

PRESS RELEASE

**APPROVAL OF THE CONSOLIDATED HALF-YEAR FINANCIAL REPORT AT 30 JUNE 2019**

**FINANCIAL CALENDAR UPDATE FOLLOWING THE TRANSITION TO MTA - STAR SEGMENT**

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- **Revenues from sales<sup>1,2,3</sup>** equal to Euro 55.3 million, up 13.5% (Euro 48.7 million in the same period of 2018 pro-forma); this increase is due to organic growth, for approximately Euro 3.1 million (+6.3%), and to the consolidation, starting from April, of the sales of the newly acquired company Systemaitalia, for approximately Euro 3.5 million (+7.2%)
- **Adjusted EBITDA<sup>4</sup>** was Euro 9.2 million (Euro 8.3 million at 30 June 2018 pro-forma), an increase of 10.3%; the margin on revenues in the first half of 2019 was 16.6%, compared to 17.1% in the previous year.
- **Adjusted Net Result<sup>5</sup>** for the period, of Euro 6.2 million (Euro 4.7 million at 30 June 2018 pro-forma), up 32.6% compared to the same period of the previous year.
- **Net Financial Indebtedness** of Euro 39.6 million (Euro 24.5 million at 31 December 2018).

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Reggio Emilia, 12 September 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, today examined and approved the consolidated half-year financial report at 30 June 2019, compared with the pro-forma unaudited consolidated half-year financial information prepared for the six months ended 30 June 2018, 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.

The half-year financial report at 30 June 2019 will be filed, by the terms set forth in art. 154-ter, paragraph 2, of the of the Consolidated Law on Finance, at the Company's registered office and at Borsa Italiana S.p.A.; it will also be available on the Company's website at the following address [www.cellularlinegroup.com](http://www.cellularlinegroup.com) as well as on the “1infostorage” authorised storage mechanism by Computershare S.p.A. at [www.1info.it](http://www.1info.it).

**Marco Cagnetta, Co-CEO** of the Cellularline Group, commented: “*We are pleased to have returned to organic growth during the first half of the year, despite the difficult market context and following a year 2018 that was characterised by particularly penalising non-recurring events. The Group is reaping the benefits of the*

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<sup>1</sup> The economic data for the first half of 2019 is compared with the unaudited consolidated pro-forma data for the first half 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 given by 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.

*numerous actions taken by Management, starting in the second half of 2018, in order to confirm its position as a leading European player in the main channels. Our strategy is to grow also through external lines and, after the acquisition of Systemaitalia last April - for which full integration is on schedule - we are continuing to consider opportunities for market consolidation both in Italy and abroad”.*

### **Comments on the main economic and financial data for the first half of 2019**

When analysing the main financial 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** in the first half of 2019 increased by Euro 6.6 million (+13.5%), thanks to the positive performance of all three product lines and the acquisition of Systemaitalia (with a contribution equal to Euro 3.5 million).

Organic growth is the result of the strategic and commercial actions taken since the second half of 2018 and of the disappearance of the non-recurring negative factors that had mainly influenced the Italian market during the first half of 2018, which continues to feature a performance below the European average.

The Red Line, which accounts for 85.3% of total revenues, experienced the highest growth (Euro 4.8 million), mainly thanks to the contribution of Systemaitalia, the early benefits of a multi-year agreement signed with a leading player in Consumer Electronics, the normalisation of non-recurring factors of 2018, the sale of audio products under AQL brand and the new lines of value-added services launched in 2019.

International markets, up 4.4%, account for 43.2% of total revenues, confirming a good balance in terms of contribution of revenues between Italy and abroad.

In 2019 the incidence of the **Cost of goods sold** on sales was greater than in 2018 (+260 bps), mainly as a consequence of the dilution resulting from the integration of Systemaitalia (+120 bps), a company operating in the Telco channel, whose margin is lower than the average margin obtained by the Group.

The remainder is attributable to the performance of the Euro/USD exchange rate - particularly favourable in the first half of 2018 compared to the one recorded in the reference period -, the increase in sales under AQL brand (recently launched in international markets, with more aggressive pricing), the customer mix and a higher incidence of Black and Blue Line sales, characterised by lower margins.

**Adjusted EBITDA** at 30 June 2019 was Euro 9.2 million (Euro 8.3 million in the same period of 2018), an increase of 10.3%, with a percentage on revenues of 16.6% (17.1% in 2018).

