

PRESS RELEASE

**APPROVAL OF THE CONSOLIDATED INTERIM FINANCIAL REPORT AT 30 SEPTEMBER 2019**

**APPROVAL OF THE 2020 FINANCIAL CALENDAR**

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- **Revenues from sales**<sup>1,2,3</sup> equal to Euro 93.2 million, up 12.0% (Euro 83.2 million in the same period of 2018 pro-forma); this increase is due to organic growth, for approximately Euro 3.7 million (+4.4%), and to the consolidation, starting from April, of the sales of the newly acquired company Systema, for approximately Euro 6.3 million (+7.6%).
- **Adjusted EBITDA**<sup>4</sup> was Euro 19.0 million (Euro 18.5 million at 30 September 2018 pro-forma), an increase of 2.7%; the margin on revenues in the period ended 30 September 2019 was 20.4%, compared to 22.3% in the previous period.
- **Adjusted Net Result**<sup>5</sup> for the period, of Euro 12.8 million (Euro 11.7 million at 30 September 2018 pro-forma), up 9.4% compared to the same period of the previous year.
- **Net Financial Indebtedness** of Euro 39.0 million (Euro 24.5 million at 31 December 2018).

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Reggio Emilia, 14 November 2019 - The Board of Directors of Cellularline S.p.A. (hereinafter "**Cellularline**" or "**Company**"), a leading company in the smartphone and tablet accessories sector listed on the STAR Segment of the Italian Stock Exchange, met today to examine and approve the consolidated interim financial report at 30 September 2019, compared with the pro-forma consolidated financial report at 30 September 2018, prepared for the sole purpose of illustrating the effects of the business combination, which took place on 4 June 2018, as if it had taken place on 1 January 2018.

In accordance with applicable regulations, the consolidated interim financial report at 30 September 2019 is available at the Company's registered office and may be consulted on its website at the address [www.cellularlinegroup.com](http://www.cellularlinegroup.com), in addition to the authorised storage facility "1infostorage" operated by Computershare S.p.A. at the address [www.1info.it](http://www.1info.it).

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<sup>1</sup> The financial performance data for the period ended 30 September 2019 is compared with the unaudited consolidated pro-forma data for the same period of 2018 of the former Cellular Italia Group, prepared solely with the aim of representing the effects of the business combination of 4 June 2018, as if it had taken place on 1 January 2018.

<sup>2</sup> The adjusted indicators are not identified as an accounting measure under IFRS and, therefore, should not be considered a substitute measure to value the Group's results. Since the composition of these indicators is not regulated by the reference accounting standards, the Group's determination criterion applied may not be consistent with the one adopted by other companies or with the one that may be adopted in the future by the Group, or created by it, and thus not comparable.

<sup>3</sup> The figures for 2019 include the effects of applying IFRS 16.

<sup>4</sup> **Adjusted EBITDA** is calculated as the adjusted Consolidated EBITDA (i) of non-recurring charges/(income), (ii) of the effects deriving from non-recurring events, (iii) of events linked to extraordinary operations and (iv) by operating exchange gains/(losses).

<sup>5</sup> **Adjusted Net Result** is calculated as adjusted Result of the period of the (i) adjustments incorporated in Adjusted EBITDA, (ii) adjustments of amortisation and depreciation relating to the Purchase Price Allocation, (iii) adjustments of non-recurring financial charges/(income) and (v) the theoretical tax impact of these adjustments.

**Comments on the main financial performance and financial position data at 30 September 2019**

When analysing the main financial performance indicators for the period, the seasonal nature of the business the Group operates in should be taken into account. As a consequence, they must not necessarily be considered to represent an annual trend.

**Revenues from sales** increased by Euro 10.0 million (+12.0%) during the period ended 30 September 2019, continuing the growth trend seen in the first six months of the year, due in part to the positive contribution of the recently acquired Systema of Euro 6.3 million.

However, the positive organic growth performance in the first nine months of 2019 - made possible by the strategic and commercial measures taken since second half of 2018 - was affected in the final months by a slowdown in smartphone sales, mainly owing to the worsening of tensions between the USA and China, which particularly penalised the Huawei brand, including in Europe, starting in the third quarter.

