



PRESS RELEASE

**APPROVAL OF THE DRAFT FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED AS AT 31 DECEMBER 2019**

**RECORD REVENUES - MORE THAN EURO 140 MILLION - ALSO THANKS TO THE INTEGRATION OF SYSTEMA
GROWTH OF PROPOSED ANNUAL DIVIDEND, EQUAL TO EURO 0.33 PER SHARE (+10% COMPARED TO 2018)**

- **Revenues from sales** amounting to Euro 140.4 million, up by 8.3% (Euro 129.7 million in 2018) thanks to the contribution from the consolidation, since April, of the sales of the newly acquired company Systema, equal to Euro 9.7 million, and positive organic growth.
- **Adjusted EBITDA**, amounting to Euro 33.1 million (Euro 33.9 million in 2018), down by 2.4% compared to the previous year, is equal to 23.5% of revenues.
- **Adjusted Net Result**, amounting to Euro 23.3 million (Euro 23.1 million in 2018), up by 0.8% compared to the previous year, is equal to 16.6% of revenues.
- **Operating Cash-Flow** confirmed at over Euro 20 million (Euro 20.4 million compared to Euro 22.2 million in the previous year); high Cash Conversion ratio of approximately 90%.
- **Net financial indebtedness** comes to Euro 24.6 million, in line with the previous year (Euro 24.5 million as at 31 December 2018), despite the first M&A transaction and the effect of the application of IFRS 16 from 1 January 2019.
- Proposed ordinary annual **Dividend** for 2019 of Euro 0.33 per share, growth of 10% compared to the previous year. The payment of this dividend corresponds to a Pay-out ratio of 31% of the Adjusted Net Profit and does not limit, in any way, the achievement of the Group's growth objectives, both internal and through M&A activities.

Reggio Emilia, 11 March 2020 - The Board of Directors of Cellularline S.p.A. (hereinafter "Cellularline" or "Company"), a leading company in Europe in the smartphone and tablet accessories sector, listed on the STAR Segment of the Italian Electronic Stock Exchange, today examined and approved the draft financial statements and the consolidated financial statements at 31 December 2019¹. The Board will propose to the Shareholders' Meeting the distribution of an ordinary dividend of Euro 0.33 per share, or 31% of the Adjusted Net Profit for an amount of approximately Euro 7.2 million.

The draft financial statements and consolidated financial statements at 31 December 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.; they will also be available on the

¹ The economic data for 2019 is compared with the unaudited consolidated pro-forma data for 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. 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. The figures for 2019 include the effects of applying IFRS 16.

Company's website at the following address www.cellularlinegroup.com, as well as on the authorised storage mechanism "1infostorage" of Computershare S.p.A. At www.1info.it.

Marco Cagnetta, Co-CEO of the Cellularline Group, commented: *"Passing Euro 140 million in revenues for the first time, also thanks to the first acquisition, and starting to grow again in 2019, despite the difficult context, is reason for satisfaction and confirms our position as a leading player in Europe, in the main channels, in the accessories market. As demonstrated, our strategy also makes provision for external growth and, also thanks to the low level of debt which guarantees us a significant degree of financial flexibility, we are continuing to evaluate the opportunities for market consolidation - especially in the EMEA area - in the channels and/or product lines currently still not fully covered by the Group. As regards organic development - in addition to having just announced Cellularline's rebranding project - we recently launched PLOOS (entry-level brand of the Group), BECOME (eco-sustainable line) and we are gradually reducing or, where possible, removing plastic from our packaging; this is also a source of pride for all of us: consumers are demanding it, but even before we consider this, our sense of responsibility to the environment calls for it".*

Comments on the main financial performance and financial position data in 2019

Revenues from sales as at 31 December 2019 rose by Euro 10.7 million (+8.3%), thanks to the contribution of the newly acquired company Systema (Euro 9.7 million) and, as regards organic growth, to new sales agreements and the development of sales of AQL branded audio products, partially offset by a modest tailing off in some other product categories.

The positive trend in organic growth in 2019 was impacted, however, in the last few months, by a decline in sales of smartphones, primarily due to the trade tensions between the US and China, which had an adverse impact on one of the three leading market brands in Europe since the third quarter.

The growth in the international markets is continuing at Group level (+3.8%), driven by the European reference markets (Germany, Austria, France, Spain, Portugal, Benelux countries and Switzerland) which, on the whole, recorded growth of 5.2% in the period, accounting for more than one third of total sales. The healthy balance of sales between Italy and abroad was confirmed, with the latter accounting for 44% of total revenues.

