

PRESS RELEASE**CONSOLIDATED INTERIM FINANCIAL REPORT AS AT 30 SEPTEMBER 2024 APPROVED****CONSOLIDATED REVENUES UP TO € 117.7 MLN (+5.0% COMPARED TO THE FIRST NINE MONTHS OF 2023)****ADJ EBITDA UP TO € 15.1 MLN (+17.0% COMPARED TO THE FIRST NINE MONTHS OF 2023)****NET FINANCIAL DEBT DOWN TO €24.8 MLN (€35.4 MLN AT 31 DECEMBER 2023)****THE BOARD OF DIRECTORS PROPOSES THE ADOPTION OF THE BENEFIT CORPORATION STATUS
CONVENING OF ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETINGS**

- **Revenue from sales** of EUR 117.7 million (EUR 112.1 million at 30 September 2023).
- **Adjusted EBITDA¹** of EUR 15.1 million (EUR 12.9 million in the period ended 30 September 2023).
- **Profit for the period** of EUR 1.1 million (EUR -0.3 million at 30 September 2023).
- **Adjusted Net Profit²** of EUR 5.2 million (EUR 4.0 million in the period ended 30 September 2023).
- **Net Financial Indebtedness** of EUR 24.8 million (EUR 35.4 million at 31 December 2023). Leverage ratio³ at 1.1x as at 30 September 2024 (compared to 1.7x as at 31 December 2023).

Reggio Emilia, 06 November 2024 - The Board of Directors of Cellularline S.p.A. (hereinafter "**Cellularline**" or the "**Company**"), a European leader in the sector of accessories for smartphones and tablets listed on the STAR Milan Euronext Market organised and managed by Borsa Italiana S.p.A., today examined and approved the Consolidated Interim Financial Report as at 30 September 2024.

Marco Cagnetta, Director and General Manager Sales and Marketing of the Cellularline Group, commented: *"The growth of our Group's revenues continued in the third quarter of the year. This growth coincided with an additional decrease in financial debt, further affirming the Group's stability. Notably, a positive net profit had already been secured by the third quarter. Our attention is on the challenges of the year's final stretch, marked by key events for our business such as Black Friday and the Christmas holidays. We continue to prioritise the diligent and responsible management of the company to sustain and reinforce this growth trajectory, addressing market demands and enhancing our competitive edge."*

¹ Adjusted EBITDA is calculated as EBITDA adjusted for i) non-recurring charges/(income), ii) the effects of non-recurring events, iii), events relating to extraordinary transactions and iv) operating foreign exchange gains/(losses).

² Adjusted Net Profit is calculated as adjusted Result of the period of the i) adjustments in Adjusted EBITDA, ii) adjustments of depreciation relating to the Purchase Price Allocation, iii) adjustments of non-recurring financial expense/(income) and iv) the theoretical tax impact of these adjustments.

³ Leverage ratio is the ratio of net financial indebtedness to Adjusted EBITDA.

Analysis of consolidated revenue

In the first nine months of 2024, the Group's Revenue from sales totalled EUR 117.7 million, or 5.0% more than in the same period last year (EUR 112.1 million) thanks to the increase in sales both on the domestic and international markets.

Revenue by product line

The table below shows sales by product line:

<i>(In millions of Euro)</i>	Reference period				Change	
	30/09/2024	% of revenues	30/09/ 2023	% of revenues	Δ	%
Red – Italy	36.3	30.8%	34.6	30.9%	1.7	4.9%
Red – International	58.3	49.5%	55.3	49.4%	2.9	5.3%
Revenue from sales - Red	94.6	80.3%	89.9	80.2%	4.6	5.2%
Black – Italy	3.5	2.9%	3.3	3.0%	0.1	3.4%
Black – International	3.7	3.1%	3.0	2.6%	0.7	23.5%
Revenue from sales - Black	7.1	6.0%	6.3	5.6%	0.8	12.8%
Blue – Italy	14.1	11.9%	14.8	13.2%	(0.8)	-5.2%
Blue – International	2.0	1.7%	1.0	0.9%	1.0	95.1%
Revenue from sales - Blue	16.0	13.6%	15.8	14.1%	0.2	1.3%
Total Revenues from Sales	117.7	100.0%	112.1	100.0%	5.6	5.0%

