includes all the services and products provided to customers. The Company's activities develop through one operating segment, which can be divided into three main product lines:

- Red Line (accessories for multimedia devices);
- Black Line (accessories for motorcycles and bicycles);
- Blue Line (third party products marketed under distribution agreements).

5

Notes to the Statement of Financial Position

The following are the Notes to the main assets and liabilities in the Separate Financial Statements of Cellularline S.p.A. as at 31 December 2024.

ASSETS

NON-CURRENT ASSETS

6.1

Intangible assets

The specific table below shows changes in this item, indicating the historical cost, accumulated amortisation, changes in the year and the closing balance of each asset. Amortisation was calculated using the rates that reflect the assets' residual useful lives.

Intangible assets as at 31 December 2024 and 31 December 2023 are detailed below.

(In thousands of Euro)	Carrying amount as at 31 December 2023	Increases	(Amortisation)	(Decreases/ Impairment losses)	Reclassifications	Carrying amount at 31 December 2024
Development costs	704	1.302	(1.227)	(3)	1	776
Industrial patents and intellectual property rights	1.771	1.527	(1.621)	-	-	1.676
Concessions, licenses, trademarks and similar rights	13.981	63	(1.186)	-	-	12.859
Customer relationships	22.876	-	(4.593)	-	-	18.283
Assets under construction and payments on account	-	1	-	-	(1)	-
Total intangible assets	**39.333**	**2.892**	**(8.626)**	**(3)**	**-**	**33.596**

With reference to 31 December 2024, it should be noted that the Company has made investments of EUR 2,892 thousand.

In particular, investments are mainly attributable to:

- industrial patents and intellectual property rights, equal to EUR 1,527 thousand: this item mainly includes software, i.e. the costs incurred for the implementation and development of the main management programme and other specific applications, which are normally amortised over 3 years. The investments are mainly related to updates to the SAP management software, to the business intelligence systems and to further innovations/IT projects, aimed at having increasingly effective and efficient information tools to support the Company's organisational structure;
- development costs of EUR 1,302 thousand; this item mainly includes the costs incurred for investments in specific product innovation projects. These are considered to generate long-term benefits, as they relate to projects under development, whose products are clearly identified, are intended for a market with sufficient profit margins to cover the amortisation of capitalised costs, which is normally two years.

As at 31 December 2024, the Customer Relationships with a finite useful life recognised in the Separate Financial Statements amounted to EUR 18,283 thousand, net of accumulated amortisation and impairment losses.
The value of Trademarks, net of amortisation, amounted to Euro 12,859 thousand.

6.2

Goodwill

The details of Goodwill as at 31 December 2024 and 31 December 2023 are shown below:

(In thousands of Euro)	Carrying amount	
	31 december 2023	31 december 2024
Goodwill	18.432	18.432
Total Goodwill	**18.432**	**18.432**

6.2.1

Impairment test on goodwill

As of 31 December 2024, the goodwill recognised in the Company's Financial Statements amounted to EUR 18,432 thousand and was allocated to the only cash-generating unit (GCU) identified, which coincides with the entire Cellularline Group.

As required by the relevant accounting standard (IAS 36), at the time of closing the Separate Financial Statements as at 31 December 2024, the Directors verified whether there the intangible assets with an indefinite useful life (goodwill) were impaired by comparing the carrying amount with the related recoverable amount. The Directors therefore arranged for a specific impairment test to be carried out on the Consolidated Financial Statements, determining the value in use using the discounted cash flow method, also making use of a Consultant (Deloitte & Touche).

The discount rate used was the Weighted Average Cost of Capital (WACC) of 10.66% (12.02% at 31 December 2023) and a perpetually sustainable growth rate (g) estimated at 1.96% (1.93% at 31 December 2023), determined in line with expected long-term inflation (source: International Monetary Fund, October 2024), representative of the geographical market areas in which the Group operates.

The WACC is the average of the cost of equity and the cost of debt capital weighted according to the financial structure of comparable companies. It should be noted that the estimates and data relating to the performance and financial forecasts to which the above parameters are applied are determined by Management on the basis of past experience and expectations of developments in the markets in which the Group operates.

In particular, the impairment test was performed on the basis of the economic-financial forecasts based on the 2025-2028 Business Plan approved by the Board of Directors on 26 February 2025.

In addition, it should be noted that WACC used for the purpose of the impairment test also includes an execution risk component, with an impact on the calculation of the finished rate equal to 1.10%, which represents an estimate of the risk of not completely achieving the Plan objectives, as well as the current degree of volatility and uncertainty reflected by the macro-economic context. Therefore, this component, although reflected in the discount rate and not in the cash flows, originates from simulations carried out on the assumption that the Plan's objectives will not be fully achieved, given the persistence of a context of uncertainty.

Impairment testing is characterised by a high level of judgement, in addition to the uncertainty inherent in any forecast, especially in relation to:

- the expected operating cash flows, calculated by taking into account the general economic performance (including expected inflation rates and exchange rates) and that of the Company's sector and the actual cash flows generated by the CGU in previous years;
- the financial parameters to be used to discount the above cash flows.

In addition, sensitivity analyses were carried out which simultaneously consider a change in:

- WACC and the growth rate (g-rate) in order to verify the impact generated by the variations of these parameters on the value in use and, consequently, on the difference between the latter and the Carrying Amount at the reporting date;
- the WACC and EBITDA according to the 2025-2028 Plan and the Terminal Value in order to verify the impact generated by changes in these parameters on value in use and, consequently, on the difference between the latter and the Carrying Amount at the reporting date.

In order to determine the relative recoverable value of Cellularline S.p.A.'s net invested capital, the following adjustments were made to the Consolidated Enterprise Value

- Deduction of the net financial position pertaining to subsidiaries;
- Deduction of the liability recorded in the consolidated financial statements for put options relating to minority interests in the above-mentioned subsidiaries.

The analyses carried out, based on the assumptions and limitations previously highlighted, led to an estimated value in use of about €183.9 million. This value is higher than the Carrying Amount equal to the Company's net invested capital at the reference date (equal to about €151.9 million), showing a headroom of about €32 million (headroom on the consolidated balance sheet equal to about €26.9 million), not giving rise to impairment losses.

Considering that the impairment test for the Separate Financial Statements was conducted starting from the impairment test performed on the Consolidated Financial Statements, reference is made for the sensitivity analyses to those formalised for the Consolidated Financial Statements below, taking into account that the headroom on the separate financial statements is, with reference to the base values used for the impairment test, Euro 5.1 million higher than that calculated on the consolidated financial statements.. These sensitivity analyses revealed potential impairment situations in the event of a worsening of the WACC and g-rate, which, with reference to the Separate Financial Statements, are further limited in view of the higher headroom identified with respect to the Consolidated Financial Statements. They showed no potential impairment in the event of a reduction of more than 10% in Plan EBITDA and Terminal Value, further to what was already considered in the execution risk estimate.

Sensitivity analysis: Cover/Impairment - WACC e g-rate (€ milioni)

		WACC				
		-1,0% 9,7%	-0,5% 10,2%	Company 10,7%	+0,5% 11,2%	+1,0% 11,7%
G-rate	-	27,5	17,7	8,9	0,9	(6,5)
	0,5%	32,3	21,9	12,5	4,0	(3,7)
	1%	38,1	26,9	16,8	7,7	(0,5)
	1,5%	44,6	32,4	21,6	11,9	3,1
	2%	51,9	38,7	26,9	16,5	7,1
	2,5%	60,3	45,7	32,9	21,6	11,5
	3%	69,9	53,8	39,7	27,4	16,5

Sensitivity analysis: Cover/Impairment - WACC ed EBITDA (€ milioni)

		WACC
		Company 10,7%
EBITDA reduction - over and above what is already included in the execution (WACC)	(10,0%)	1,7
	(7,5%)	8,0
	(5,0%)	14,3
	(2,5%)	20,6
	-	26,9

It should be noted that the inclusion of an Execution Risk Premium in the WACC implies a tolerance with respect to a possible reduction in EBITDA in the plan forecasts. In the specific case, this tolerance is 13.0% over the Plan period and consequently, the sensitivity shown here is calculated starting from an EBITDA 13.0% lower than that of the 2025-28 Business Plan.

6.3

Property, plant and equipment

Depreciation was calculated using the rates that reflect the assets' residual useful lives. The balance of Property, plant and equipment, broken down by category as at 31 December 2024 and 31 December 2023, is shown below:

(In thousands of Euro)	Carrying amount at 31 December 2023	Increases	(Depreciation)	(Decreases/ Impairment losses)	Reclassificatio	Carrying amount at 31 December 2024
Land and buildings	3.216	58	(123)	-	-	3.151
Plants and machinery	327	38	(98)	-	-	268
Industrial and commercial equipment	1.610	867	(1.074)	(18)	16	1.402
Assets under construction and payments on account	129	115	-	(51)	(16)	176
Total property, plant and equipment	**5.282**	**1.079**	**(1.295)**	**(69)**	**-**	**4.996**

As at 31 December 2024 the item consisted mainly of buildings used as the operating offices of the Company for EUR 3,151 thousand and industrial and commercial equipment for EUR 1,402 thousand (mainly furniture, furnishings, office machinery and moulds). With reference to the year ended at 31 December 2024, the Company made investments of EUR 1,079 thousand, mainly related to industrial and commercial equipment.