The increase in growth (Euro 9.1 million) was driven by the Red Line, which accounts for 87.9% of total revenues, mainly owing to the contribution by Systema, the initial benefits of a long-term agreement reached with a major consumer electronics player, the normalisation of the non-recurring factors seen in 2018 and the sale of AQL brand audio products.

Growth on international markets continued at +4.9% during the period, with international markets making up 44.1% of total revenues, confirming the sound balance between business in Italy and internationally.

In the period ended on 30 September 2019 the incidence of the **Cost of Goods Sold** on sales was greater than in the same period of 2018 (+2.9%), mainly as a consequence of the dilution resulting from the integration of Systema (+1.3%), a company operating in the Telco channel, whose margin is lower than the average margin obtained by the Group.

The remainder of the change for the period is attributable to the performance of the Euro/USD exchange rate (particularly favourable in the first nine months of 2018 compared to the rate recorded in the reporting period), the increase in sales under the AQL brand (recently launched in international markets, with more aggressive pricing) and the customer mix.

**Adjusted EBITDA** at 30 September 2019 was Euro 19.0 million (Euro 18.5 million in the same period of 2018), equal to an increase of 2.7%, with a percentage on revenues of 20.4% (22.3% in 2018).

The slight decrease in the margin, equal to 1.9% compared to the previous period, is due solely to the rising cost of sales described above, partially offset by the effect of a lower incidence of sales and distribution costs and general and administrative costs on revenues (despite the strengthening of the management structure in compliance with the requirements set for the STAR segment and to support the strategic development of the business).

**Adjusted net profit**, equal to Euro 12.8 million at 30 September 2019, increased in absolute terms by Euro 1.1 million (+9.4%), thanks to the improved operating performance and a decrease in net financial charges. Financial charges, net of extraordinary items, decreased by Euro 0.6 million, due to both the reduction in average indebtedness for the period and the step-down in mid-2018 of the spread applied on the existing loan (thanks to the reduced level of indebtedness achieved); these charges are not affected by the acquisition of 60% of Systema, which was paid in full using available cash.

**Net financial indebtedness** of Euro 39.0 million at 30 September 2019, despite the increase versus 31 December 2018 – mainly owing to factors not directly correlated with the performance of the business and the adoption of new accounting standards, as described below – continued to show a modest leverage ratio (Net financial indebtedness/Adj. EBITDA) of 1.1x at 30 September 2019, versus 0.7x at 31 December 2018. Net financial indebtedness was negatively impacted for Euro 2.7 million by the fair value relating to the Put&Call Agreement for the purchase of the remaining 40% of Systema, and for Euro 2.0 million by the application of the new accounting standard IFRS 16; both items were not present at 31 December 2018. Net

financial indebtedness was also influenced by several factors not linked to the ordinary business, such as *i)* the distribution of a dividend of Euro 6.1 million (30 cents per share), *(ii)* the cash out for the purchase of 60% of Systema of Euro 2.5 million, and *(iii)* the purchase of 357,148 treasury shares for Euro 2.6 million. Operating activity generated positive cash flow of Euro 3.3 million, against capital expenditures of Euro 2.9 million for the period.

The high level of cash and cash equivalents and the low level of net indebtedness ensure adequate financial flexibility for any future acquisitions and distribution of dividends.

## **Significant events in the first nine months of 2019**

On **3 April 2019** the acquisition was formalised of the control over Systema s.r.l., a company operating in the mobile telephone accessories market on the Telco channel, which has been collaborating with leading international telephone operators in Central and Southern Europe for more than 10 years now. The transaction was carried out through the acquisition of 60% of the share capital of Pegaso s.r.l., the company that holds the entire share capital of Systema. The integration of the newly acquired company's operations into the Group was essentially completed in the third quarter of 2019. Accordingly, the related synergies, at the level of both revenues and costs, are expected to be achieved in full starting in 2020.