The analysis of sales for the individual product lines shows that:

- the **Red Line**, which represents the core business through the marketing of accessories for smartphones and tablets and the audio products of the **Group's proprietary brands** ⁴, accounted for 80.3% of total period revenues, recording a rise of 5.2% (EUR 4.6 million). The positive impact generated by the activation of new high-potential customers and business expansion on selected top partners continues;
- the **Black Line**, which primarily includes Interphone branded motorcycle accessories, recorded sales of EUR 7.1 million, showing a growth of EUR 0.8 million (+12.8%) compared with the same period of the previous year;
- the **Blue Line**, dedicated to the sale of **third-party brand** products for distribution, recorded growth of EUR 0.2 million (+1.3%).

⁴ Cellularline, Interphone, AQL, MusicSound, Ploos+, Skross, Q2Power, Nova, Coverlab, Allogio, Peter Jäckel, Newrban, Untags, Film&Go and Style&Go.

Revenue by geographical area

The table below shows sales by geographical area:

(In millions of Euro)	Reference period				Change	
	30/09/2024	% of revenues	30/09/2023	% of revenues	Δ	%
Italy	53.7	45.7%	52.7	47.1%	1.0	1.9%
Other European markets ⁵	57.6	49.0%	52.7	47.0%	4.9	9.3%
Other countries	6.3	5.4%	6.6	5.9%	(0.3)	-3.9%
Total Revenues from Sales	117.7	100.0%	112.1	100.0%	5.6	5.0%

With regard to the geographical breakdown of sales for the period, it is highlighted that sales in international markets represent 54.4% of the Group's overall sales, slightly increased compared to the same reference period of 2023. The domestic market showed a growth of about 1.9%, while in the other European markets the Group grew by 9.3% compared to the first nine months of the previous year.

Analysis of Consolidated Operating Profit and Net Profit

In relation to the analysis of the Income Statement for the first nine months of 2024, it is noted that:

- **Gross Operating Margin⁶** increased from EUR 43.3 million in the first nine months of 2023 to EUR 47.2 million, owing largely to revenues growing at a faster rate than the cost of sales.
- **Costs of Sale and Distribution, General and Administrative Costs and Other Non-Operating Costs/Revenues** amounted to EUR 43.1 million in the period under review and accounted for 36.6% of revenue in the period, compared to EUR 41.2 million in the first nine months of the previous year (36.7% of revenue).

Adjusted EBITDA amounted to EUR 15.1 million, marking an increase of EUR 2.2 million compared to the same period of the previous year, with an improvement in its impact on revenue of approximately 1.3 percentage points (12.8% in the first nine months of 2024 versus 11.5% in the same period of 2023).

For the first nine months of 2024, **Net Financial Income and Expenses** were EUR -2.1 million, compared to EUR -2.5 million during the same time-frame in 2023. This improvement of EUR 0.4 million was largely due to the positive impact of operating exchange rate gains.

The **Adjusted Net Profit** for the period amounted to EUR 5.2 million compared to EUR 4.0 million in the first nine months of 2023, thus improving by EUR 1.2 million.

Analysis of consolidated net financial indebtedness and operating cash flow

Net Financial Indebtedness at 30 September 2024 is EUR 24.8 million (EUR 35.4 million at 31 December 2023), therefore showing improvement of EUR 10.6 million. This decrease is mainly related to the reduction in Working Capital, influenced both by the seasonality of the business, and by continuous efficiency actions carried out by management. The leverage ratio as at 30 September 2024 was 1.1x, an improvement from 31 December 2023 (1.7x).

Operating cash flow for the period, which amounted to EUR 19.1 million (EUR 8.2 million in the first nine months of 2023); the difference is mainly due to the trend in Operating Working Capital explained previously.

⁵ For a better presentation, the revenues of all European countries have been reclassified under "Other European Markets".

⁶ Gross Operating Margin is the difference between sales revenue and the cost of sales

Cash and cash equivalents (EUR 19.8 million) as at 30 September 2024, and the undrawn available commercial credit facilities and factoring lines (EUR 21.0 million at the end of the period), ensure the Group's strong financial and equity position.