6.4

Equity investments in subsidiaries and associates

The breakdown of changes in the item as at 31 December 2023 and 31 December 2024 are shown below:

(In thousands of Euro)	31 December 2023	Increases	Decreases	31 December 2024
Equity investments in subsidiaries	23.528	1.556	(177)	24.907
Equity investments in associates	33	-	-	33
Total equity investments	**23.561**	**1.556**	**(177)**	**24.940**

Below is a list of investments:

EQUITY INVESTMENTS	Office	Share/quota Capital (in foreign currency)	Equity (in foreign currency)	Type of ownership	Profit/(loss) for the previous year (in foreign currency)	Percentage of ownership	Carrying amount (in Euro/000)	Measurement using the Equity Method (in Euro/000)
- Cellular Spain S.L.U.	ES	3	1.212	Diretto	256	100%	1.103	1.305
- Cellular Inmobiliaria Italiana S.L.U.	ES	3	77	Diretto	(9)	100%	3	69
- Cellular Immobiliare Helvetica S.A.	CH	100	284	Diretto	16	100%	71	321
- Systema S.r.l.	IT	100	2.399	Diretto	228	100%	3.665	4.479
- Worldconnect AG	CH	100	5.163	Diretto	1.395	90%	16.313	18.012
- Cellularline USA Inc.	US	50	357	Diretto	(128)	100%	474	366
- Coverlab S.r.l.	IT	69	166	Diretto	(120)	55%	295	420
- Subliros S.L.	ES	11	(36)	Diretto	(82)	80%	-	(20)
- Peter Jäckel GmbH	DE	100	862	Diretto	(578)	60%	2.945	2.984
- Cellularline Middle East FZE	EAU	41	19	Diretto	(60)	100%	38	(167)
Total subsidiaries							**24.907**	**27.767**
Associates								
- Cellular Swiss S.A. (*)	CH	100	743	Diretto	167	50%	33	
Total associates							**33**	

(*) Figures refer to the latest available Financial Statements as at 31 December 2023.

For transactions with related parties, reference should be made to the "transactions with related parties" section of these Notes.

Cellular Spain S.L.U.

The Company ended 2024 with revenue of EUR 13,512 thousand (EUR 12,387 thousand in 2023). The Company increased revenue in 2024, due to contracts signed with leading local players and the expansion of the product range. The company made a profit of EUR 285 thousand.

Cellular Inmobiliaria S.L.U. – Cellular Immobiliare Helvetica S.A.

The two real estate companies continued their ordinary operations. There are no indicators of impairment.

Systema S.r.l.

The company Systema S.r.l. ended 2024 with revenue of EUR 12,219 thousand (EUR 10,088 thousand in 2023). It made a profit of EUR 368 thousand.

Worldconnect AG

The Swiss-registered company is the global market leader for SKROSS-branded travel adapters. Worldconnect had a turnover of EUR 19,481 thousand in 2024 (EUR 19,963 thousand in 2023). The economic result for the year was a profit of EUR 1,354 thousand.

Coverlab S.r.l.

An innovative e-commerce company operating in the custom accessories segment. It closed FY 2024 with revenue of EUR 862 thousand (EUR 1,504 thousand in 2023).
It made a loss of EUR 580 thousand.

Cellular Usa Inc.

Cellular USA was established in the first half of 2022 and aims to market the Black Line in the American market; as a newco, it does not yet have any significant turnover, ending 2024 with a turnover of EUR 329 thousand. It recorded a loss for the year of EUR 13 thousand.

Subliros S.L.

Acquired at the end of October 2022, the company is an innovative e-commerce company and operates in the custom accessories segment. As at 31 December 2024, it recorded a loss for the year of EUR 245 thousand.

Cellular Swiss S.A.

In 2024, the associate Cellular Swiss continued to pursue its strategy to develop business with existing customers – which operate mainly in the Consumer Electronics channel - and seeking new customers, also in different channels (for example, in the Telco, Travel Retail and Mass Merchandise channels).

Peter Jäckel GmbH

was acquired in January 2023; it is a major German player in the field of smartphone accessories. It closed FY 2024 with a turnover of EUR 4,664 thousand. It recorded a loss of EUR 345 thousand for the year.

Cellularline Middle East FZE

established on 17 May 2023, is an operational hub in the Jebel Ali Free Zone, Dubai, in order to serve the Middle East region more efficiently. It recorded a profit of EUR 60 thousand for the year.

6.5

Right-of-use assets

This item, amounting to EUR 1,816 thousand (EUR 2,622 thousand as at 31 December 2023), refers exclusively to the recognition of right-of-use assets due to the initial application of IFRS 16 - Leases.
This item is treated as an intangible asset and depreciated over the term of the underlying lease or rental agreement. In no case is there a contractual purchase option.
The changes in the year were as follows:

(In thousands of Euro)	Carrying amount as 31 December 2023	Increases	(Decreases)	Acquisitions	(Amm.ti)	(Impairment losses)	Carrying amount as at 31 December 2024
Right-of-use assets	2.622	401	(84)	-	(1.123)	-	1.816
Total right-of-use assets	**2.622**	**401**	**(84)**	**-**	**(1.123)**	**-**	**1.816**

The increases of the year, equal to EUR 401 thousand, mainly concern new contracts for cars and commercial vehicles.

6.6

Deferred tax assets and liabilities

Changes in Deferred tax assets and liabilities between 31 December 2023 and 31 December 2024 are shown below.

Deferred tax assets

(In thousands of Euro)	
Balance as at 31 December 2023	**5.203**
Accrualsin profit or loss	562
Accruals/(Releases) in comprehensive income	-
Balance as at 31 December 2024	**5.765**

The balance as at 31 December 2024, amounting to EUR 5,765 thousand, is composed of deferred tax assets mainly originating from taxed provisions, temporarily non-deductible amortisation and depreciation and temporary differences related to trademarks and customer relationships. The main change from the previous year, amounting to EUR 503 thousand, is related to deferred IRES and IRAP tax assets calculated, mainly, on partially deductible amortisation and depreciation such as those related to the Cellularline and Interphone trademarks and on the allocation made for the allowance for inventory (direct) write-down.

The 2022 Budget Law (no. 234/2021, art. 1, paragraphs 622-624) has retroactively modified the regime for revaluations and realignments of trademarks and goodwill carried out on the basis of art. 110 of Decree Law no. 104/2020, increasing the time span of deductions from 18 to 50 years (2% per annum from 2021).

The rule also provided the following two additional alternatives:

- maintenance of the deduction over 18 years against payment of the ordinary substitute tax on the franking of extraordinary transactions (12%, 14% and 16% for revaluations of up to 5 million, between 5 million and 10 million and over 10 million, respectively);
- revocation of the realignment for tax purposes, with repayment or right to offset the substitute tax already paid, in accordance with procedures to be defined by a future measure.

Considering that:

- the dilution of the benefit over 50 years shifts the cost-benefit balancing point from the second to the seventh year, while still maintaining a significant overall tax saving;
- the outlay for the “ordinary” substitute tax, necessary to maintain deductibility over 18 years, is very costly and close in time, considerably reducing the advantage of the operation;
- revocation of the realignment would entail cancellation of the income from the release of the deferred tax liabilities, with an inevitable impact on the Company’s equity.

It was deemed reasonable to maintain the realignment carried out with the 50-year deduction and to recognise deferred tax assets on temporarily non-deductible amortisation and depreciation, with annual monitoring of the reasonable certainty of their recovery. The following aspects were taken into account in the calculation of deferred tax assets:

- the tax regulations in force and their impact on temporary differences, and any tax benefits deriving from the use of tax losses carried forward, where such exist, considering their potential recoverability over a period of three years;
- the Company’s forecast profits in the medium and long term.

On the basis of the above, the Company expects that it can recover with reasonable certainty the deferred tax assets recognised.

Deferred tax liabilities

(In thousands of Euro)	
Balance as at 31 December 2023	**1.727**
Releases to profit or loss	(1.691)
Accrualsin comprehensive income	2
Balance as at 31 December 2024	**39**

The balance as at 31 December 2024, amounting to EUR 39 thousand, consists of deferred tax liabilities calculated on exchange rate differences arising from foreign currency items. The decrease in the deferred tax liabilities during the year was mainly due to the release of a deferred tax liability of EUR 1,413 thousand, the allocation of which, made in previous years and up to 31.12.2023, was not appropriate.