On **16 April 2019** the Shareholders' Meeting of Cellularline S.p.A. approved the distribution of an ordinary unit dividend, before withholding tax, of Euro cent 30 per share, with coupon date 20 May 2019 (record date 21 May 2019) and payment as from 22 May 2019, for a total amount of Euro 6.1 million.

On **10 July 2019** the Board of Directors of Cellularline S.p.A. resolved to continue the treasury share purchase programme, from 22 July 2019 and until 31 December 2019, based on the authorising resolution approved by the Shareholders' Meeting of 21 November 2018, up to a maximum number of n. 230,000 shares and a maximum amount of Euro 2,300,000.

The continuation of the programme resulted in the purchase of n. 159,720 shares for Euro 1.1 million during the period from 22 July to 30 September. As of today's date the Company holds n. 1,616,794 ordinary shares.

On **22 July 2019** - just over a year after the date of listing on the AIM - trading began of the ordinary shares and warrants of Cellularline S.p.A. on the Italian Stock Exchange ("MTA") - STAR Segment - organised and managed by Borsa Italiana S.p.A. The transition from the AIM Market to the MTA - STAR Segment will allow the Company to enjoy greater visibility on its European markets of reference, greater liquidity for its shares and thus increased interest from the market and Italian and international institutional investors, with the resulting additional advantages in terms of competitive positioning.

## **Legal declarations**

The manager responsible for preparing the company's financial reports, Stefano Cerrato, declares, pursuant to paragraph 2 of Article 154 bis of the Consolidated Law on Finance, that the accounting information contained in this press release corresponds to the document results, the books and accounting records.

The annexes present the unaudited financial statement schedules reviewed and approved today by the Board:

- **Annex A**: comparison between IFRS consolidated data at 30 September 2019 and IFRS consolidated data at 30 September 2018 pro-forma of the former Cellular Italia Group;
- **Annex B**: comparison between IFRS consolidated data as at 30 September 2019 and IFRS consolidated data as at 30 September 2018; the latter includes the nine-month economic data of Crescita S.p.A. and the data of the former Cellular Italia Group as from the effective date of the merger (4 June 2018), in compliance with the provisions of the international accounting standards.

**2020 Financial Calendar**

Cellularline announces today the Board of Directors approved the following calendar of company events for the year 2020:

Event Date	Event Description
11 March 2020	Board of Directors to approve the draft financial statements at 31 December 2019 and consolidated financial statements at 31 December 2019
24 April 2020	Shareholders' Meeting to approve the financial statements at 31 December 2019
13 May 2020	Board of Directors for the approval of the consolidated interim report at 31 March 2020
11 September 2020	Board of Directors for the approval of the consolidated half-yearly financial report at 30 June 2020
11 November 2020	Board of Directors for the approval of the consolidated interim report at 30 September 2020

Accounting data will generally be presented to the investors and financial analysts on the day after they are approved by the competent body.

As previously reported, Cellularline S.p.A., as a company listed on the Italian Stock Exchange – STAR Segment, will publish interim financial reports at 31 March 2019 and 30 September 2019 – pursuant to Art. 2.2.3, para. 3, of the Borsa Italiana Regulations – within 45 days of the end of the first, third and fourth quarters of the year (with an exemption from publishing the fourth interim report if the annual financial report, together with the other documents set out in Art. 154-ter, para. 1, of the Consolidated Finance Act, is made available within 90 days of year-end).

Any changes to the above dates will be announced promptly.

The annual corporate events calendar is available to the public on the Company's website at the address [www.cellularlinegroup.com](http://www.cellularlinegroup.com), in the "Investor Relations" section, and at the authorised storage facility "1infostorage" operated by Computershare S.p.A. at the address [www.1info.it](http://www.1info.it).

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**Conference call**

Management will present the consolidated results for the period ended 30 September 2019 to the financial community during a conference call to be held on 15 November 2019 at 12:00 CET.

Details of how to participate and the related supporting documents will be available on the website [www.cellularlinegroup.com/investors/presentazioni/](http://www.cellularlinegroup.com/investors/presentazioni/).