The slight decrease in the margin, equal to 0.5% compared to the previous period, is due to the rising cost of goods sold, partially offset by the net effect between a lower incidence of sales and distribution costs and a moderate increase in general and administrative costs, the latter also following the strengthening of the management structure and personnel of the group, in accordance with the compliance requirements set by STAR and to support the strategic development of the business.

**Adjusted net profit**, equal to Euro 6.2 million at 30 June 2019, increased both in absolute terms (+ 32.6%) and as a percentage of sales (11.2% vs. 9.6%), 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, occurred in mid-2018, of the spread on the existing loan (thanks to the reduced level of indebtedness achieved); these charges are not affected by the acquisition of 60% of Systemaitalia, which was paid in full using available cash.

**Net financial indebtedness**, equal to Euro 39.6 million at the end of the first half of 2019, was up compared to 31 December 2018, though showing a low leverage ratio (Net Financial Indebtedness/Adj. EBITDA) of 1.1x at 30 June 2019 vs 0.6x at 31 December 2018.

Cash and cash equivalents, equal to Euro 25.8 million at 30 June 2019, decreased in the first six months of 2019 by Euro 16.2 million mainly due to factors not directly linked to the ordinary business, such as (i) distribution of a dividend of Euro 6.1 million (30 cents per share), (ii) cash out for the purchase of 60% of Systemaitalia, equal to Euro 2.5 million, and (iii) purchase of 197,428 treasury shares for an amount equal to Euro 1.4 million.

Net of the repayment of the instalment of the outstanding loan (Euro 6.6 million) and investments in CAPEX for Euro 1.8 million, the cash flow from operating activities was positive for Euro 0.9 million.

Net financial indebtedness was negatively impacted for Euro 2.7 million by the fair value concerning the Put&Call Agreement for the purchase of the remaining 40% of Systemaitalia, and for Euro 2.1 million by the application of the new accounting standard IFRS 16; both items were not present at 31 December 2018.

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

### **Significant events during the six-month period**

On **3 April 2019** the acquisition was formalised of the control over Systemaitalia s.r.l., a company operating in the mobile telephone accessories market in 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 Systemaitalia.

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 maximum amount of Euro 6.1 million.

### **Significant events after 30 June 2019**

On **10 July 2019** the Board of Directors of Cellularline S.p.A. resolved to continue the treasury share purchase programme, starting from 22 July 2019, based on the authorising resolution approved by the Shareholders' Meeting of 21 November 2018. The Buy-back plan, valid until 31 December 2019, will be carried out in one or more tranches, up to a maximum number of n. 230,000 shares, for a maximum value of Euro 2,300,000. It is communicated that, as of today's date, the Company holds n. 1.514.094 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 Italia to the MTA will allow the Company to benefit from increased share liquidity and therefore from greater interest from the market and from Italian and international institutional investors, as well as greater visibility on the reference European markets with 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 financial statement schedules reviewed and approved today by the Board.

- **Annex A**: comparison between IFRS consolidated data at 30 June 2019 and IFRS consolidated data at 30 June 2018 pro-forma (6 months) unaudited of the former Cellular Italia Group;

- **Annex B:** comparison between IFRS consolidated data as at 30 June 2019 and IFRS consolidated data as at 30 June 2018; the latter includes the six-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.

In order to facilitate an understanding of the performance of the Group's operating profit in the period, the income statement is also attached (**Annex C**), reclassified according to the presentation methods deemed most meaningful by Management.

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## **Resignation of the Director Andrea Francesco Enrico Ottaviano**

The Board of Directors, having acknowledged the resignation of the non-executive Director Andrea Francesco Enrico Ottaviano, with effect from 13 September 2019, has postponed the appointment of a new director until a forthcoming meeting.

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## **Financial calendar update**

Following the transition to the Italian Stock Exchange - STAR Segment - it is necessary to integrate the previous financial calendar on the basis of the different regulatory requirements applicable.

- **14 November 2019** - Meeting of the Board of Directors to approve the additional periodic financial information relating to the third quarter of the current financial year of the Cellularline group.

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## **Conference call**

Management will present the consolidated results at 30 June 2019 to the financial community during a conference call to be held 13 September 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/).