6.7

Financial assets

Changes in Non-recurring financial assets between 31 December 2023 and 31 December 2024 are shown below.

(In thousands of Euro)	Financial assets
Balance as at 31 December 2023	**6.912**
Increases	546
(Decreases)	(4.936)
Balance as at 31 December 2024	**2.522**

The item, which came to EUR 2,522 thousand, consists of loans granted to subsidiaries. These include loans to Worldconnect of EUR 708 thousand (corresponding to CHF 667 thousand), Cellular Immobiliare Helvetica S.A. of EUR 817 thousand (corresponding to CHF 769 thousand), Cellular Inmobiliaria Italiana S.L.U. of EUR 334 thousand, Coverlab S.r.l. of EUR 534 thousand, Cellular Usa of EUR 106 thousand (corresponding to USD 110 thousand). Net decreases mainly related to repayments made by subsidiaries in 2024, respectively amounting to CHF 4,333 thousand (EUR 4,691 thousand) by Worldconnect, CHF 75 thousand (EUR 94 thousand) by Cellular Immobiliare Helvetica and EUR 150 thousand by Subliros for loan write-downs.

CURRENT ASSETS

6.8

Inventories

Inventories are made up as follows:

(In thousands of Euro)	Balance as at	
	31 december 2024	**31 december 2023**
Finished products and goods	26.055	35.656
Goods in transit	7.196	3.199
Advances	1.997	980
Gross inventories	**35.248**	**39.835**
(Allowance for inventory write-down)	(3.905)	(2.125)
Total Inventories	**31.343**	**37.710**

Gross inventories include finished products at the Company's warehouses, as well as goods in transit for which the Company has already acquired ownership of EUR 7,196 thousand (EUR 3,199 thousand as at 31 December 2023). Advances include prepayments for the purchase of finished products. The carrying amount of inventories is adjusted by the allowance for inventory write-down, which includes the write-down of goods at risk of potential obsolescence.
Changes in allowance for inventory write-down between 31 December 2023 and 31 December 2024 are shown below:

(In thousands of Euro)	Allowance for inventory write-down
Balance as at 31 December 2023	**(2.125)**
Utilisations/(Accruals)	(1.780)
Balance as at 31 December 2024	**(3.905)**

During the year, the Company, following an analysis of slow-moving products, set aside EUR 1,780 thousand for problems (typical of the sector) related to the obsolescence/slow turnover of inventories, in order to align their value to the estimated realisable value.

6.9

Trade receivables

Trade receivables as at 31 December 2023 and 31 December 2024 are shown in detail below:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Trade receivables from third parties	39.205	35.257
Trade receivables from related parties (Note 8)	20.038	17.341
	59.243	**52.598**
Gross trade receivables	(3.825)	(3.734)
(Loss allowance)	**55.419**	**48.864**

Changes in the loss allowance from 31 December 2023 to 31 December 2024 are shown below:

(In thousands of Euro)	Loss allowance
Balance as at 31 December 2023	**(3.734)**
(Accruals)	(400)
Utilisations	309
Balance as at 31 December 2024	**(3.825)**

Impaired assets refer mainly to disputed amounts or customers subject to bankruptcy proceedings. The utilisations reflect amounts that, based on certain, precise information or pending bankruptcy procedures were impaired in full. Credit risk is the exposure to potential losses arising from non-performance of the obligations taken on by the counter-party. The Company has credit control processes in place that include customer reliability analyses and credit exposure controls based on reports with a breakdown of due dates and average collection times. The change in the loss allowance, following the accrual of the year, is the result of an analytical assessment of non-performing assets and assets that have been proven to be of uncertain recoverability as well as a general assessment based on the asset's historical credit loss.
The carrying amounts of trade receivables are deemed to approximate their fair value.

6.10

Current tax assets

The breakdown of Current tax assets as at 31 December 2023 and 31 December 2024 is shown below:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Receivables from tax authorities for current taxes	257	415
Total current tax assets	**257**	**415**

Receivables from tax authorities for current taxes mainly include: (i) the receivable for research, development, innovation and design for EUR 139 thousand, (ii) the receivable for taxes for which a rebate of EUR 115 thousand has been requested.

6.11
Other assets

The breakdown of other current assets as at 31 December 2023 and 31 December 2024 is shown below:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Prepaid expenses	7.114	10.193
VAT credit	63	-
Others	198	199
Total Other assets	**7.376**	**10.392**

This item mainly includes prepaid expenses referring to the advance payment of costs relating to future years.

6.12
Cash and cash equivalents

The breakdown of cash and cash equivalents as at 31 December 2023 and 31 December 2024 is shown below:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Bank accounts	13.901	6.350
Cash on hand	5	6
Total Cash and cash equivalents	**13.906**	**6.356**

Cash and cash equivalents amount to EUR 13,906 thousand as at 31 December 2024 (EUR 6,356 thousand as at 31 December 2023). The item consists of cash on hand, securities and demand deposits or short-term deposits with banks that are currently available and readily usable.
For further details regarding the dynamics that influenced cash and cash equivalents, reference should be made to the Statement of Cash Flows.

EQUITY AND LIABILITIES

6.13
Equity

Equity was EUR 129,302 thousand (EUR 128,089 thousand as at 31 December 2023), having increased mainly as a result of the profit for the year.
Below is an analysis of equity items in relation to their origin, possibility of utilisation and distribution (in thousands of Euro):

EQUITY		CARRYING AMOUNT AS AT 31.12.2024	Possibility of use of reserves (*)	Available portion of reserves	Summary of uses in the year and the previous three years	
					Coverage of losses	Distribution of dividends/reserves
I	Share capital	21.343				
II	Share premium	101.392	A, B, C	101.392	31.316	
IV	Legal reserve	4.269	B	4.269		
V	Statutory reserves	-				
VII	Other reserves	329	B	329	31.177	
VIII	Retained earnings	36	A, B, C	36	18.263	(4.533)
IX	Profit for the year	4.021				
X	Treasury shares	(2.087)	Nessuna			1.697
Total Equity		**129.302**		**106.025**	**80.755**	**(2.836)**

(*) Key / Notes:
A = for capital increase
B = to cover losses
C = for distribution to shareholders

As a result of the realignment of the tax value to the statutory value of trademarks and Customer Relationships, as provided for by article 110, paragraphs 8 and 8-bis of Decree Law no. 104/2020, converted into Law no. 126/2020, as amended by Law no. 178/2020, there is a tax suspension restriction in the amount of EUR 59,253 thousand for the Share premium.

Share capital

The share capital as at 31 December 2024 amounts to EUR 21,343, divided into 21,868,189 ordinary shares.

Other Reserves not commented on above

As at 31 December 2024, other reserves amount to EUR 103,903 thousand (EUR 103,189 thousand as at 31 December 2023) and were mainly divided as follows:

- Legal reserve, which amounts to EUR 4,269 thousand.
- The share premium, which amounts to EUR 101,392 thousand, including EUR 59,253 in suspended taxation following the realignment of trademarks and customer relationships.
- Other reserves amounting to EUR 329 thousand which originated as a result of the effects of the application of the IFRS and the Business Combination which took place in 2018;
- Treasury shares of EUR 2,087 thousand.

Retained earnings

Retained earnings amount to EUR 36 thousand (EUR 2,420 thousand as at 31 December 2023).

Profit for the year

2024 ended with a profit for the year of EUR 4,020,864.

The Board of Directors resolved to propose to the Shareholders' Meeting to be convened, in a single call, on 17 April 2025, to allocate the net profit for the year, amounting to Euro 4,020,864, as follows:

- Distribution of a cash dividend in the amount of EUR 0.093 per eligible ordinary share and a dividend through free assignment to shareholders of a maximum of 345,197 ordinary treasury shares, in the amount of 1 ordinary treasury share for every 61 ordinary shares held, excluding treasury shares held on the day prior to the ex-dividend date.
- Allocation of residual profit to the "Retained earnings reserve".

The allocation of treasury shares is part of the distribution of dividends for the financial year 2024 and corresponds to EUR 0.14 per share, calculated on the basis of the closing price of the shares on the day prior to the resolution of the Board of Directors approving the draft financial statements.

The proposed dividend distribution schedule is as follows: ex-dividend date 19 May 2025; record date, pursuant to Art. 83-terdecies of Legislative Decree no. 58 of 24 February 1998, and Article 2.6.6, paragraph 2, of the Rules of the Markets organised and managed by Borsa Italiana S.p.A.) 20 May 2025; payment date gross of statutory deductions starting from 21 May 2025.

Long Term Incentive Plan Reserve (Share-based payment arrangements)

In 2021, the Company approved a Stock Grant Plan, which envisages the award to certain employees of rights to receive Company shares free of charge.

The free award of such rights to receive shares comes under the scope of the "Cellularline S.p.A. 2021-2023 Incentive Plan", submitted for approval by the Ordinary Shareholders' Meeting on 28 April 2021.

