[CELLULARLINEGROUP]

Full Year 2022 Financial Results
Reggio Emilia - 16 March 2023

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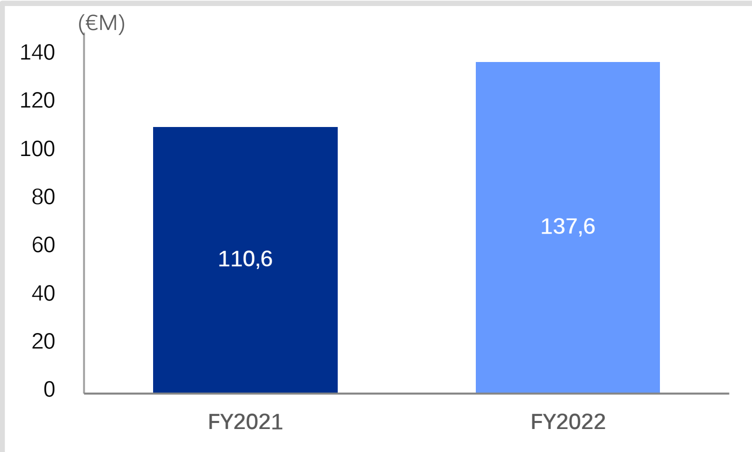
FY 2022 Highlights

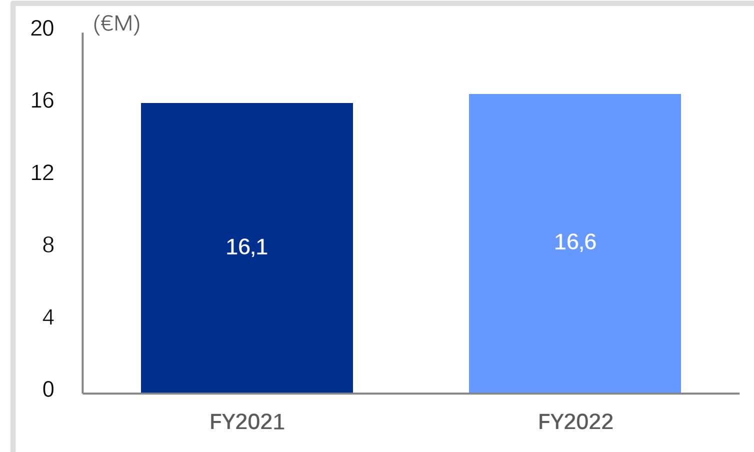
- **Key financial** indicators were **positive** in FY2022, in spite of a still **challenging economic context.**
- **Revenues +25% in FY2022, with a further acceleration of CL's international expansion.**
- **EBITDA Adj. €16.6M** in FY 2022, +3% vs. FY2021 despite the unfavourable FX impact and the rising cost of transportation. Both phenomena however have ceased their effects in 2023.
- **Net Result Adj.** €5.7M vs. €7.4M in FY2021.
- **Impairment on Goodwill** for -€75,4 million has impacted Net Result in FY 2022 (€-75.2M vs. €-3.8M FY2021)
- **Net Debt €40.4M** as of 31.12.2022 vs. €37.4M as of 31.12.2021 , with Leverage ratio at 2.4x, in line with FY2021
- **Proposed distribution of an extraordinary dividend** consisting of 1 share for every 28 shares held (dividend yield 3.6%).
- Based on Revenue growth in 2022 as well as positive impacts of the strategic initiatives taken (acquisition of Peter Jackel and distribution agreement with Media Market Saturn Germany), the Group is positive on continuation of the growth path already started

Key financials (€M)