Significant events in the first nine months of 2024

- 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 531,102 ordinary treasury shares for a total value of EUR 1,439 thousand. As of 30 September 2024, Cellularline directly held 391,217 treasury shares, representing 1.79% of the share capital.
- During the first few months of 2024, as per internal dealing and relevant shareholding disclosures pursuant to Art. 120 of Legislative Decree no. 58/98, it seems that:
 - the Chief Executive Officer, Christian Aleotti, purchased 500,368 ordinary shares, reaching a total shareholding of 12.34%;
 - the Chair of the Board of Directors, Antonio Luigi Tazartes, purchased a total of 920,368 ordinary shares, reaching a total shareholding of 7.19%.
- **24 April:** 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".
- **31 May:** 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 AG. 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.
- **3 July:** 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;
- **31 July:** the Parent Company 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 pre-existing medium- to long-term financial sources, which has allowed the Parent Company to obtain an extension of the maturities of its financial debt by two years (end of the amortisation period in 2028). The new agreement also includes a EUR 10 million line to support the growth strategy by internal and external lines and is subject to economic-financial covenants. The pre-existing medium- and long-term lines were repaid at the same time.
- **24 September:** appointment by co-optation of Mauro Borgogno - currently Group Chief Corporate & Financial Officer and manager in charge of drafting accounting and corporate documents as of 12 January 2023 - as Executive Director of the Company, to replace the resigning Director Davide Danieli.

Significant events after 30 September 2024

No significant events occurred after 30 September 2024.

Outlook

Based on the information available to date, it is believed that the commercial initiatives put in place will bring further benefits in the latter part of the year.

In addition, based on the revenue trend in the last two years, information available to date and the strategic actions taken by the management, the Group overall confirms the long-term strategic directions and the soundness of the development activities implemented.

Convening of Ordinary and Extraordinary Shareholders' Meetings

The Board of Directors also convened the Shareholders' Meeting, in ordinary and extraordinary session, in a single call on 12 December 2024, to discuss and resolve on: (i) in the ordinary session, the appointment of a director by co-optation, pursuant to Article 2386, paragraph 1, of the Italian Civil Code and Article 11 of the Articles of Association; (ii) in the extraordinary session, the adoption of amendments to the Articles of Association in order for the Company to acquire the status of a benefit company, as well as to introduce into the Articles of Association the possibility of holding shareholders' meetings through the exclusive participation of the designated representative and exclusively through telecommunication means.

The documentation required by current legislation in relation to the above matters will be filed within the terms of the law and regulations at the company's registered office and will be made available on the website www.cellularlinegroup.com as well as in the further manner provided for by the applicable regulations.

Legal statements

The Manager responsible for preparing the financial information, Mauro Borgogno, states, pursuant to paragraph 2 of article 154-*bis* of the Consolidated Finance Act, that the financial reporting in this press release corresponds with the documentary records, ledgers and accounting entries.

The following are appended:

- **Annex A:** the IFRS financial statements of the consolidated interim financial report as at 30 September 2024, examined and approved by the Board of Directors today;
- **Annex B:** the Consolidated income statement relative to the first nine months of 2024, reclassified as deemed more representative of the Group's operating profitability by the management.

Analyst conference call

Management will present the consolidated results as at 30 September 2024 to the financial community during a conference call to be held on 07 November 2024 at 09:30 CET.

To participate in the conference call you need to register at the following link

[CLICK HERE TO REGISTER FOR THE CONFERENCE CALL](#)

The slides from the presentation and any supporting material will be available before the start of the conference call, on the site www.cellularlinegroup.com/investors/presentazioni.

This press release is available on the Company's website www.cellularlinegroup.com, Investors/Press Releases section and on the authorised storage system www.1info.it.