The following table summarises the main conditions of the Stock Grant plan:

Date of assignment	Maximum number of instruments	Vesting conditions	Contractual duration of options
17 March 2022	90.000 *	30% Relative Total Shareholder Return 70% Consolidated Adjusted EBITDA	Three years
Date of assignment	**Maximum number of instruments**	**Vesting conditions**	**Contractual duration of options**
15 March 2023	90.000 *	30% Relative Total Shareholder Return 70% Consolidated Adjusted EBITDA	Three years

(*) The number of instruments reported refers to each individual tranche of awards of the three-year cycle, of which 55,000 assigned to CEOs and key managers. At the date of this Report, the second and third award cycles are active.

The Plan envisages three cycles of annual awards of rights to Beneficiaries (2021, 2022 and 2023), each of which with a three-year performance period and a two-year lock-up on the shares assigned by virtue of the rights awarded for each cycle, where conditions are met and in accordance with the terms and conditions set forth in the Plan and its Regulation. The rights assigned to the beneficiaries will accrue, and accordingly give entitlement to their holders to receive Company shares, according to the degree to which measurable long-term performance objectives, pre-determined by the Company, are achieved. These performance objectives contribute with a different percentage weighting towards the accrual of the rights and attribution of the shares, all as indicated:

(i) the Relative Total Shareholder Return (or Relative TSR) is the share performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 70%,

(ii) the Consolidated Three-Year Adjusted EBITDA is the corporate performance objective and contributes towards the incentive variable remuneration envisaged by the Plan (in the form of shares), weighing for 30%.

As at 31 December 2024, in accordance with IFRS 2, the valuation regarded the total fair value of the approved plan.

The market based component (Relative Total Shareholder Return) has been estimated using a stochastic simulation with the Monte Carlo Method, which, on the basis of suitable hypotheses, made it possible to define a significant number of alternative scenarios over the time frame considered.

The non-market based component was valued at the reporting date to account for expectations regarding the number of rights that may vest.

In addition, during 2024, the Company approved a Stock Grant plan, which envisages the

award to certain employees of rights to receive Company shares free of charge.
The free award of such rights to receive shares comes under the scope of the "2024-2026 Incentive Plan" of the Company, submitted for approval by the Ordinary Shareholders' Meeting on 24 April 2024.

The following table summarises the main conditions of the Stock Grant plan:

Date of assignment	Maximum number of instruments	Vesting conditions	Contractual duration of options
8 May 2024	109,000 *	50% Relative Total Shareholder Return 50% Consolidated Adjusted EBITDA	Triennale

(*) As at the date of this Report, only the first cycle of the above-mentioned Plan has been activated.

Il Piano prevede tre cicli di assegnazione annuale dei Diritti in favore dei Beneficiari (2024, 2025 e 2026), ciascuno dei quali con un periodo di performance triennale, nonché un lock-up biennale sulle azioni attribuite in forza dei diritti assegnati per ciascun ciclo al ricorrere delle condizioni, nonché secondo le modalità e i termini previsti dal Piano e dal relativo Regolamento. I diritti assegnati ai beneficiari maturano, dando quindi diritto ai relativi titolari di ricevere azioni della Società, in ragione del livello di raggiungimento degli obiettivi di performance pluriennali, predeterminati dalla Società e misurabili. Tali obiettivi di performance contribuiscono con un diverso peso percentuale alla maturazione dei diritti e all'attribuzione delle azioni, il tutto secondo quanto indicato:

- (i) il Relative Total Shareholder Return o Relative TSR è l'obiettivo di performance azionaria e contribuisce alla remunerazione variabile incentivante prevista dal Piano (in forma azionaria) con un peso percentuale del 50%,
- (ii) l'EBITDA Adjusted Consolidato Triennale è l'Obiettivo di Performance aziendale e contribuisce alla remunerazione variabile incentivante prevista dal Piano (in forma azionaria) con un peso percentuale del 50%.

La valutazione alla data del 31 dicembre 2024, secondo il principio contabile IFRS 2, ha riguardato il fair value totale del piano approvato.
La componente "market based" (Relative Total Shareholder Return) è stata stimata utilizzando la simulazione stocastica con il Metodo Monte Carlo che, sulla base di opportune ipotesi, ha consentito di definire un consistente numero di scenari alternativi nell'arco temporale considerato.
La componente "non market based" è stata valutata alla "reporting date" per tenere conto delle aspettative relative al numero di diritti che potranno maturare.
Il valore della riserva LTI al 31 dicembre 2024 è pari a Euro 255 migliaia (Euro 279 migliaia al 31 dicembre 2023).

6.14

Financial liabilities (current and non-current)

The breakdown of current and non-current Financial liabilities as at 31 December 2024 is shown below:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 Balance as at 2023
Current bank loans and borrowings and loans and borrowings from other financial backers	13.739	29.170
Non-current bank loans and borrowings and loans and borrowings from other financial backers	21.149	8.600
Total bank loans and borrowings and loans and borrowings from other financial backers	**34.888**	**37.770**
Other current financial liabilities	1.339	1.063
Other non-current financial liabilities	607	1.909
Total other financial liabilities	**1.946**	**2.972**
Total financial liabilities	**36.834**	**40.741**

Bank loans and borrowings and loans and borrowings from other financial backers amounted to EUR 36,834 thousand (EUR 40,741 thousand as at 31 December 2023) and mainly include:

- the bank loan entered into on 31 July 2024 (re-financing) for EUR 25,000 thousand. The residual debt at year-end including the effect of amortised cost amounted to EUR 24,721 thousand;
- hot money bank loans in the amount of EUR 4,800 thousand;
- current accounts payable and invoice advances in the amount of EUR 5,378 thousand;
- other financial liabilities, including lease liabilities in the amount of EUR 1,946 thousand.

The following are highlights of the financial debt outstanding at 31 December 2024:

(In thousands of Euro)	Inception	Maturity	Original amount	Balance as at 31 December 2024		
				Outstanding debt	current portion	non-current portion
Banca Nazionale del Lavoro S.p.A. [*]	31/07/2024	31/07/2028	12.500	12.500	1.876	10.624
Unicredit S.p.A. [*]	31/07/2024	31/07/2028	12.500	12.500	1.876	10.624
Bank loans and borrowings from other financial backers			**25.000**	**25.000**	**3.752**	**21.248**

The bank loan payable to the above institutions is subject to economic and financial covenants. These covenants have been complied with as at 31 December 2024.

A breakdown of the financial liabilities is shown below based on their maturity:

(In thousands of Euro)	Balance as at	
	31 december 2024	31 december 2023
Within 1 year	14.774	30.232
From 1 to 5 years	22.060	10.509
Total	**36.835**	**40.741**

Below is a reconciliation of the net financial indebtedness as at 31 December 2024, of EUR 22,587 thousand, and as at 31 December 2023, of EUR 34,116 thousand, according to the scheme envisaged by ESMA Guidance 32-382-1138 dated 4 March 2021 and indicated in the Consob Note 5/21 dated 29 April 2021:

	Balance as at		Changes	
(In thousands of Euro)	31 December 2024	31 December 2023	Δ	%
(A) Cash	13.906	6.356	7.550	>100%
(B) Cash and cash equivalents	-	-	-	-
(C) Other current financial assets	341	269	72	26,9%
(D) Liquidity (A)+(B)+(C)	**14.247**	**6.625**	**7.623**	**>100%**
(E) Current financial debt	10.168	14.769	(4.601)	-31,2%
(F) Current portion of non-current debt	4.606	15.463	(10.857)	-70,2%
(G) Current financial indebtedness (E) + (F)	**14.774**	**30.232**	**(15.458)**	**-51,1%**
- of which guaranteed	-	-		
- of which not guaranteed	14.774	30.232	(15.458)	-51,1%
(H) Net current financial indebtedness (G) - (D)	**527**	**23.608**	**(23.080)**	**-97,8%**
(I) Non-current financial debt	22.060	10.509	11.502	>100%
(J) Debt instruments	-	-	-	-
(K) Non-current trade and other payables	-	-	-	-
(L) Non-current financial indebtedness (I)+(J)+(K)	**22.060**	**10.509**	**11.502**	**>100%**
- of which guaranteed	-	-		
- of which not guaranteed	22.060	10.509	11.502	>100%
(M) TOTAL FINANCIAL INDEBTEDNESS (H) + (L)	**22.587**	**34.116**	**(11.529)**	**-33,8%**

6.15

Employee benefits

As at 31 December 2024, this item, amounting to EUR 204 thousand (EUR 211 thousand as at 31 December 2023), derives from the actuarial valuation of the Company's post-employment benefits (TFR); these valuations were carried out using the "Projected Unit Credit" method as provided for by IAS 19.
The actuarial model is based on:

- discount rate of 3.18%, which was derived from the Iboxx Corporate AA index with a duration of 7-10;
- annual inflation rate of 2.00%;
- annual rate of increase in the post-employment benefits of 3.00%, which is equal to 75% of inflation plus 1.5 percentage points.