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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.*

# [CELLULARLINEGROUP]



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**ANNEX A**

**CONSOLIDATED FINANCIAL STATEMENTS OF CELLULAR LINES AS AT 30 JUNE 2019**  
**CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION**

<i>(Amounts in Euro thousands)</i>	<b>Situation at 30/06/2019</b>	<b>Of which related parties</b>	<b>Situation at 31/12/2018</b>	<b>Of which related parties</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	76,366	-	78,614	-
Goodwill	96,627	-	93,857	-
Property, plant and equipment	7,268	-	7,229	-
Right of use	2,117	-	-	-
Deferred tax assets	912	-	963	-
Financial receivables	525	525	-	-
<b>Total non-current assets</b>	<b>183,815</b>	<b>-</b>	<b>180,663</b>	<b>-</b>
<b>Current assets</b>				
Inventories	27,523	-	20,614	-
Trade receivables	51,768	6,411	59,421	5,813
Current tax receivables	7,065	-	5,967	-
Financial assets	60	-	56	-
Other assets	3,558	-	3,930	-
Cash and cash equivalents	25,839	-	41,989	-
<b>Total current assets</b>	<b>115,812</b>	<b>-</b>	<b>131,977</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>299,627</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	156,166	-	146,897	-
Retained earnings from consolidation	8,489	-	(6,243)	-
Group profit /loss	2,575	-	32,378	-
<b>Group shareholders' equity</b>	<b>188,574</b>	<b>-</b>	<b>194,375</b>	<b>-</b>
Shareholders' equity attributable to minority interests	1	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>188,575</b>	<b>-</b>	<b>194,375</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Payables to banks and other lenders	44,478	-	51,667	-
Deferred tax liabilities	20,469	-	21,337	-
Employee benefits	865	-	411	-
Provisions for risks and charges	1,568	-	1,299	-
Other financial liabilities	3,215	-	-	-
<b>Total non-current liabilities</b>	<b>70,595</b>	<b>-</b>	<b>74,713</b>	<b>-</b>
<b>Current liabilities</b>				
Payables to banks and other lenders	13,535	-	12,169	-
Trade payables	16,019	359	20,186	124
Current tax payables	397	-	93	-
Provisions for risks and charges	570	-	530	-
Other liabilities	5,692	-	7,877	-
Other financial liabilities	4,244	-	2,698	-
<b>Total current liabilities</b>	<b>40,457</b>	<b>-</b>	<b>43,552</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>111,052</b>	<b>-</b>	<b>118,265</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>299,627</b>	<b>-</b>	<b>312,640</b>	<b>-</b>

**PRO-FORMA CONSOLIDATED INCOME STATEMENT**

<i>(Amounts in Euro thousands)</i>	Half year ending on 30/06/2019	Of which related parties	Half year ending on 30/06/2018 Pro-forma	Of which related parties
Revenues from sales	55,288	2,292	48,727	1,721
Cost of sales	(30,356)	-	(25,466)	-
<b>Gross Operating Margin</b>	<b>24,932</b>	<b>-</b>	<b>23,261</b>	<b>-</b>
Selling and distribution costs	(11,922)	-	(11,583)	-
General and administrative costs	(10,131)	(20)	(11,247)	(20)
Other non-operating costs /(revenues)	320	(53)	(1,320)	(50)
<b>Operating profit (loss)</b>	<b>3,199</b>	<b>-</b>	<b>(890)</b>	<b>-</b>
Financial income	210	-	5,193	-
Financial charges	(975)	-	(14,006)	-
Gains/(losses) on exchange rates	(77)	-	340	-
Income from (Expense on) equity investments	-	-	(262)	-
<b>Profit (loss) before taxes</b>	<b>2,356</b>	<b>-</b>	<b>(9,624)</b>	<b>-</b>
Current and deferred taxes	220	-	9,200	-
<b>Profit/loss before minority interests</b>	<b>2,576</b>	<b>-</b>	<b>(424)</b>	<b>-</b>
Profit/loss pertaining to minority interests	(1)	-	-	-
<b>Group profit /loss</b>	<b>2,575</b>	<b>-</b>	<b>(424)</b>	<b>-</b>

**COMPREHENSIVE PRO-FORMA CONSOLIDATED INCOME STATEMENT**

<i>(Amounts in Euro thousands)</i>	Half year ending on 30/06/2019	Half year ending on 30/06/2018 Pro-forma
<b>Group profit /loss</b>	<b>2,575</b>	<b>(424)</b>
<i>Other components of comprehensive income that will not be reclassified to the income statement</i>		
Actuarial gains (losses) on defined plans and benefits	(102)	8
Actuarial gains (losses) on provisions for risks	(135)	18
Income taxes on other components of comprehensive income	66	(7)
<b>Total other components of comprehensive income</b>	<b>(171)</b>	<b>19</b>
<b>Total comprehensive income</b>	<b>2,404</b>	<b>(405)</b>