**Decisions following the resignation of the director Andrea Francesco Enrico Ottaviano**

Following to disclosed information on 12 September 2019, the Board of Directors, after conducting a self-assessment of its functioning, composition and size, resolved not to co-opt a director to replace Mr. Andrea Francesco Enrico Ottaviano. The circumstances taken into consideration by the Board of Directors during the self-assessment process included: (i) the fact that the current Board of Directors will leave office when the financial statements at 31 December 2019 are approved; (ii) the characteristics and professional qualities of the current members and the fact that all members have been appointed by the Shareholders' Meeting; and (iii) the effective impact and any adverse consequences of not co-opting a non-independent director, in the light of the current composition and functioning of the Board and its committees (of which the resigned director was not a member).

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*Cellularline S.p.A., founded in Reggio Emilia in 1990, with the brands **Cellularline**, **AQL** and **Interphone**, is the leading company in the sector of accessories for smartphones and tablets. The Group is a technological and creative reference point for accessories for multimedia devices and strives to provide users with products which distinguish themselves in virtue of their outstanding performance, ease of use and experiential uniqueness. Today the Group employs approximately 230 members of staff. Cellularline brand products are sold in over 60 countries.*

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**ANNEX A**

**CONSOLIDATED FINANCIAL STATEMENTS OF CELLULARLINE AS AT 30 SEPTEMBER 2019**

**STATEMENT OF THE CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION**

<i>(Amounts in Euro thousands)</i>	<b>Situation as at 30/09/2019</b>	<b>Of which related- party</b>	<b>Situation as at 31/12/2018</b>	<b>Of which related parties</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	72,678	-	78,614	-
Goodwill	96,627	-	93,857	-
Property, plant and equipment	7,267	-	7,229	-
Right of use	1,923	-	-	-
Deferred tax assets	884	-	963	-
Financial receivables	553	553	-	-
<b>Total non-current assets</b>	<b>179,932</b>		<b>180,663</b>	
<b>Current assets</b>				
Inventories	31,453	-	20,614	-
Trade receivables	59,435	6,255	59,421	5,813
Current tax receivables	5,965	-	5,967	-
Financial assets	60	-	56	-
Other assets	2,897	-	3,930	-
Cash and cash equivalents	24,442	-	41,989	-
<b>Total current assets</b>	<b>124,251</b>	-	<b>131,977</b>	-
<b>TOTAL ASSETS</b>	<b>304,183</b>	-	<b>312,640</b>	-
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital	21,343	-	21,343	-
Other reserves	157,552	-	146,897	-
Retained earnings from consolidation	3,672	-	(6,243)	-
Group profit /loss	9,241	-	32,378	-
<b>Group shareholders' equity</b>	<b>191,808</b>	-	<b>194,375</b>	-
Shareholders' equity attributable to minority interests	-	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>191,808</b>	-	<b>194,375</b>	-
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Payables to banks and other lenders	44,209	-	51,667	-
Deferred tax liabilities	20,051	-	21,337	-
Employee benefits	847	-	411	-
Provisions for risks and charges	1,627	-	1,299	-
Other financial liabilities	3,147	-	-	-
<b>Total non-current liabilities</b>	<b>69,881</b>	-	<b>74,713</b>	-
<b>Current liabilities</b>				
Payables to banks and other lenders	12,833	-	12,169	-
Trade payables	21,577	16	20,186	124
Current tax payables	408	-	93	-
Provisions for risks and charges	530	-	530	-
Other liabilities	3,694	-	7,877	-
Other financial liabilities	3,452	-	2,698	-
<b>Total current liabilities</b>	<b>42,494</b>	-	<b>43,552</b>	-
<b>TOTAL LIABILITIES</b>	<b>112,375</b>	-	<b>118,265</b>	-
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>304,183</b>	-	<b>312,640</b>	-