In addition, sensitivity analyses were carried out for each actuarial assumption, considering the effects that would have occurred as a result of reasonably possible changes in the actuarial assumptions at the reporting date; the results of these analyses do not give rise to significant effects.

6.16

Buy-Back Plan

Starting 23 November 2023, the current share buyback and disposal programme was started on the basis of the authorisation resolution approved by the Shareholders' Meeting of 22 November 2023, which provides for the purchase of a maximum number of shares that shall not, in total, exceed 7% of the share capital, for a period of no more than eighteen months. As part of this resolution, the Board of Directors initiated the programme for the repurchase and disposal of treasury shares, providing that the repurchase will be carried out in one or more tranches, up to a maximum number of 1,003,566 Cellularline shares, equating to approximately 4.6% of the share capital, for a maximum value of EUR 3.0 million. As we are close to reaching the set share purchase threshold, the Board of Directors' meeting of 10 March 2025 planned to increase the number of shares to be purchased in one or more tranches by 150,000, amounting to approximately 0.7% of the share capital.
It is recalled that as at 22 November 2023, the Company held 527,207 treasury shares, equal to 2.4% of the share capital.
The initiation of the repurchase programme was ruled necessary in order to: i) preserve for subsequent use, including, by way of example, consideration in extraordinary transactions, including the exchange or sale of equity investments to be carried out through an exchange, contribution or other act of disposition and/or use, with other parties, or use to service bonds convertible into shares of the Company or bonds with warrants; ii) use for the service of future compensation and incentive plans based on financial instruments and reserved for the Directors and employees of the Company and/or the companies directly or indirectly controlled by the same, either through the granting of stock options free of charge, or through the free allocation of shares (stock option and Stock Grant plans); and iii) use to service any future programmes for the free assignment of shares to shareholders. The programme has a duration of eighteen months from the date of the Shareholders' Meeting and thus ends on 21 May 2025.
During the current buy-back programme, the following Cellularline treasury shares were utilised: i) 327,634 for the distribution of the 2024 dividend, ii) 339,459 for the payment of a tranche totalling 10% of the share capital of the subsidiary Worldconnect, achieving a 90% controlling interest in the same, following the exercise of the put option reserved to them by the minority shareholders of Worldconnect.
It is recalled that as at 10 March 2025, the Company held 811,171 treasury shares, equal to 3.71% of the share capital.
On 10 March 2025, the Board of Directors placed on the agenda the proposal of submitting to the Shareholders' Meeting a new Buy-Back Plan with a maximum number of Cellularline shares held up to 7% of the share capital, having the same purposes as the existing Buy-Back Programme, for a duration of 18 months.

6.17

Provisions for risks and charges

Changes in the Provisions for risks and charges, broken down for the period between 31 December 2023 and 31 December 2024 are shown below:

(In thousands of Euro)	Provision for future risks	Agents' severance indemnity provision (FISC	Total
Balance as at 31 December 2023	**336**	**1.459**	**1.795**
- of which current portion	-	-	-
- of which non-current portion	336	1.459	1.795
Accruals		142	142
Utilisations/Releases	(267)	(3)	(267)
Balance as at 31 December 2024	**69**	**1.598**	**1.667**
- of which current portion	-	-	-
- of which non-current portion	69	1.598	1.667

The Agents' severance indemnity provision (FISC) refers to the measurement of the agents' severance indemnity of the Company for the amount to be paid to the agents for the termination of the agency relationship through no fault of the agent. The actuarial valuation, consistent with IAS 37, was carried out by quantifying future payments through the projection of the indemnity accrued at the reporting date by the agents operating until the presumed (random) termination of the contractual relationship. For actuarial valuations, demographic and economic-financial assumptions were adopted; specifically, the discount rate was set with reference to the Iboxx Eurozone AA index in relation to the duration of the collective at 3.18%.

6.18

Trade payables

The breakdown of Trade payables as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Situazione al	
	31 December 2024	31 December 2023
Trade payables to third parties	25.853	26.691
Trade payables from related parties (Note 8)	1.291	605
Total trade payables	**27.144**	**27.296**

As at 31 December 2024, trade payables were down compared to 31 December 2023. These payables relate to commercial transactions with normal payment terms, all due within one year.

6.19

Current tax liabilities

The item, amounting to EUR 1,593 thousand (EUR 1,268 thousand as of 31 December 2023) mainly includes the liability for IRES and IRAP taxes for FY 2024.

6.20

Other liabilities

The breakdown of Other liabilities as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 December 2024	31 December 2023
Due to employees	1.992	1.899
Social security liabilities	881	779
Tax liabilities	1.048	1.062
Other payables	5	481
Total Other liabilities	**3.925**	**4.221**

- As at 31 December 2024, other liabilities amount to EUR 3,925 thousand (EUR 4,221 thousand as at 31 December 2023) and are mainly divided as follows:

- EUR 1,992 thousand due to employees for wages to be settled and bonuses;
- EUR 881 thousand due to social security institutions for contributions to be settled;
- tax liabilities of EUR 1,048 thousand (withholdings, IRPEF).

6.21

Other financial liabilities (current and non-current)

The breakdown of Other financial liabilities as at 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Balance as at	
	31 December 2024	31 December 2023
Other current financial liabilities	1.339	1.063
Other non-current financial liabilities	607	1.909
Total other financial liabilities	**1.946**	**2.972**

Other financial liabilities as at 31 December 2024 amounted to EUR 1,946 thousand (EUR 2,972 thousand as at 31 December 2023) and mainly included the lease liability arising from the application of IFRS 16 in the amount of EUR 1,772 thousand (EUR 2,747 thousand as at 31 December 2023).

7

Notes to the income statement

The notes to the income statement for 31 December 2024 and 31 December 2023 are provided below.

7.1

Revenue from Sales

In 2024, revenue from sales amounts to EUR 130,899 thousand (EUR 126,766 thousand in 2023).
The Company's activities develop through one operating segment, which can be divided into three main product lines:

- Red Line (accessories for multimedia devices);
- Black Line (accessories for motorcycles and bicycles);
- Blue Line (third party products marketed under distribution agreements).

The following table shows revenue, broken down by product line and geographical area for 2024.

Revenue from Sales by product line

	Year ended				Change	
(In thousands of Euro)	2024	% of revenues	2023	% of revenues	Value	%
Red – Italy	50.364	38,48%	49.481	39,03%	883	1,8%
Red – International	51.209	39,12%	48.174	38,00%	3.035	6,3%
Revenue from sales - Red	**101.573**	**77,60%**	**97.655**	**77,04%**	**3.918**	**4,0%**
Black – Italy	4.085	3,12%	3.809	3,00%	276	7,3%
Black – International	4.295	3,28%	3.557	2,81%	738	20,7%
Revenue from sales - Black	**8.380**	**6,40%**	**7.366**	**5,81%**	**1.014**	**13,8%**
Blue – Italy	20.905	15,97%	21.738	17,15%	(833)	-3,8%
Blue – International	40	0,03%	7	0,01%	33	0,0%
Revenue from sales - Blue	**20.945**	**16,00%**	**21.745**	**17,15%**	**(800)**	**-3,7%**
Total Revenue from Sales	**130.899**	**100,00%**	**126.766**	**100,00%**	**4.132**	**3,3%**

- The **Red Line** recorded a year-on-year increase of 4% (EUR +3,918 thousand), accounting for approximately 77% of the overall performance for the period. Growth was driven by extending our business operations with selected top partners and engaging new high-potential customers;
- The **Black Line** recorded sales of EUR 8,380 thousand. The proportion of sales of the Black Line in 2024 (6.4%) was up from the previous year (5.8%). Our growth is mainly fuelled by our distribution efforts in international markets;
- The **Blue Line** recorded sales of EUR 20,945 thousand, compared to EUR 21,745 thousand in 2023 (-3.7%).

Revenue from sales by geographical area

	Year ended				Change	
(In thousands of Euro)	2024	% of revenues	2023	% of revenues	Δ	%
Italy	75.355	57,6%	75.028	59,2%	327	0,4%
Spain/Portugal	10.041	7,7%	9.566	7,5%	475	5,0%
Eastern Europe	10.473	8,0%	7.325	5,8%	3.149	43,0%
Germany	6.275	4,8%	6.578	5,2%	(303)	-4,6%
Northern Europe	6.385	4,9%	5.917	4,7%	468	7,9%
France	7.246	5,5%	5.645	4,5%	1.601	28,4%
Switzerland	5.372	4,1%	5.540	4,4%	-168	-3,0%
Middle East	4.338	3,3%	4.313	3,4%	25	0,6%
Others	543	0,4%	3.207	2,5%	-2.664	-83,1%
Benelux	3.207	2,5%	2.778	2,2%	429	15,4%
Great Britain	1.647	1,3%	851	0,7%	796	93,5%
North America	17	0,0%	19	0,0%	(2)	-11,8%
Total Revenue from Sales	**130.899**	**100%**	**126.766**	**100%**	**4.132**	**3,3%**

With regard to the analysis of sales by geographical area, we highlight the good performance of France, where the increase was about 28%, Spain, where revenue increased by EUR 1,074 thousand (+7.5%) compared to the previous year, and Benelux, where revenue increased by EUR 1,284 thousand (+16.1%). A slight downturn in the revenue of Germany and Switzerland was observed, chiefly attributed to negative market dynamics.