**ANNEX A**

**PRO-FORMA CONSOLIDATED CASH FLOW STATEMENT**

<i>(Amounts in Euro thousands)</i>	<b>Situation at 30/06/2019</b>	<b>Situation at 30/06/2018 Pro-forma</b>
Gains/(losses) of the period	2,575	(424)
Current taxes	220	9,200
Amortisation and depreciation	4,451	4,183
Write-downs and provisions	839	(36)
Income from (Expense on) equity investments	-	262
Financial income/expenses accrued	765	5,016
	<b>8,850</b>	<b>18,201</b>
(Increase)/decrease in inventories	(6,908)	(3,763)
(Increase)/decrease in trade receivables	7,594	22,931
Increase/(decrease) in trade payables	(4,167)	(7,985)
Increase/(decrease) in other assets and liabilities	(3,643)	(2,598)
Payment of employee benefits	(21)	(3)
	<b>1,706</b>	<b>26,783</b>
Net financial charges paid	(765)	(14,025)
Income taxes paid	-	(185)
<b>Cash flow generated (absorbed) by operating activities</b>	<b>942</b>	<b>12,573</b>
Net charges deriving from the Business Combination/STAR	1,611	4,480
Advance payment for commercial contributions	1,733	-
Financial income from warrants	(74)	(4,812)
<b>Adjusted Cash flow generated (absorbed) by operating activities</b>	<b>4,212</b>	<b>12,241</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	(4,359)	(1,256)
<b>Net cash flow generated by (absorbed) investing activities</b>	<b>(7,129)</b>	<b>(71,395)</b>
Other financial receivables and payables	4,236	4,812
Capital increase	-	8,043
(Dividends/reserves distributed)	(6,088)	-
Net (purchase)/sale of own shares	(1,439)	(12,301)
Other SE changes	(849)	92,783
Long-term (decrease) in payables to banks and other lenders	(6,666)	(19,666)
Long-term payables to banks and other lenders - loan origination	-	13,000
Increase in payables to other financial institutions	843	1,814
<b>Net cash flow generated by (absorbed) financing activities</b>	<b>(9,963)</b>	<b>88,485</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(16,150)</b>	<b>29,663</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>25,839</b>	<b>41,605</b>



**ANNEX B**

**CONSOLIDATED FINANCIAL STATEMENTS OF CELLULAR LINES AS AT 30 JUNE 2019**  
**CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION**

<i>(Amounts in Euro thousands)</i>	<b>Situation at 30/06/2019</b>	<b>Of which related parties</b>	<b>Situation at 31/12/2018</b>	<b>Of which related parties</b>
<b>ASSETS</b>				
<b>Non-current assets</b>				
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<b>Total non-current assets</b>	<b>183,815</b>	<b>-</b>	<b>180,663</b>	<b>-</b>
<b>Current assets</b>				
Inventories	27,523	-	20,614	-
Trade receivables	51,768	6,411	59,421	5,813
Current tax receivables	7,065	-	5,967	-
Financial assets	60	-	56	-
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<b>Total current assets</b>	<b>115,812</b>	<b>-</b>	<b>131,977</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>299,627</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	156,166	-	146,897	-
Retained earnings from consolidation	8,489	-	(6,243)	-
Group profit /loss	2,575	-	32,378	-
<b>Group shareholders' equity</b>	<b>188,574</b>	<b>-</b>	<b>194,375</b>	<b>-</b>
Shareholders' equity attributable to minority interests	1	-	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>188,575</b>	<b>-</b>	<b>194,375</b>	<b>-</b>
<b>LIABILITIES</b>				
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Other financial liabilities	4,244	-	2,698	-
<b>Total current liabilities</b>	<b>40,457</b>	<b>-</b>	<b>43,552</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>111,052</b>	<b>-</b>	<b>118,265</b>	<b>-</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>299,627</b>	<b>-</b>	<b>312,640</b>	<b>-</b>