The *Red Line*, which accounts for 86% of total revenues, increased by 3.3% (up Euro 3.9 million), thanks to the strong contribution from Italy (+6.2%). The *Blue* and *Black Lines*, which on the whole represent 14% of total revenues, recorded growth of Euro 6.8 million, thanks in particular - for the *Blue Line* - to the positive contribution of Systema and the distribution of Samsung accessories in Italy and - for the *Black Line* - the performance of the E-Commerce channel.

With regard to the 2019 cost analysis, please note that:

- the **Cost of sales** was higher than the previous year (+4.4%), mainly due to temporary factors such as i) the consolidation of Systema (impact of around +1.3%), a company active in the Telco channel, characterised by a lower margin compared to the average recorded by the Group and whose cost synergies are expected to get up to full speed in 2020; ii) the unfavourable trend in the EUR/USD exchange rate (impact of approximately +1.4%), which saw the Dollar strengthen by an average of 5% (from 1.18 in 2018 to 1.12 in 2019). The other factors, which account for less than half of the overall increase and are attributable to the business performance, are i) the increase in sales of the AQL brand, launched recently on international markets, with a more aggressive pricing strategy and ii) a different customer-country mix.



- The incidence of the **costs of sales and distribution** and the **general and administrative costs**, net of the impacts of the Purchase Price Allocation, D&A and extraordinary expenses (mainly related to listing on STAR Segment of the MTA (Electronic stock exchange) and the M&A transaction), fell by 1.8% compared to the values in the previous year, confirming management's focus on managing operating and structure costs.

Adjusted EBITDA² in 2019 came to Euro 33.1 million, down by Euro 0.8 million compared to the same period in the previous year, with an incidence on revenues of 23.5% (26.1% in 2018).

The 2.6% drop is due entirely to the increase in the Cost of sales mentioned previously, only partially offset by the effect of a lower incidence of revenues on the Costs of sales and distribution and General and administrative costs; note that the latter was achieved despite the gradual investments made to strengthen the managerial structure and technological infrastructure, both to support the strategic development of the business and to observe the compliance requirements set by the STAR segment. The contribution, in the nine-month period, of the consolidation of Systema to the Group's Adjusted EBITDA came to roughly Euro 0.6 million.

Net financial charges, excluding the extraordinary components of 2018 and the positive effect of the valuation of the debt relating to outstanding warrants, benefitted from both the reduction in average debt for the period, and the step-down which occurred in the middle of 2018 in the spread on the existing loan. The interest paid on the loan amounted to Euro 1.1 million in 2019, compared to Euro 1.6 million in 2018.

The Adjusted Net Result³, equal to Euro 23.3 million in 2019, increased by 0.8% compared to the previous year, thanks to the decrease in net financial charges (described above) and the positive contribution by Systema of Euro 0.2 million, whose acquisition did not impact the financial management as it was paid in full with available cash.

The **Operating Cash-Flow** exceeded Euro 20 million (Euro 20.4 million compared to Euro 22.2 million in 2018), proof of the ability to generate cash, in particular during the second half of the year.

The relative reduced use of investments in CapEx (Euro 3.4 million in 2019, a slight increase compared to the previous year), carried out primarily for the implementation of IT systems, for the development of the E-Commerce platform and for R&D in new products/brands, confirms the high Cash Conversion ratio⁴, intrinsic to the business model, equal to roughly 90%.

Net financial indebtedness, amounting to Euro 24.6 million at the end of 2019, is line with the values at the end of the previous year, despite the verification of the following during the year, in addition to the investments mentioned above and other operating events: i) payment of a dividend (Euro 6.1 million); ii) the first M&A transaction (overall impact, considering the cash-out and the fair value of the put/call option amounting to Euro 4.9 million); iii) disbursements for the treasury share buy-back plan (Euro 2.9 million) and iv) the adoption of new IFRS 16 (accounting effect of Euro 1.9 million).

The low Leverage ratio (Net financial indebtedness/Adj. EBITDA) of 0.7x is therefore also confirmed at 31 December 2019. The high level of cash and cash equivalents and the low level of net indebtedness ensure adequate financial flexibility for future acquisitions and distribution of dividends.

² Adjusted EBITDA is given by the adjusted 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).