7.2

Cost of sales

The cost of sales came to EUR 83,067 thousand (EUR 81,560 thousand in FY 2023), equating to 63.5% of revenue, as compared with 64.3% of last year.

7.3

Sales and distribution costs

Sales and distribution costs amount to EUR 21,206 thousand (EUR 19,534 thousand in 2023), as illustrated in the table below.

(In thousands of Euro)	Year ended			
	31/12/2024	% of revenue	31/12/2023	% sui ricavi
Sales and distribution personnel expense	10.054	7,7%	9.312	7,3%
Commissions to agents	4.633	3,5%	4.637	3,7%
Transport	3.286	2,5%	2.891	2,3%
Travel costs	896	0,7%	815	0,6%
Advertising and commercial consultancy expenses	995	0,8%	1.081	0,9%
Other sales and distribution costs	1.342	1,0%	798	0,6%
Total sales and distribution costs	**21.206**	**16,2%**	**19.534**	**15,4%**

7.4

General and administrative costs

General and administrative costs amount to EUR 21,310 thousand (EUR 21,500 thousand in 2023), as illustrated in the table below.

(In thousands of Euro)	Year ended			
	31/12/2024	% of revenues	31/12/2023	% of revenues
Amortisation	8.627	6,6%	8.383	6,6%
Depreciation	1.295	1,0%	1.226	1,0%
Depreciation of right-of-use assets IFRS 16	1.122	0,9%	1.233	1,0%
Impairment losses on assets	33	0,0%	-	-
Provisions for risks and impairment losses	400	0,3%	838	0,7%
Administrative personnel expense	4.778	3,7%	4.426	3,5%
Administrative, legal, personnel consultancy etc.	2.185	1,7%	2.372	1,9%
Commissions and fees	61	0,0%	206	0,2%
Directors' and Statutory Auditors' fees	417	0,3%	433	0,3%
Other general administrative costs	2.391	1,8%	2.383	1,9%
Total general and administrative costs	**21.310**	**16,3%**	**21.500**	**17,0%**

7.5

Other non-operating revenue

Other non-operating revenue for the year as at 31 December 2024 amounts to EUR 2,010 thousand (EUR 476 thousand in 2023), as shown in the table below.

(In thousands of Euro)	Year ended			
	31/12/2024	% of revenues	31/12/2023	% of revenues
Recoveries of SIAE fees	3	0,0%	4	0,0%
Prior year income	134	0,1%	59	0,0%
(SIAE and CONAI contributions)	(177)	-0,1%	(173)	-0,1%
Other non-operating revenue	2.049	1,6%	585	0,5%
Total other non-operating revenue	**2.010**	**1,5%**	**476**	**0,4%**

7.6

net financial expense

Net financial expense amounts to EUR 2,622 thousand (EUR 3,549 thousand in 2023).

(In migliaia di Euro)	Year ended			
	31 December 2024	% of revenue	31 December 2023	% of revenue
Other income and air value gains	425	0,3%	136	0,1%
Interest income	293	0,2%	177	0,1%
Total Financial income	**718**	**0,5%**	**313**	**0,2%**
Commissions, other financial expense and fair value losses	(1.266)	-1,0%	(1.263)	-1,0%
Interest expense on medium/long-term loans	(1.952)	-1,5%	(2.493)	-2,0%
Other interest expense	(123)	-0,1%	(107)	-0,1%
Total financial (expense)	**(3.342)**	**-2,6%**	**(3.862)**	**-3,0%**
Net financial expense	**(2.622)**	**-2,0%**	**(3.549)**	**-2,8%**

Net financial expense is equal to EUR 2,622 thousand, while in 2023, it amounted to EUR 3,549 thousand.
Financial expense at 31 December 2024 comes to EUR 3,342 thousand and mainly refers to:

- EUR 1,952 thousand for interest from banks for short and medium/long-term loans;
- EUR 1,952 thousand for interest from banks for short and medium/long-term loans;
- EUR 123 thousand for other interest expense.

7.7

Net exchange gains

(In migliaia di Euro)	Year ended			
	31/12/2024	% of revenue	31/12/2023	% of revenue
Net exchange gains on trading	195	0,1%	300	0,2%
Net exchange gains/(losses) on financial transactions	(128)	-0,1%	374	0,3%
Net exchange gains	**66**	**0,1%**	**674**	**0,5%**

In FY 2024, the item net exchange gains is mainly influenced by hedging transactions of US Dollar/Euro exchange rate differences.

7.8

Current and deferred taxes

The breakdown of income taxes for the years ended 31 December 2024 and 31 December 2023 is shown below:

(In thousands of Euro)	Year ended	
	31/12/2024	31/12/2023
Current taxes of the year	(2.569)	(953)
Current taxes of previous years	(21)	(17)
Deferred tax assets/(liabilities)	2.251	332
Total	**(339)**	**(638)**

The item includes the expense for current taxes pertaining to the year, amounting to EUR 2,569 thousand, and for taxes relating to previous years, amounting to EUR 21 thousand. Deferred taxes of EUR 2,251 thousand mainly refer to:

- income recorded in the Financial Statements in the amount of EUR 1,413 thousand for the release of a deferred tax liability, the allocation of which, made in previous years and up to 31.12.2023, is not appropriate;
- income for the release of a deferred tax liability of EUR 278 thousand on exchange rate differences arising from foreign currency items;
- income due to the recognition of deferred tax assets amounting to EUR 563 thousand on partially-deductible amortisation, like that of the Cellularline and Interphone trademarks, and on the accrual made to the allowance for inventory (direct) write-down;

The main temporary differences that led to the recognition of deferred taxes are shown in the table below, together with their effects (in thousands of Euro):

	Year to 31/12/2024					
Amounts taken to profit or loss	**Taxable**	**Tax rate**	**(Expense in profit or loss)**	**Taxable**	**Tax rate**	**Income in profit or loss**
- unpaid Directors' fees	-	24,00%	-	-	24,00%	-
- accrual/(utilisation) of agents' severance indemnity	-	27,90%	-	-	24,00%	-
- accrual/(utilisation) of taxed loss allowances	-	24,00%	-	139	24,00%	33
- direct write-down of inventories	1.175	24,00%	(282)	672	24,00%	161
- accrual/(utilisation) of allowance for inventory write-down	-	24,00%	-	1.780	24,00%	427
- losses from exchange rate fluctuations to customers and suppliers	25	24,00%	(6)	-	24,00%	-
- losses from exchange rate fluctuations on loans to subsidiaries and associates	3	24,00%	(1)	-	24,00%	-
- gains from exchange rate fluctuations to customers and suppliers	-	24,00%	-	195	24,00%	47
- gains from exchange rate fluctuations on loans to subsidiaries and associates	-	24,00%	-	964	24,00%	231
- amortisation/depreciation and impairment of customer list	-	27,90%	-	-	27,90%	-
- amortisation of trademarks	-	27,90%	-	817	27,90%	228
- changes in the fair value of warrants (IAS 32)	-	24,00%	-	-	24,00%	-
- valuation differences on post-employment benefits (IAS 19)	-	24,00%	-	-	24,00%	-
- actuarial differences in the agents' severance indemnity (IAS 37)	-	24,00%	-	-	24,00%	-
Total deferred tax assets/liabilities recognised in profit or loss	**1.202**		**(289)**	**4.567**		**1.128**

The following is a summarised reconciliation of current taxes and theoretical taxes (IRES, IRAP) and the reconciliation of the applicable tax rate and the effective average tax rate (in thousands of Euro):

RECONCILIATION OF TAXES PRESENTED IN THE FINANCIAL STATEMENTS AND THEORETICAL TAXES	
Profit before taxes:	**4.360**
Temporary differences:	
Temporary differences taxable in subsequent years (decreases of the year):	(1.175)
Temporary differences deductible in subsequent years (increases of the year):	3.408
Reversal of prior year temporary differences taxed in the year:	-
Reversal of prior year temporary differences deducted in the year:	(28)
Permanent differences:	
Impairment of goodwill and other non-current assets	443
Non-deductible taxes (excluding IRES and IRAP for the year)	7
Car expenses	204
Non-deductible amortisation and depreciation	194
Vocon recognised in OCI	-
-Entertainment expenses exceeding the tax limit	86
valuation of exchange rate differences	1159
Other non-deductible expenses	518
IRAP deduction on personnel expense	(76)
10% IRAP deduction	(66)
Patent box tax benefit	-
Fiscally-driven depreciation and amortisation	(17)
Non-taxable tax credits	(91)
IRES tax base	8.925
Gross current income taxes	2,142
Credit for taxes paid abroad	(455)
Deductions for energy rating expense	(14)
Current IRES effectively due on profit before taxes	**1,673**
Determination of IRAP tax base	
Operating profit	7,325
Costs considered for IRAP purposes	17,394
Tax wedge	(15,201)
Patent box tax benefit	-
Theoretic tax base	**9,519**
Current theoretical tax (3.9)	**371**
Directors' and freelancers' fees and related charges	494
Non-deductible amortisation of trademarks	817
Other increases in the tax base	27
Other decreases in the tax base	-
Patent box tax benefit	-
IRAP tax base	**10,857**
Current effective IRAP	**423**

7.9

Statement of Cash Flows

The main factors that influenced cash flow trends in the years considered are summarised below.