**ANNEX A**

**PRO-FORMA CONSOLIDATED INCOME STATEMENT**

<i>(Amounts in Euro thousands)</i>	Period ended 30/09/2019	Of which related-party	Period ended 30/09/2018 Pro-forma	Of which related-party
Revenues from sales	93,243	3,415	83,177	3,005
Cost of sales	(49,860)	-	(42,101)	-
<b>Gross Operating Margin</b>	<b>43,384</b>	<b>-</b>	<b>41,076</b>	<b>-</b>
Selling and distribution costs	(19,221)	-	(17,863)	-
General and administrative costs	(15,174)	(27)	(15,808)	(29)
Other non-operating (costs) /revenues	974	(74)	(683)	(71)
<b>Operating profit (loss)</b>	<b>9,962</b>	<b>-</b>	<b>6,721</b>	<b>-</b>
Financial income	1,030	-	6,017	-
Financial charges	(1,381)	-	(14,806)	-
Gains/(losses) on exchange rates	(180)	-	410	-
Income from (Expense on) equity investments	-	-	(263)	-
<b>Profit (loss) before taxes</b>	<b>9,432</b>	<b>-</b>	<b>(1,921)</b>	<b>-</b>
Current and deferred taxes	(191)	-	7,703	-
<b>Profit/loss before minority interests</b>	<b>9,241</b>	<b>-</b>	<b>5,782</b>	<b>-</b>
Profit/loss pertaining to minority interests	-	-	-	-
<b>Group profit /loss</b>	<b>9,241</b>	<b>-</b>	<b>5,782</b>	<b>-</b>

**COMPREHENSIVE PRO-FORMA CONSOLIDATED INCOME STATEMENT**

<i>(Amounts in Euro thousands)</i>	Period ended 30/09/2019	Period ended 30/09/2018 Pro-forma
<b>Group profit /loss</b>	<b>9,241</b>	<b>5,782</b>
<i>Other components of comprehensive profit/ loss that will not be reclassified to the income statement</i>		
Actuarial gains (losses) on defined plans and benefits	(110)	18
Actuarial gains (losses) on provisions for risks	(145)	25
Income taxes on other components of comprehensive profit/loss	75	(17)
<b>Total other components of comprehensive profit/loss</b>	<b>(180)</b>	<b>26</b>
<b>Total comprehensive profit/loss for the year</b>	<b>9,061</b>	<b>5,808</b>



**ANNEX A**

**PRO-FORMA CONSOLIDATED CASH FLOW STATEMENT**

<i>(Amounts in Euro thousands)</i>	<b>Situation as at 30/09/2019</b>	<b>Situation as at 30/09/2018 Pro-forma</b>
Gains/(losses) of the period	9,241	5,782
Current taxes	(889)	7,703
Amortisation	6,843	6,484
Write-downs and provisions	804	(892)
Income from (Expense on) equity investments	-	263
Financial income/expenses accrued	530	4,992
	<b>16,529</b>	<b>24,332</b>
(Increase)/decrease in inventories	(10,838)	(6,433)
(Increase)/decrease in trade receivables	(14)	16,480
Increase/(decrease) in trade payables	1,392	(10,347)
Increase/(decrease) in other assets and liabilities	(3,129)	(2,531)
Payment of employee benefits	(64)	(3)
	<b>3,876</b>	<b>21,498</b>
Net financial charges paid	(530)	(14,149)
Income taxes paid	-	-
<b>Cash flow generated (absorbed) by operating activities</b>	<b>3,346</b>	<b>7,349</b>
Net charges deriving from the Business Combination/STAR	2,403	4,616
Advance payment for commercial contributions	2,600	-
Financial income from warrants	(859)	(4,769)
<b>Adjusted Cash flow generated (absorbed) by operating activities</b>	<b>7,489</b>	<b>7,196</b>
Acquisition of subsidiary company, net of cash acquired and other costs	(2,770)	(70,139)
(Purchase)/sale of property, plant and equipment and intangible assets	(2,869)	(1,476)
<b>Net cash flow generated by (absorbed) investing activities</b>	<b>(5,639)</b>	<b>(71,615)</b>
Other financial receivables and payables	3,344	2,700
Capital increase	-	8,043
(Dividends/reserves distributed)	(6,088)	-
Net (purchase)/sale of treasury shares	(2,552)	(12,301)
Other SE changes	(3,168)	96,087
Long-term (decrease) in payables to banks and other lenders	(6,793)	(19,666)
Long-term payables to banks and other lenders - loan origination	-	13,000
Increase in payables to other lenders	-	491
<b>Net cash flow generated by (absorbed) financing activities</b>	<b>(15,256)</b>	<b>88,354</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(17,550)</b>	<b>24,088</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>41,989</b>	<b>11,941</b>
<b>Cash and cash equivalents at year end</b>	<b>24,442</b>	<b>36,029</b>