*Cellularline S.p.A., founded in Reggio Emilia in 1990, is, together with its brands **Cellularline, Interphone, AQL, MusicSound, Ploos+, Skross, Q2Power, Nova, Coverlab, Alloggio, Peter Jäckel, Newrban, Untags, Film&Go and Style&Go**, the leading company in the smartphone and tablet accessories sector. The Group is at the technological and creative forefront of the multimedia device accessories industry, striving to deliver products synonymous with outstanding performance, ease of use and a unique user experience. The Group currently has 300 employees. Cellularline brand products are sold in over 60 countries.*

Cellularline S.p.A. - Investor Relations
ir@cellularlinegroup.com

Close to Media – Press Office
Enrico Bandini +39 335 8484706
enrico.bandini@closetomedia.it
Alberto Selvatico +39 334 6867480
alberto.selvatico@closetomedia.it
Davide Casi
davide.casi@closetomedia.it

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30 September 2024
CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

<i>(In thousands of Euros)</i>	Situation as at 30/09/2024	Of which Related parties	Balance as at 31/12/2023	Of which related parties
ASSETS				
Non-current assets				
Intangible assets	45,041		50,594	
Goodwill	38,154		38,505	
Property, plant and equipment	7,636		7,816	
Equity investments in associates and other companies	427		331	
Right-of-use assets	3,538		3,994	
Deferred tax assets	5,995		5,805	
Financial assets	146		54	
Total non-current assets	100,936		107,099	
Current assets				
Inventories	43,302		46,931	
Trade receivables	51,714	2,789	51,459	3,761
Current tax assets	751		473	
Financial assets	32		338	
Other assets	9,031		13,066	
Cash and cash equivalents	19,803		14,041	
Total current assets	124,634		126,308	
TOTAL ASSETS	225,570		233,407	
EQUITY AND LIABILITIES				
Equity				
Share capital	21,343		21,343	
Other reserves	105,111		107,056	
Retained earnings	5,335		2,665	
Group profit (loss) for the year	1,088		3,595	
Equity attributable to owners of the parent	132,877		134,659	
Equity attributable to non-controlling interests	-		-	
TOTAL EQUITY	132,877		134,659	
LIABILITIES				
Non-current liabilities				
Payables to banks and other lenders	21,118		8,600	
Deferred tax liabilities	3,161		3,547	
Employee benefits	581		544	
Provisions for risks and charges	2,118		1,939	
Other financial liabilities	8,366		9,061	
Total non-current liabilities	35,345		23,691	
Current liabilities				
Payables to banks and other lenders	13,766		29,170	
Trade payables	33,430		32,330	
Current tax liabilities	1,194		1,686	
Provisions for risks and charges	-		-	
Other liabilities	7,618		8,939	
Other financial liabilities	1,339		2,932	
Total current liabilities	57,348		75,057	
TOTAL LIABILITIES	92,692		98,748	
TOTAL EQUITY AND LIABILITIES	225,570		233,407	

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30 September 2024
INCOME STATEMENT

CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euro)</i>	Period ended 30/09/2024	Of which related- party	Period ended 30/09/2023	Of which related- party
Revenue from sales	117,712	3,585	112,066	2,012
Cost of sales	(70,542)		(68,787)	
Gross operating margin	47,170		43,279	
Sales and distribution costs	(22,924)		(21,860)	
General and administrative costs	(21,136)	(9)	(20,265)	(6)
Other non-operating expense/(revenue)	966		959	
Operating profit/(loss)	4,076		2,113	
Financial income	132		140	
Financial expense	(2,619)		(2,676)	
Foreign exchange gains/(losses)	285		(7)	
Gains on equity investments	96		-	
Profit/(loss) before taxes	1,970		(430)	
Current and deferred taxes	(882)		100	
Profit for the year before non-controlling interests	1,088		(330)	
Profit (loss) for the year attributable to non-controlling interests	-		-	
Group profit (loss) for the year	1,088		(330)	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euro)</i>	Period ended 30/09/2024	Period ended 30/09/2023
Group profit (loss) for the year	1,088	(330)
<i>Other components of comprehensive income that will not be reclassified to profit or loss</i>		
Actuarial gains (losses) on defined benefit plans	-	15
Actuarial gains (losses) on provisions for risks	-	32
Gains/(losses) on translation of foreign operations	(375)	299
Income taxes	-	(13)
Other components of comprehensive expense for the year	(375)	333
Total comprehensive income for the year	713	4

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 30 September 2024
CONSOLIDATED STATEMENT OF CASH FLOWS