Net cash flows generated by operating activities

(In thousands of Euro)	Situazione al	
Cash flows from operating activities	**31 dicembre 2024**	**31 dicembre 2023**
Profit for the year	1.136	(75.893)
Adjustments for:		
- Current and deferred taxes	10.842	86.081
- Net impairment losses and accruals	1.203	412
(Income)/expenses from investments and (Gains)/losses on foreign exchange	2.875	689
(Gains)/losses on equity investments	638	265
- Amortisation, depreciation and impairment losses		134
- Other non-monetary changes	16.694	11.688
Changes in:		
- Inventories	4.587	(2.866)
- Trade receivables	(6.646)	(374)
- Trade payables	(151)	8.415
- Other changes in operating assets and liabilities	2.721	(6.469)
- Payment of employee benefits and change in provisions	(201)	(18)
Taxes paid/offset	(740)	(933)
Cash flows generated by operating activities	**19,876**	**14,448**
Interest and other net charges paid	(2,556)	(2,901)
Cash flows generated by operating activities	**17,320**	**11,547**

Cash flows used in investing activities

(In thousands of Euro)	Year ended	
Cash flow from investing activities	**31 December 2024**	**31 December 2023**
Acquisition of subsidiary, net of cash acquired and other costs	-	(2.945)
(Purchase)/sale of property, plant and equipment and intangible assets	(2.187)	(3.977)
Cash flows used in investing activities	**(2.187)**	**(6.922)**

Cash flows used in financing activities

(In thousands of Euro)	Year ended	
Cash flows from financing activities	**31 December 2024**	**31 December 2023**
(Dividend distribution)	(1.824)	-
Increase/(Decrease) in other financial liabilities	(1.894)	(1.761)
Disbursed bank loans and borrowings and loans and borrowings from other financial backers [1] (*)	25.000	10.000
Repaid bank loans and borrowings and loans and borrowings from other financial backers (*)	(27.881)	(10.749)
Other changes in equity	(1.875)	(508)
Other non-monetary changes in equity	892	(71)
Net cash flows used by financing activities	**(7.582)**	**(3.088)**

8

Transactions with related parties

The Company has carried out, and continues to carry out, various types of transactions with related parties, most of which are of a commercial nature. These parties are identified as required by IAS 24. Transactions with related parties are neither atypical nor unusual and fall within the ordinary course of Company business. These transactions mainly concern (i) the supply of products and accessories for mobile telephony, (ii) the provision of services that are functional to the performance of the business and (iii) the provision of loans to the above-mentioned related parties. Transactions with related parties, as defined by IAS 24 and governed by article 4 of Consob Regulation no. 17221 of 12 March 2010 (and subsequent amendments), implemented by the Company as at 31 December 2024 concern mainly commercial transactions relating to the supply of goods and the provision of services. The following is a list of the related parties with which transactions took place in FY 2024, indicating the type of relationship:

Related parties	Type and main relationship
Cellular Swiss S.A.	Associate of Cellularline S.p.A. having a 50% investment (measured using the equity method); the remaining shareholders are: Maria Luisa Urso (25%) and Antonio Miscioscia (25%)
Cellular Spain S.L.U.	100% holding in the company
Systema S.r.l.	100% holding in the company
Cellular Inmobiliaria Italiana S.L.U.	100% holding in the company
Cellular Immobiliare Helvetica S.A.	100% holding in the company
WorldConnect AG	A 90% owned company (consolidated on a line-by-line basis); the remaining shareholders are Samuel Gerber
Coverlab S.r.l.	A 55% owned company; the remaining shareholders are Andrea Fabbri (38%) and Marco Diotallevi (7%).
Cellular USA Inc.	100% holding in the company
Subliros S.L.	An 80% owned company; the remaining shareholders are Oscar Luque (6%) and Pol Ros (14%)
Peter Jäckel GmbH	A 60% owned company; the remaining shareholders are Peter Jäckel Immobilien (20.4%) and Kerstin Jäckel (19.6%)
Cellularline Middle East FZE	Company incorporated in April 2023, full subsidiary.
Christian Aleotti	Shareholder of Cellularline S.p.A.

The table below shows the balances of transactions with related parties carried out by Cellularline and recognised in the statement of financial position as at 31 December 2024:

(In thousands of Euro)	Current trade receivables	Non-current financial assets	(Current trade payables)	Receivables/ (Payables) from tax consolidation
Cellular Spain S.L.U.	11.200	-	-	-
Cellular Swiss S.A.	3.316	-	(34)	-
Middle East	2.853	-	(182)	-
Systema S.r.l.	1.736	-	(792)	294
Peter Jäckel GmbH	623	-	(8)	-
Worldconnect AG	150	708	(46)	-
Cellular Inmobiliaria Italiana S.L.U.	21	334	-	-
Cellular Immobiliare Helvetica S.A.	55	817	-	-
Coverlab	37	534	-	(179)
Cellular USA Inc.	34	106	(229)	-
Subliros S.L.	11	-	-	-
Total	**20.038**	**2.498**	**(1.291)**	**115**
Impact on the financial statements item	36,2%	99,1%	4,8%	1,0%

It should be noted that trade receivables are presented net of the related trade payables.

The table below shows the income statement balances of Cellularline's transactions with related parties until 31 December 2024:

(In migliaia di Euro)	Ricavi delle vendite	(Costo del venduto)	(Costi generali e amministrativi)	Altri (costi) ricavi non operativi	Proventi finanziari
Cellular Swiss S.A.	9.411	-	-	-	-
Cellular Spain S.L.U.	5.262	-	(2)	-	-
Systema S.r.l.	5.474	(1.465)	-	238	-
Worldconnect A.G.	1.150	(118)	-	20	6
Coverlab	1.628	-	-	47	9
Cellular USA Inc.	68	(180)	-	103	169
Subliros S.L.	-	-	-	8	21
Peter Jackel Gmbh	12	(229)	-	-	55
Middle East	-	-	-	-	17
Christian Aleotti	-	-	(11)	-	-
Totale	**23.005**	**(1.993)**	**(13)**	**415**	**278**
Incidenza sulla voce di bilancio	17,6%	2,4%	0,1%	20,7%	38,6%

The main related parties with which Cellularline carried out transactions in the year ended 31 December 2024 are as follows:

- Cellular Swiss S.A.: commercial relationship relating to the transfer of goods for sale by Cellularline to Cellular Swiss S.A., with the latter recharging a portion of the contributions of a commercial nature incurred for the acquisition of new customers and/or the development of existing customers;
- Cellular Spain SLU: commercial relationship relating to the transfer of goods for sale by Cellularline to Cellular Spain S.L.U., with the latter recharging a portion of the contributions of a commercial nature incurred for the acquisition of new customers and/or the development of existing customers;
- Systema S.r.l.: commercial relationship relating to the transfer of goods for sale by Cellularline to Systema S.r.l.;
- Worldconnect A.G.: commercial relationship relating to the transfer of goods for sale by Cellularline to Worldconnect A.G.;
- Coverlab S.r.l.: commercial relationship relating to the transfer of goods for sale by Cellularline to Coverlab S.r.l.;
- Cellular USA inc.: relationship in the nature of provision of services by Cellularline to Cellular USA Inc.;
- Subliros S.L.: commercial relationship relating to the transfer of goods for sale by Cellularline to Subliros S.L.;
- Peter Jäckel Gmbh: commercial relationship relating to the supply of goods for sale by Cellularline to Peter Jäckel GmbH;
- Cellularline Middle East FZE: commercial relationship relating to the transfer of goods for sale by Cellularline to Middle East FZE;
- Christian Aleotti: two leases to which Cellularline is a party, as tenant, entered into on 1 September 2017 and 16 October 2017.