³ Adjusted Net Result is calculated as the adjusted Result of the Period of the (i) adjustments incorporated in Adjusted EBITDA, (ii) adjustments of amortisation and depreciation deriving from the Purchase Price Allocation, (iii) adjustments of non-recurring financial charges/(income) (v) the theoretical tax impact of these adjustments, (v) the positive tax effects relating to previous years.

⁴ Cash Conversion ratio is defined as the ratio between (Adjusted EBITDA - CapEx) and Adjusted EBITDA.



Significant events in 2019

Acquisition of control of Systema: April 2019 saw the indirect acquisition of the majority of the company, operating in the European mobile phone accessories market, in the Telco channel, which has been working with the leading international telephone operators in Central/Southern Europe for over 10 years. 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.

Listing of Cellularline S.p.A.'s ordinary shares and warrants on the STAR segment of the MTA (Electronic Stock Exchange): just one year on from the date of listing on the AIM (alternative investment market), the transition from the AIM Italia market to the MTA market was completed, which will enable the company to benefit from greater liquidity of the share and, consequently, heightened interest from Italian and international institutional investors, as well as increased visibility on European markets, with subsequent advantages in terms of international competitive positioning.

Buy-back Plan: in 2019, the Parent Company purchased 406,359 shares, for an amount of approximately Euro 2.9 million. It is hereby announced that, as at today's date, the executed treasury share buy-back programme ended on 31 December 2019, the company holds 1,636,505 ordinary shares, equal to 7.6% of the total.

Significant events after the close of 2019

CELLULARLINE Rebranding: on the company's 30th anniversary (company founded in 1990), the ambitious project (R)EVOLUTION was presented to the market for the strategic repositioning and revamp of the marketing mix of the main brand, Cellularline. "From smartphone to smartlife": the concept spearheads the project, embracing the main brand and all its distinctive and characterising leverages. Cellularline is continuing its process of specialisation geared towards a comprehensive range of solutions that are perfectly in step with the changes in the market and consumers' desires, able to make their daily lives simpler and connect them to smartlife which is an increasingly more prevalent feature of their lives.

Launch of the new brand PLOOS, which incorporates a range of roughly 50 items, composed primarily of recharging, car and audio accessories. The launch of the new brand falls within a wider strategic process of review of the Group's brand portfolio, targeted at supplementing the offering of the main brand Cellularline. PLOOS will be the Group's new entry level brand - with essential designs and functionalities - characterised by excellent value for money and will enable Cellularline to bolster its coverage of some EMEA markets and channels in which the Group's positioning offers ample growth margins.

Presentation of BECOME, range of eco-sustainable smartphone cases, aimed at limiting products' environmental footprint, as how they are made allows them to be disposed of in an eco-sustainable manner at the end of the product's life. The new eco-friendly range is also characterised by packaging that uses recycled and recyclable paper and is also completely plastic-free. Distribution of the eco cases will begin in the first quarter of 2020 in the markets and channels served by the Group.

Environmental sustainability: as an integral part of the Group's strategy, with the increasingly more important objective of focussing attention on the environmental impacts of our business, significant changes will be gradually introduced from the second quarter of 2020, starting with packaging materials:

- all paper used for the production of packs will be Forest Stewardship Council (FSC) certified, as a concrete guarantee and contribution towards responsible forest management;
- inks used to print on packs will be 100% made from soya, therefore significantly reducing the use of crude oil derived products;



- the use of plastic on the inside and outside of packs will be reduced and, where possible eliminated. In line with its ethical principles on the one hand and technical feasibility on the other, the Group will work in steps - as part of a multi-year project - towards reducing its environmental impact, regularly communicating all progress made as from the second half of 2020.

Possible effects of COVID-19: with reference to the possible effects of the global spread of COVID-19 from January 2020, firstly in Asia and now in Europe too, it should be noted that, during the course of the second half of February, after the extension of the holiday break for a further two weeks imposed by the Chinese Government, the main factories in the Consumer Electronics sector - operating however in areas of China far from the virus epicentre - resumed production, albeit not immediately at full capacity. As of today, after the gradual ramp-up of operations lasting a few weeks, our manufacturing partners in Asia are all essentially operational. As a result of this, although the Consumer Electronics supply chain is operating almost as normal, we can't rule out a situation whereby the availability of specific products may be temporarily limited in the first half of 2020. Based on the situation described above and the information currently available, the Cellularline Group does not believe that this late re-opening of the factories in the Far East will have a significant impact.