**ANNEX B**

**CONSOLIDATED FINANCIAL STATEMENTS OF CELLULARLINE AS AT 30 SEPTEMBER 2019**  
**STATEMENT OF THE CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION**

<i>(Amounts in Euro thousands)</i>	Situation as at 30/09/2019	Of which related- party	Situation as at 31/12/2018	Of which related- party
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	72,678	-	78,614	-
Goodwill	96,627	-	93,857	-
Property, plant and equipment	7,267	-	7,229	-
Right of use	1,923	-	-	-
Deferred tax assets	884	-	963	-
Financial receivables	553	553	-	-
<b>Total non-current assets</b>	<b>179,932</b>	<b>-</b>	<b>180,663</b>	<b>-</b>
<b>Current assets</b>				
Inventories	31,453	-	20,614	-
Trade receivables	59,435	6,255	59,421	5,813
Current tax receivables	5,965	-	5,967	-
Financial assets	60	-	56	-
Other assets	2,897	-	3,930	-
Cash and cash equivalents	24,442	-	41,989	-
<b>Total current assets</b>	<b>124,251</b>	<b>-</b>	<b>131,977</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>304,183</b>	<b>-</b>	<b>312,640</b>	<b>-</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>				
<b>Shareholders' equity</b>				
Share capital	21,343	-	21,343	-
Other reserves	157,552	-	146,897	-
Retained earnings from consolidation	3,672	-	(6,243)	-
Group profit /loss	9,241	-	32,378	-
<b>Group shareholders' equity</b>	<b>191,808</b>	<b>-</b>	<b>194,375</b>	<b>-</b>
Shareholders' equity attributable to minority interests	-	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>191,808</b>	<b>-</b>	<b>194,375</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Payables to banks and other lenders	44,209	-	51,667	-
Deferred tax liabilities	20,051	-	21,337	-
Employee benefits	847	-	411	-
Provisions for risks and charges	1,627	-	1,299	-
Other financial liabilities	3,147	-	-	-
<b>Total non-current liabilities</b>	<b>69,881</b>	<b>-</b>	<b>74,713</b>	<b>-</b>
<b>Current liabilities</b>				
Payables to banks and other lenders	12,833	-	12,169	-
Trade payables	21,577	16	20,186	124
Current tax payables	408	-	93	-
Provisions for risks and charges	530	-	530	-
Other liabilities	3,694	-	7,877	-
Other financial liabilities	3,452	-	2,698	-
<b>Total current liabilities</b>	<b>42,494</b>	<b>-</b>	<b>43,552</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>112,375</b>	<b>-</b>	<b>118,265</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>304,183</b>	<b>-</b>	<b>312,640</b>	<b>-</b>

**CONSOLIDATED INCOME STATEMENT**

<i>(Amounts in Euro thousands)</i>	Period ended 30/09/2019	Of which related- party	Period ended 30/09/2018	Of which related- party
Revenues from sales	93,243	3,415	47,269	2,102
Cost of sales	(49,860)	-	(24,054)	-
<b>Gross Operating Margin</b>	<b>43,384</b>	<b>-</b>	<b>23,215</b>	<b>-</b>
Selling and distribution costs	(19,221)	-	(8,099)	-
General and administrative costs	(15,174)	(27)	(10,153)	(20)
Other non-operating (costs) / revenues	974	(74)	606	(47)
<b>Operating profit (loss)</b>	<b>9,962</b>	<b>-</b>	<b>5,568</b>	<b>-</b>
Financial income	1,030	-	5,297	-
Financial charges	(1,381)	-	(719)	-
Gains/(losses) on exchange rates	(180)	-	294	-
Income from (Expense on) equity investments	-	-	(263)	-
<b>Profit (loss) before taxes</b>	<b>9,432</b>	<b>-</b>	<b>10,177</b>	<b>-</b>
Current and deferred taxes	(191)	-	8,848	-
<b>Profit/loss before minority interests</b>	<b>9,241</b>	<b>-</b>	<b>19,025</b>	<b>-</b>
Profit/loss pertaining to minority interests	-	-	-	-
<b>Group profit /loss</b>	<b>9,241</b>	<b>-</b>	<b>19,025</b>	<b>-</b>
<b>Basic earnings per share (Euro per share)</b>	<b>0.46</b>		<b>0.35</b>	
<b>Diluted earnings per share (Euro per share)</b>	<b>0.46</b>		<b>0.35</b>	