9

Other information

Highlights of the Financial Statements of the Company that manages and coordinates Cellularline

The Company is not managed and coordinated by another company.

Contingent liabilities

On the basis of the information available to date, the Company's Directors believe that, at the date of approval of these separate Financial Statements, the accrued provisions are sufficient to ensure the correct presentation of financial information.

Risks

The Company is exposed to the various risks already illustrated in Paragraph 13 of the Consolidated Directors' Report.

Guarantees granted in favour of third parties

There are no guarantees in favour of third parties.

Number of employees

The average number of employees for the year, broken down by category, was as follows:

AVERAGE NUMBER OF EMPLOYEES		
HEADCOUNT	Average 2024	Average 2023
Managers	11	12
Junior managers	36	40
Clerical staff	148	143
Blue collar workers	1	1
Apprentices	15	11
TOTAL	211	207

Remuneration of Executive Directors and Key Managers

The following table shows the fees:

Category	2024	2023
(In thousands of Euro)		
Executive Directors	998	995
Other key managers	235	242
Total remuneration	1.233	1.237

The remuneration of the Executive Officers includes both the emolument for this office and the remuneration as Executives.

Directors' and Statutory Auditors' fees

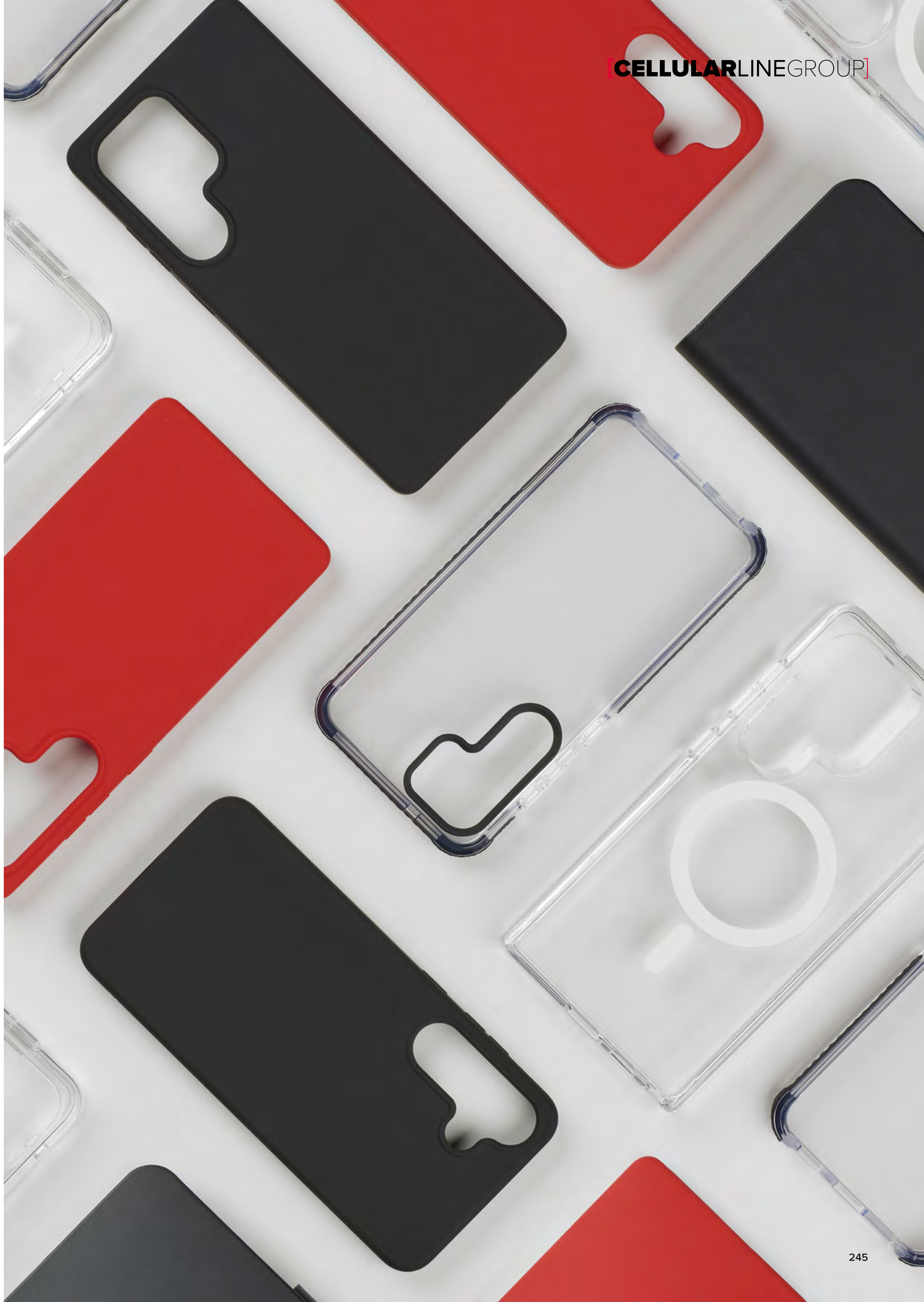
The Directors' fees for 2024 amounted to approximately EUR 310 thousand.
The Board of Auditors' fees for 2024 amounts to approximately EUR 77 thousand.

Independent Auditors' fees

By resolution of the Shareholders' Meeting of 16 April 2019, the Company appointed KPMG S.p.A. as Independent Auditor until the approval of the 2027 Financial Statements. Fees for the statutory audit of the Parent's and the Group's separate and consolidated Financial Statements (annual and half-yearly) amounted to a total of EUR 148 thousand, in addition to EUR 63 thousand for other appointments for the issue of an attestation and EUR 8 thousand for other accounting services as shown in the following table:

(In thousands of Euro)

Type of services	Recipient	KPMG Network	2024
A) Audit services	Parent	KPMG S.p.A. KPMG Network	148 -
B) Attestation services	Parent	KPMG S.p.A. KPMG Network	63 -
C) Other services	Parent	KPMG S.p.A. KPMG Network	8 -
Totale Capogruppo			**219**



KEY EVENTS AFTER THE REPORTING DATE

- From the beginning of FY 2025 until today, Cellularline S.p.A., within the scope of the authorisation to repurchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased 242,390 ordinary treasury shares for a total value of EUR 634 thousand. As of today, Cellularline directly holds 811,171 treasury shares, equal to 3.71% of the share capital with voting rights.
- On 26 February 2025, the Board of Directors approved the 2025-2028 Business Plan.
- From March 2025, the liquidation proceedings of the company Subliros S.L. is underway as part of the Group's e-commerce streamlining efforts, concentrating business operations on its subsidiary, Coverlab S.r.l.

Reggio Emilia, 10 March 2025

Chair of the Board of Directors
Antonio Luigi Tazartes

APPROVAL OF THE FINANCIAL STATEMENTS AND RELATED RESOLUTIONS

Shareholders,
In inviting you to approve the Draft Financial Statements of your Company for the year ended 31 December 2024, we propose that you allocate the profit for the period, amounting to EUR 4,020,864, to the distribution of dividends as follows:

- Distribution of a cash dividend in the amount of EUR 0.093 per eligible ordinary share;
- And a dividend through free assignment to shareholders of a maximum of 345,197 ordinary treasury shares, in the amount of 1 ordinary treasury share for every 61 ordinary shares held, excluding treasury shares held on the day prior to the ex-dividend date.
- Allocation of residual profit to the "Retained earnings".

Chair of the Board of Directors
Antonio Luigi Tazartes

ATTESTATION OF THE FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 DECEMBER 2023

Pursuant to Art. 81-TER of consob regulation No. 11971 of 14 may 1999, as amended and supplemented

1. I, the undersigned Christian Aleotti, as Chief Executive Officer, and Mauro Borgogno, in his capacity as Manager responsible for preparing the financial information of the Company Cellularline, attest, also considering the provisions of Article 154-bis, paragraphs 3 and 4, of Legislative Decree 58 of 24 February 1998:
   - that the Financial Statements are consistent with the characteristics of the business;
   - that the administrative and accounting procedures for the preparation of the Financial Statements as at and for the year ended 31 December 2024 have been effectively applied.
2. In this regard, we note that no significant issues emerged.

3. We also attest that:

3.1. The Annual Financial Statements as at and for the year ended 31 December 2024 of Cellularline S.p.A.:
- have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- correspond with the entries in the ledgers and the accounting records;
- give a true and fair view of the performance and financial position of the issuer.

3.2. The Directors' Report includes a reliable analysis of the performance and results of operations as well as of the issuer's position, together with a description of the main risks and uncertainties to which it is exposed.

Reggio Emilia, 10 March 2025

Christian Aleotti
Chief Executive Officer

Mauro Borgogno
Manager responsible for preparing the financial information

[CELLULARLINEGROUP]

Cellularline S.p.A.
Via Grigoris Lambrakis 1/a 42122 Reggio Emilia (RE) – Italia