It should also be noted that, following the recent spread of the virus also to Europe, first and foremost in the domestic market, with the ban, except where exemptions are permitted, on the movements of people and with temporary closures of a number of points of sales for some weeks, the demand for consumer goods and/or services will feel the effects of the reduced consumer traffic at retailers, with effects on the market demand for our products. In view of current uncertainty of the economic impacts, we are constantly monitoring the situation in all the main markets and channels and we are ready to take the necessary and targeted measures based on developments in the context.

Our priority is obviously the health and safety of our employees and our partners (customers, retailers, suppliers); therefore, the Group has put all the necessary measures and controls in place to ensure full continuity of the service to our customers, in observance of the orders and legislation issued by the Government authorities and with the objective of protecting the safety of its employees and partners.

Business outlook

Considering that the external contest is constantly evolving, there is lingering uncertainty over the impact on demand for our products in the short-term, mainly in light of what was detailed in the section "Significant events after the close of 2019". In this regard, it should be noted that turnover in the first two months of the year is just over 10% higher than the same period of 2019 (mainly due to the contribution of the consolidation of Systema); lastly, it should be noted that each of the first three bimester of the year - owing to the seasonal nature of the business, in which more than 60% is concentrated in the second half - accounted on average for less than 15% of annual turnover.

Proposed dividend distribution

The Board of Directors resolved, among other things, to propose to the Shareholders' Meeting the distribution of an ordinary dividend of Euro 0.33 for each of the ordinary shares, equal to 31% of the Adjusted Net Result, for a total proposed dividend amount of Euro 7.2 million. The dividend will be paid with coupon date, record date and payment date of 18, 19 and 20 May 2020, respectively.

Calling of the ordinary shareholders' meeting

The Board of Directors resolved, among other things, to approve the Report on the remuneration policy and on the compensation paid, and to call the ordinary Shareholders' Meeting, for 24 April 2020, at single call, to resolve on the following:

- the approval of the financial statements as at 31 December 2019;
- the allocation of profit for the year;
- the Report on the remuneration policy and on the compensation paid pursuant to art. 123-ter of Legislative Decree 58/1998;
- the appointment of the Board of Directors;
- the appointment of the Board of Statutory Auditors.

The Board of Directors delegated its Chairman to call the Shareholders' Meeting according to the legal terms. The call notice will be published on the website www.cellularlinegroup.com and pursuant to the Articles of Association.

The document required by the legislation in force in relation to the matters outlined above, together with the draft financial statements and the consolidated financial statements of Cellularline as at 31 December 2019, will be filed at the company's registered office and will be made available on the website www.cellularlinegroup.com in accordance with the legal and regulatory terms.

Amendments to the Articles of Association

The Board of Directors also approved the amendments to the Articles of Association in force, which became necessary to comply with the new legal and regulatory provisions governing gender balance as regards the composition of corporate bodies, introduced by Law no. 160 of 27 December 2019 (2020 Budget Law). The updated Articles of Association will be made available to the public in accordance with the methods and time-scales set forth by the legislation in force.

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 31 December 2019 and IFRS consolidated data at 31 December 2018 pro-forma unaudited of the former Cellular Italia Group;
- **Annex B:** comparison between IFRS financial statements as at 31 December 2019 and IFRS financial statements as at 31 December 2018; the latter include the five-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 (**Attachment C**), reclassified according to the presentation methods deemed most meaningful by Management.



Analyst conference call

Management will present the consolidated results for the period ended 31 December 2019 to the financial community during a conference call to be held on 12 March 2020 at 12:00 CET.

To participate in the conference call, dial the number: +39 02 805 88 11

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.

*Founded in Reggio Emilia in 1990, Cellularline S.p.A. has a brand portfolio comprising **Cellularline**, **PLOOS**, **AQL**, **MusicSound** and **Interphone** and is the leading company in the smartphone and tablet accessory sector. The Group is at the technological and creative forefront of the multimedia device accessory industry, striving to deliver products synonymous with outstanding performance, ease of use and a unique user experience. The Group employs approximately 220 members of staff. Cellularline brand products are sold in over 60 countries.*

Cellularline S.p.A. - Investor Relations

E-mail: ir@cellularlinegroup.com

Barabino & Partners - Media Relations

Tel. +39 02 72023535

Federico Vercellino

Email: f.vercellino@barabino.it

Mob: +39 331 5745171



ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019
STATEMENT OF THE CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