**ANNEX B**

**CONSOLIDATED INCOME STATEMENT**

<i>(Amounts in Euro thousands)</i>	Half year ending on 30/06/2019	Of which related parties	Half year ending on 30/06/2018	Of which related parties
Revenues from sales	55,288	2,292	12,819	152
Cost of sales	(30,356)	-	(7,419)	-
<b>Gross Operating Margin</b>	<b>24,932</b>	<b>-</b>	<b>5,400</b>	<b>-</b>
Selling and distribution costs	(11,922)	(350)	(1,819)	-
General and administrative costs	(10,131)	(20)	(5,592)	(3)
Other non-operating costs /(revenues)	320	(53)	(31)	(8)
<b>Operating profit (loss)</b>	<b>3,199</b>	<b>-</b>	<b>(2,042)</b>	<b>-</b>
Financial income	210	-	4,554	-
Financial charges	(975)	-	-	-
Gains/(losses) on exchange rates	(77)	-	224	-
Income from (Expense on) equity investments	-	-	(262)	-
<b>Profit (loss) before taxes</b>	<b>2,356</b>	<b>-</b>	<b>2,474</b>	<b>-</b>
Current and deferred taxes	220	-	10,345	-
<b>Profit/loss before minority interests</b>	<b>2,576</b>	<b>-</b>	<b>12,819</b>	<b>-</b>
Profit/loss pertaining to minority interests	(1)	-	-	-
<b>Group profit /loss</b>	<b>2,575</b>	<b>-</b>	<b>12,819</b>	<b>-</b>
<b>Basic earnings per share (Euro per share)</b>	<b>0.13</b>		<b>0.89</b>	
<b>Diluted earnings per share (Euro per share)</b>	<b>0.13</b>		<b>0.89</b>	

**COMPREHENSIVE CONSOLIDATED INCOME STATEMENT**

<i>(Amounts in Euro thousands)</i>	Half year ending on 30/06/2019	Half year ending on 30/06/2018
<b>Group profit /loss</b>	<b>2,575</b>	<b>12,819</b>
<i>Other components of comprehensive income that will not be reclassified to the income statement</i>		
Actuarial gains (losses) on defined plans and benefits	(102)	18
Actuarial gains (losses) on provisions for risks	(135)	8
Income taxes on other components of comprehensive income	66	(7)
<b>Total other components of comprehensive income</b>	<b>(171)</b>	<b>19</b>
<b>Total comprehensive income</b>	<b>2,404</b>	<b>12,838</b>
<b>Basic earnings per share (Euro per share)</b>	<b>0.13</b>	<b>0.89</b>
<b>Diluted earnings per share (Euro per share)</b>	<b>0.13</b>	<b>0.89</b>

**ANNEX B**

**CONSOLIDATED CASH FLOW STATEMENT**

<i>(Amounts in Euro thousands)</i>	<b>Situation at 30/06/2019</b>	<b>Situation at 30/06/2018</b>
Gains/(losses) of the period	2,575	12,819
Current taxes	220	10,345
Amortisation and depreciation	4,451	697
Write-downs and provisions	839	1,987
Income from (Expense on) equity investments	-	262
Financial income/expenses accrued	765	(4,631)
	<b>8,851</b>	<b>21,480</b>
(Increase)/decrease in inventories	(6,908)	(21,537)
(Increase)/decrease in trade receivables	7,594	(50,731)
Increase/(decrease) in trade payables	(4,167)	20,055
Increase/(decrease) in other assets and liabilities	(3,643)	(431)
Payment of employee benefits	(21)	(3)
	<b>1,706</b>	<b>(31,167)</b>
Net financial charges paid	(765)	(185)
Income taxes paid	-	11,122
<b>Cash flow generated (absorbed) by operating activities</b>	<b>942</b>	<b>(20,230)</b>
Net charges deriving from the Business Combination/STAR	1,611	4,480
Advance payment for commercial contributions	1,773	-
Financial income from warrants	(74)	(4,812)
<b>Adjusted Cash flow generated (absorbed) by operating activities</b>	<b>4,212</b>	<b>(20,561)</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	(4,359)	(87,397)
<b>Net cash flow generated by (absorbed) investing activities</b>	<b>(7,129)</b>	<b>(181,254)</b>
Other financial receivables and payables	4,236	(570)
Capital increase	-	8,043
(Dividends/reserves distributed)	(6,088)	-
Net (purchase)/sale of own shares	(1,439)	(12,301)
Other SE changes	(849)	44,476
Long-term (decrease) in payables to banks and other lenders	(6,666)	(19,666)
Long-term payables to banks and other lenders - loan origination	-	89,976
Payment of transaction costs relating to financial liabilities	843	1,814
<b>Net cash flow generated by (absorbed) financing activities</b>	<b>(9,963)</b>	<b>111,772</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(16,150)</b>	<b>(89,710)</b>
Cash and cash equivalents at the beginning of the year	<b>41,989</b>	<b>131,315</b>
Cash and cash equivalents at year end	<b>25,839</b>	<b>41,605</b>