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>(Amounts in Euro thousands)</i>	Period ended 30/09/2019	Period ended 30/09/2018
<b>Group profit /loss</b>	<b>9,241</b>	<b>19,025</b>
<i>Other components of comprehensive profit/ loss that will not be reclassified to the income statement</i>		
Actuarial gains (losses) on defined plans and benefits	(110)	18
Actuarial gains (losses) on provisions for risks	(145)	25
Income taxes on other components of comprehensive profit/loss	75	(17)
<b>Total other components of comprehensive profit/loss</b>	<b>(180)</b>	<b>26</b>
<b>Total comprehensive profit/loss for the year</b>	<b>9,061</b>	<b>19,051</b>
<b>Basic earnings per share (Euro per share)</b>	<b>0.46</b>	<b>0.35</b>
<b>Diluted earnings per share (Euro per share)</b>	<b>0.46</b>	<b>0.35</b>

**CONSOLIDATED STATEMENT OF CASH FLOW**

<i>(Amounts in Euro thousands)</i>	<b>Situation as at 30/09/2019</b>	<b>Situation as at 30/09/2018</b>
Gains/(losses) of the period	9,241	19,025
Current taxes	(889)	8,848
Amortisation	6,843	1,046
Write-downs and provisions	804	1,826
Income from (Expense on) equity investments	-	263
Financial income/expenses accrued	530	(4,872)
	<b>16,529</b>	<b>26,136</b>
(Increase)/decrease in inventories	(10,838)	(24,206)
(Increase)/decrease in trade receivables	14	(57,299)
Increase/(decrease) in trade payables	1,392	17,693
Increase/(decrease) in other assets and liabilities	(3,129)	(364)
Payment of employee benefits	(64)	(3)
	<b>3,876</b>	<b>(38,043)</b>
Net financial charges paid	(530)	4,872
Income taxes paid	-	-
<b>Cash flow generated (absorbed) by operating activities</b>	<b>3,346</b>	<b>(33,171)</b>
Net charges deriving from the Business Combination/STAR	2,403	4,616
Advance payment for commercial contributions	2,600	-
Financial income from warrants	(859)	(4,769)
<b>Adjusted Cash flow generated (absorbed) by operating activities</b>	<b>7,489</b>	<b>(33,324)</b>
Acquisition of subsidiary company, net of cash acquired and other costs	(2,770)	-
Goodwill from Business Combination	-	(93,857)
(Purchase)/sale of property, plant and equipment and intangible assets	(2,869)	(87,397)
<b>Net cash flow generated by (absorbed) investing activities</b>	<b>(5,639)</b>	<b>(180,601)</b>
Other financial receivables and payables	3,344	(2,682)
Capital increase	-	8,043
(Dividends/reserves distributed)	(6,088)	-
Net (purchase)/sale of treasury shares	(2,552)	(12,301)
Other SE changes	(3,168)	54,625
Long-term (decrease) in payables to banks and other lenders	(6,793)	(19,666)
Long-term payables to banks and other lenders - loan origination	-	90,466
<b>Net cash flow generated by (absorbed) financing activities</b>	<b>(15,256)</b>	<b>118,486</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(17,550)</b>	<b>(95,286)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>41,989</b>	<b>131,315</b>
<b>Cash and cash equivalents at year end</b>	<b>24,442</b>	<b>36,029</b>