<i>(Amounts in Euro thousands)</i>	31/12/2019	Of which with related parties	31/12/2018	Of which with related parties
ASSETS				
Non-current assets				
Intangible assets	75,533		78,614	
Goodwill	95,069		93,857	
Property, plant and equipment	7,142		7,229	
Right of use	1,806		-	
Deferred tax assets	1,666		963	
Financial receivables	552	552	-	
Total non-current assets	181,788		180,663	
Current assets				
Inventories	22,925		20,614	
Trade receivables	60,847	6,272	59,421	6,252
Current tax receivables	3,792		5,967	
Financial assets	54		56	
Other assets	5,677		3,930	
Cash and cash equivalents	32,089		41,989	
Total current assets	125,383		131,977	
TOTAL ASSETS	307,171		312,640	
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	21,343		21,343	
Other reserves	156,076		146,897	
Retained earnings/losses carried forward from consolidation	6,891		(6,243)	
Group profit /loss for the year	18,209		32,378	
Group shareholders' equity	202,518		194,375	
Shareholders' equity attributable to minority interests	-		-	
TOTAL SHAREHOLDERS' EQUITY	202,518		194,375	
LIABILITIES				
Non-current liabilities				
Payables to banks and other lenders	37,621		51,667	
Deferred tax liabilities	21,352		21,337	
Employee benefits	774		411	
Provisions for risks and charges	1,656		1,299	
Other financial liabilities	3,023		-	
Total non-current liabilities	64,425		74,713	
Current liabilities				
Payables to banks and other lenders	13,362		12,169	
Trade payables	19,056		20,186	
Current tax payables	384		93	
Provisions for risks and charges	409		530	
Other liabilities	4,322		7,877	
Other financial liabilities	2,694		2,698	
Total current liabilities	40,228		43,552	
TOTAL LIABILITIES	104,653		118,265	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	307,171		312,640	



ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

CONSOLIDATED INCOME STATEMENT

<i>(Amounts in Euro thousands)</i>	2019	Of which with related parties	2018 Pro-forma	Of which with related parties
Revenues from sales	140,440	5,281	129,735	4,616
Cost of sales	(75,824)		(64,374)	
Gross Operating Margin	64,616		65,361	
Sales and distribution costs	(25,360)		(24,729)	
General and administrative costs	(20,411)	(29)	(20,541)	(20)
Other non-operating (costs)/ revenues	1,502	(54)	(1,203)	(53)
Operating profit/loss	20,347		18,887	
Financial income	1,472		7,582	
Financial charges	(1,777)		(15,099)	
Gains/(losses) on exchange rates	(79)		500	
Income from (Expense on) equity investments	119		(263)	
Profit/loss before taxes	20,082		11,608	
Current and deferred taxes	(1,874)		5,262	
Profit/loss for the year before minority interests	18,209		16,869	
Profit/loss for the year pertaining to minority interests	-		-	
Group profit /loss for the year	18,209		16,869	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>(Amounts in Euro thousands)</i>	2019	2018 Pro-forma
Group profit /loss for the year	18,209	16,869
<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	(40)	10
Actuarial gains (losses) on provisions for risks	(132)	197
Gains (losses) from translation of financial statements of foreign companies	(8)	(9)
Income taxes on other components of comprehensive profit/loss	55	(58)
Total other components of comprehensive income for the year	(125)	140
Total comprehensive income for the year of the Group	18,083	17,010



ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

CONSOLIDATED STATEMENT OF CASH FLOW

<i>(Amounts in Euro thousands)</i>	2019	2018 Pro-forma
Profit (loss) for the year	18,209	16,869
Amortisation	9,710	8,640
Write-downs and provisions	903	(346)
(Income from)/Expense on equity investments	(119)	263
Financial (income)/expenses accrued	1,553	7,517
Current taxes	1,874	(5,262)
	32,130	27,681
(Increase)/decrease in inventories	(1,756)	(2,841)
(Increase)/decrease in trade receivables	2,686	14,533
Increase/(decrease) in trade payables	(5,722)	(8,345)
Increase/(decrease) in other assets and liabilities	(1,879)	13,433
Payment of employee benefits and change in provisions	(685)	(75)
Cash flow generated (absorbed) by operating activities	28,533	44,386
Interest paid	(1,553)	(13,689)
Income taxes paid	(6,612)	(8,488)
Cash flow generated (absorbed) by operating activities	20,368	22,209
Net expenses - Business Combination/STAR/M&A	3,126	5,370
Adjusted Cash flow generated (absorbed) by operating activities	23,494	27,579
Acquisition of subsidiary company, net of cash acquired	(1,568)	70,139
(Purchase)/sale of property, plant and equipment and intangible assets	(8,313)	(1,906)
Net cash flow generated by (absorbed) investing activities	(9,881)	(72,045)
Other financial receivables and payables	2,471	-
(Dividends)/reserves distributed	(6,088)	-
Net (purchase)/sale of treasury shares	(2,889)	(12,301)
Other changes in shareholders' equity	(1,028)	-
Long-term (decrease) in payables to banks and other lenders	(13,334)	(27,060)
Payment of transaction costs relating to financial liabilities	481	(129)
Net cash flow generated by (absorbed) financing activities	(20,387)	(39,490)
Increase/(decrease) in cash and cash equivalents	(9,990)	(89,326)
Cash and cash equivalents at the beginning of the year	41,989	131,315
Cash and cash equivalents at year end	32,089	41,989



FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019
STATEMENT OF THE BALANCE SHEET AND FINANCIAL POSITION

<i>(Amounts in Euro thousands)</i>	31/12/2019	Of which related-party	31/12/2018	Of which related-party
ASSETS				
Non-current assets				
Intangible assets	73,784		78,491	
Goodwill	93,857		93,857	
Property, plant and equipment	5,436		5,670	
Equity investments in subsidiary and associated companies	3,690		1,210	
Right of use	1,451		-	
Deferred tax assets	999		412	
Financial receivables	1,730	1,730	1,206	1,206
Total non-current assets	180,947		180,846	
Current assets				
Inventories	22,061		20,250	
Trade receivables	61,898	11,832	61,049	11,593
Current tax receivables	3,580		5,966	
Financial receivables	37		36	
Other assets	5,538		3,856	
Cash and cash equivalents	29,963		40,913	
Total current assets	123,067		132,072	
TOTAL ASSETS	304,023		312,918	
SHAREHOLDERS' EQUITY AND LIABILITIES				
Shareholders' equity				
Share capital	21,343		21,343	
Other reserves	155,660		145,309	
Retained earnings/(loss) carried forward	8,691		(4,399)	
Profit/loss for the year	17,920		32,771	
TOTAL SHAREHOLDERS' EQUITY	203,614		195,024	
LIABILITIES				
Non-current liabilities				
Payables to banks and other lenders	37,621		51,667	
Deferred tax liabilities	20,852		22,006	
Employee benefits	384		411	
Provisions for risks and charges	1,472		1,299	
Other financial liabilities	891		-	
Total non-current liabilities	61,219		75,382	
Current liabilities				
Payables to banks and other lenders	13,362		12,169	
Trade payables	19,867		20,014	
Current tax payables	264		-	
Provisions for risks and charges	-		-	
Other liabilities	3,649		7,632	
Other financial liabilities	2,048		2,698	
Total current liabilities	39,189		42,512	
TOTAL LIABILITIES	100,409		117,894	
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	304,023		312,918	



FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

INCOME STATEMENT

<i>(Amounts in Euro thousands)</i>	2019	Of which related- party	2018 7 months	Of which related- party
Revenues from sales	131,438	10,765	91,513	6,719
Cost of sales	(70,421)		(45,135)	
Gross Operating Margin	61,017		46,378	
Sales and distribution costs	(23,334)		(13,850)	
General and administrative costs	(19,040)	(54)	(12,253)	(32)
Other non-operating costs/ (revenues)	1,465	(32)	103	(17)
Operating profit/loss	20,108		20,378	
Financial income	1,474		6,862	
Financial charges	(1,755)		(1,024)	
Gains/(losses) on exchange rates	(79)		384	
Income from (Expense on) equity investments	(1)		-	
Profit/loss before taxes	19,747		26,600	
Current and deferred taxes	(1,827)		6,170	
Profit/loss for the year	17,920		32,771	

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

<i>(Amounts in Euro thousands)</i>	2019	2018 7 months
Profit/loss for the year	17,920	32,771
<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	(26)	10
Actuarial gains (losses) on provisions for risks	(117)	198
Income taxes on other components of comprehensive profit/loss	40	(58)
Total other components of comprehensive income for the year	(103)	151
Total comprehensive income for the year	17,817	32,921



FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

CASH FLOW STATEMENT

<i>(Amounts in Euro thousands)</i>	2019	2018
Profit (loss) for the year	17,920	32,771
Amortisation	9,294	4,830
Net write-downs and provisions	328	1,042
Financial (income)/expenses accrued	1,528	(4,817)
Current taxes	1,827	(6,170)
	30,898	27,657
(Increase)/decrease in inventories	(1,811)	2,469
(Increase)/decrease in trade receivables	(909)	852
Increase/(decrease) in trade payables	(146)	(5,384)
Increase/(decrease) in other assets and liabilities	131	(4,342)
Payment of employee benefits and change in provisions	(176)	(169)
Cash flow generated (absorbed) by operating activities	27,987	21,083
Interest paid	(1,528)	(1,023)
Income taxes paid	(6,516)	(8,360)
Net cash flow generated (absorbed) by operating activities	19,942	11,700
Acquisition of subsidiary company, net of cash acquired	(2,260)	(60,644)
(Purchase)/sale of property, plant and equipment and intangible assets	(6,226)	(1,968)
Net cash flow generated by (absorbed) investing activities	(8,486)	(62,611)
Other financial receivables and payables	(576)	-
(Dividends/reserves distributed)	(6,088)	-
Net (purchase)/sale of treasury shares	(2,889)	(12,301)
Increase/(Decrease) in payables to banks and other lenders	(13,334)	(27,060)
Payment of transaction costs relating to financial liabilities	481	(129)
Net cash flow generated by (absorbed) financing activities	(22,407)	(39,490)
Increase/(decrease) in cash and cash equivalents	(10,950)	(90,402)
Cash and cash equivalents at the beginning of the year	40,913	131,315
Cash and cash equivalents at year end	29,963	40,913



CONSOLIDATED RECLASSIFIED INCOME STATEMENT

	2019	<i>Of which related- party</i>	<i>% of revenues</i>	2018 Pro- forma	<i>Of which related- party</i>	<i>% of revenues</i>
Revenues from sales	140,440	5,281	100%	129,735	4,616	100%
Cost of sales	(75,824)		-54.0%	(64,374)		-49.6%
Gross Margin	64,616		46.0%	65,361		50.4%
Sales and distribution costs	(25,360)		-18.1%	(24,729)		-19.0%
General and administrative costs	(20,411)	(29)	-14.5%	(20,541)	(20)	-15.8%
Other non-operating costs/ (revenues)	1,502	(54)	1.1%	(1,203)	(53)	-0.9%
Operating profit/loss *	20,347		14.5%	18,887		14.6%
* of which depreciation and amortisation	9,710		6.9%	8,645		6.7%
* of which Business Combination/STAR	1,607		1.1%	5,370		4.1%
* of which other extraordinary costs	1,519		1.1%	517		0.4%
* of which operating foreign exchange translation gains/(losses)	(123)		-0.1%	467		0.4%
Adjusted operating profit/loss (EBITDA)	33,060		23.5%	33,887		26.1%
Financial income	1,472		1.0%	7,582		5.8%
Financial charges	(1,777)		-1.3%	(15,099)		-11.6%
Gains/(losses) on exchange rates	(79)		-0.1%	500		0.4%
Income from (Expense on) equity investments	119		0.1%	(263)		-0.2%
Profit/loss before taxes*	20,082		14.3%	11,607		6.1%
* of which warrant charges	-		-	12,800		9.9%
* of which warrant income	(1,248)		-0.9%	(712)		-0.5%
Adjusted profit/loss before taxes	18,834		13.4%	23,695		18.3%
Current and deferred taxes	(1,874)		-1.3%	5,262		4.1%
Group profit/loss for the year*	18,209		13.0%	16,870		13.0%
* of which net costs of Business Combination/STAR/M&A	3,126		2.2%	17,458		13.4%
* of which tax effect on costs for Business Combination /STAR	(782)		-0.6%	(456)		-0.3%
* of which net impact of PPA amortisation and depreciation	4,301		3.1%	4,148		3.2%
* of which net impact of fair value warrant	(900)		-0.6%	(4,831)		-3.7%
* of which benefit of Request for tax ruling/ Patent Box benefit on previous years	(700)		-0.5%	(10,128)		-7.8%
Adjusted Group profit/loss for the year	23,254		16.6%	23,060		17.8%