**ANNEX C**

**RECLASSIFIED INCOME STATEMENT**

	Half year ending on 30/06/2019	<i>Of which related parties</i>	% of revenues	Half year ending on 30/06/2018 pro-forma	<i>Of which related parties</i>	% of revenues
Revenues from sales	55,288	2,292	100%	48,727	1,721	100%
Cost of sales	(30,356)	-	-54.9%	(25,466)	-	-52.3%
<b>Gross Margin</b>	<b>24,932</b>	-	45.1%	<b>23,260</b>	-	47.7%
Selling and distribution costs	(11,922)	-	-21.6%	(11,583)	-	-23.8%
General and administrative costs	(10,131)	(20)	-18.3%	(11,247)	(20)	-23.1%
Other non-operating costs (revenues)	320	(53)	0.6%	(1,320)	(50)	-2.7%
<b>Operating profit (loss)</b>	<b>3,199</b>	-	5.8%	<b>(890)</b>	-	-1.8%
* of which tangible and intangible amortisation and depreciation	4,451	-	8.1%	4,183	-	8.6%
* of which Business Combination/STAR	967	-	1.7%	4,495	-	9.2%
* of which other extraordinary costs/M&A	644	-	1.1%	200	-	0.4%
* of which operating foreign exchange translation gains/(losses)	(77)	-	0.2%	334	-	0.7%
<b>Adjusted EBITDA</b>	<b>9,183</b>	-	16.9%	<b>8,323</b>	-	17.1%
* of which tangible and intangible amortisation and depreciation, excluding PPA	(1,574)	-	2.8%	(1,306)	-	2.7%
<b>Adjusted EBIT</b>	<b>7,609</b>	-	13.8%	<b>7,016</b>	-	14.4%
Financial income	210	-	0.4%	5,193	-	10.7%
(Financial charges)	(975)	-	-1.8%	(14,006)	-	-28.7%
Gains/(losses) on exchange rates	(77)	-	-0.1%	340	-	0.7%
Income from (Expense on) equity investments	-	-	-	(262)	-	-0.5%
<b>Profit (loss) before taxes</b>	<b>2,356</b>	-	4.5%	<b>(9,624)</b>	-	-19.8%
* of which Business Combination/STAR	967	-	1.8%	4,495	-	9.2%
* of which other extraordinary costs/M&A	644	-	1.1%	200	-	0.4%
* of which PPA amortisation and depreciation	2,877	-	5.2%	2,877	-	5.9%
* of which fair value warrants	(74)	-	-0.1%	(4,246)	-	-8.7%
* of which warrant charges	-	-	-	12,800	-	26.3%
* of which warrant income	-	-	-	(712)	-	-1.5%
<b>Adjusted Profit (loss) before taxes</b>	<b>6,770</b>	-	13.9%	<b>5,790</b>	-	11.9%
Current and deferred taxes	220	-	0.4%	9,200	-	18.9%
<b>Profit/loss before minority interests</b>	<b>2,576</b>	-	4.7%	<b>(424)</b>	-	-0.9%
<b>Profit/loss for minority interests</b>	<b>(1)</b>	-	-0.0%	-	-	-100%
<b>Group profit /loss</b>	<b>2,575</b>	-	4.7%	<b>(424)</b>	-	-0.9%
* of which net costs of Business Combination/STAR	967	-	1.8%	4,495	-	9.2%
* of which other extraordinary costs/M&A	644	-	1.1%	200	-	0.4%
* of which warrant income and charges	-	-	-	12,088	-	24.8%
* of which tax effect on costs for Business Combination /STAR	-	-	-	(400)	-	-0.8%
* of which PPA amortisation and depreciation, net of tax effect	2,074	-	3.7%	2,074	-	4.3%
* of which fair value warrant, net of tax effect	(56)	-	-0.1%	(3,227)	-	-6.6%
* of which <i>Patent Box</i> benefit on previous years	-	-	-	(10,128)	-	-20.8%
<b>Adjusted Group profit/loss for the year</b>	<b>6,205</b>	-	12.7 %	<b>4,679</b>	-	9.6%