<i>(thousands of Euro)</i>	30/09/2024	30/09/2023
Profit/ (loss) for the year	1,088	(330)
Amortisation, depreciation and impairment of goodwill	9,946	9,888
Net write-downs and provisions included in working capital	1,572	(505)
Gains on equity investments	(96)	-
Accrued financial (income)/expense and Foreign exchange (gains)/losses	2,202	2,472
Current and deferred taxes	882	(100)
Other non-monetary changes (*)	(1008)	366
Flow generated (absorbed) by operating activities net of NWC	14,505	11,791
(Increase)/decrease in inventories	2,739	(8,975)
(Increase)/decrease in trade receivables	(654)	(2,472)
Decrease in trade payables	1,100	6,063
Increase/(decrease) in other assets and liabilities	1,453	1,786
Payment of employee benefits and change in provisions	0	43
Cash flow generated (absorbed) by operating activities	19,144	8,236
Interest paid and other net charges paid	(1,935)	(2,180)
Income taxes paid	(1,034)	(899)
Net cash flows generated by operating activities	16,175	5,157
Acquisition of subsidiaries, net of cash acquired	-	(2,552)
Purchase of property, plant and equipment and intangible assets	(3,962)	(3,205)
Cash flows generated (absorbed) by investing activities	(3,962)	(5,757)
(Dividends distributed)	(1,824)	-
Other financial assets and liabilities	(956)	(908)
Other changes in equity	(525)	(432)
Disbursed bank loans and loans and borrowings from other financial backers [1] (*)	25,000	10,000
Repaid bank loans and loans and borrowings from other financial backers (*)	(28,145)	(7,115)
Payment of transaction costs relating to financial liabilities	-	63
Net cash flows generated by (used in) financing activities	(6,451)	1,609
Increase/(decrease) in cash and cash equivalents	5,762	1,009
Opening cash and cash equivalents	14,041	9,916
Closing cash and cash equivalents	19,803	10,924

(*) In order to provide better comparability, these items for the first nine months of 2023 have been reclassified.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euro)</i>	Period ended 30/09/2024	Of which related- party	% of revenues	Period ended 30/09/2023	Of which related- party	% of revenue es
Revenue from sales	117,712	3,585	100%	112,066	2,012	100%
Cost of sales	(70.542)		-59.9%	(68.787)		-61.4%
Gross operating margin	47,170		40.1%	43,279		38.6%
Sales and distribution costs	(22.924)		-19.5%	(21.860)		-19.5%
General and administrative costs	(21.136)	(9)	-18.0%	(20.265)	(6)	-18.1%
Other non-operating (expense)/revenue	966		0.8%	959		0.9%
Operating profit/(loss)	4,076		3.5%	2,113		1.9%
* of which PPA depreciation	5,006		4.3%	4,990		4.5%
* of which non-recurring expense/(revenue)	700		0.6%	982		0.9%
* of which foreign exchange gains/(losses)	350		0.3%	(94)		-0.1%
Adjusted operating profit/loss (Adjusted EBIT)	10,133		8.6%	7,991		7.1%
* of which depreciation and amortisation (excluding PPA amortisation)	4,940		4.2%	4,887		4.4%
Adjusted EBITDA	15,072		12.8%	12,878		11.5%
Financial income	132		0.1%	140		0.1%
Financial expense	(2.619)		-2.2%	(2.676)		-2.4%
Foreign exchange gains/(losses)	285		0.2%	(7)		0.0%
Profit/(loss) before taxes	1,970		1.7%	(430)		-0.4%
* of which PPA amortisation	5,006		4.3%	4,990		4.5%
* of which non-recurring expense/(revenue)	700		0.6%	982		0.9%
Adjusted profit/loss before taxes	7,676		6.5%	5,543		4.9%
Current and deferred taxes	(882)		-0.7%	100		0.1%
Group profit (loss) for the period	1,088		0.9%	(330)		-0.3%
* of which PPA amortisation	5,006		4.3%	4,990		4.5%
* of which non-recurring expense/(revenue)	700		0.6%	982		0.9%
* of which tax effect on the above items	(1.568)		-1.3%	(1.643)		-1.5%
Adjusted Group profit (loss) for the period	5,227		4.4%	4,000		3.6%