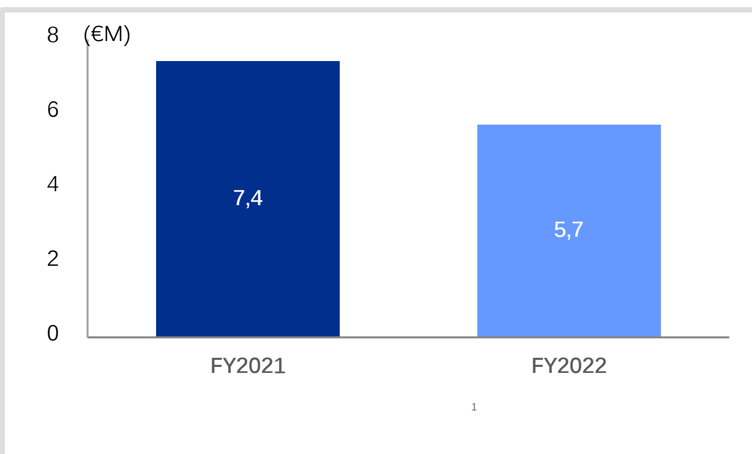
Revenues



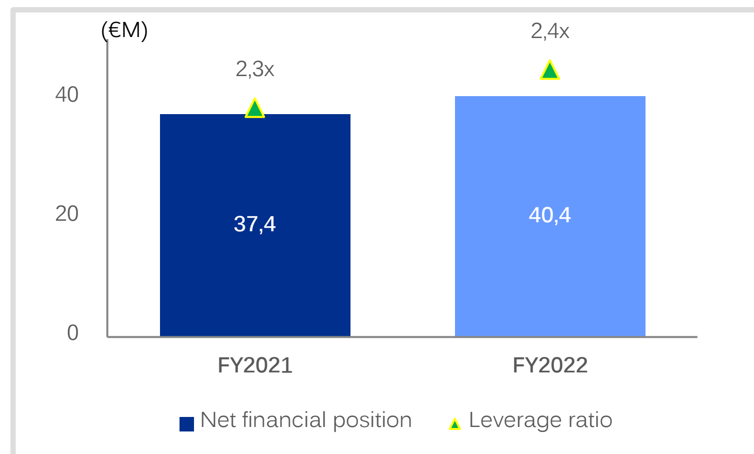
EBITDA Adj.



Net Result Adj.



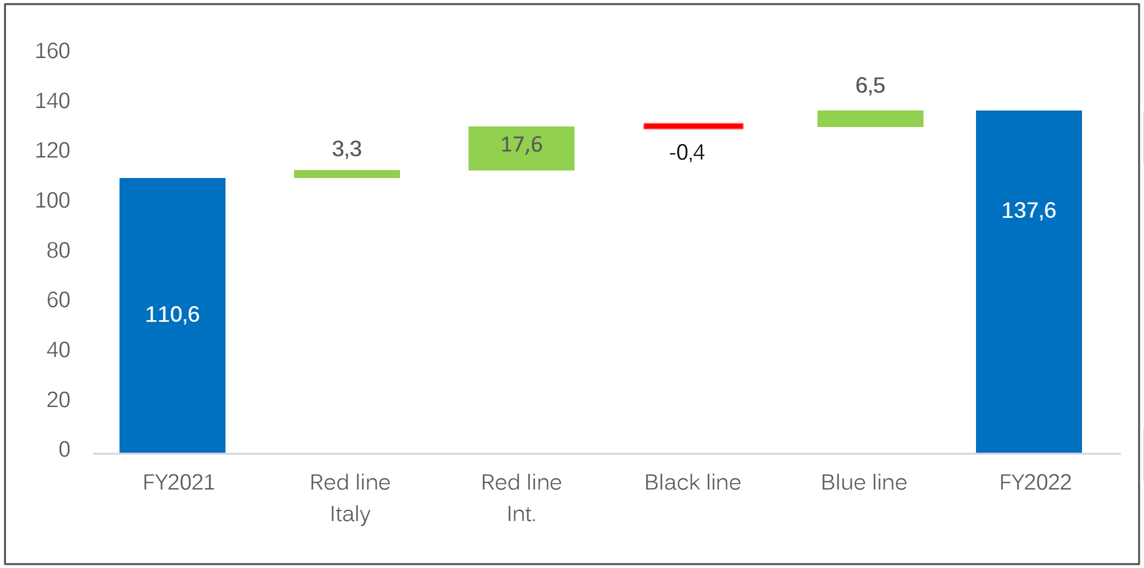
Net Financial Position



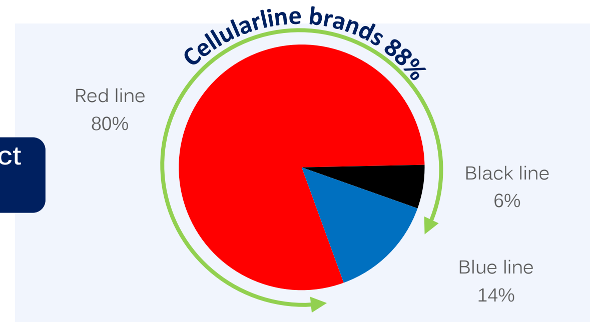
Focus on Revenues

Revenues bridge

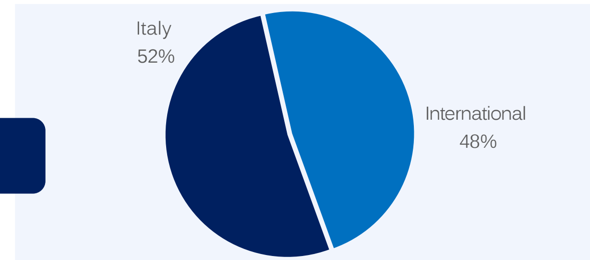
(€M)



Product Line



Geo

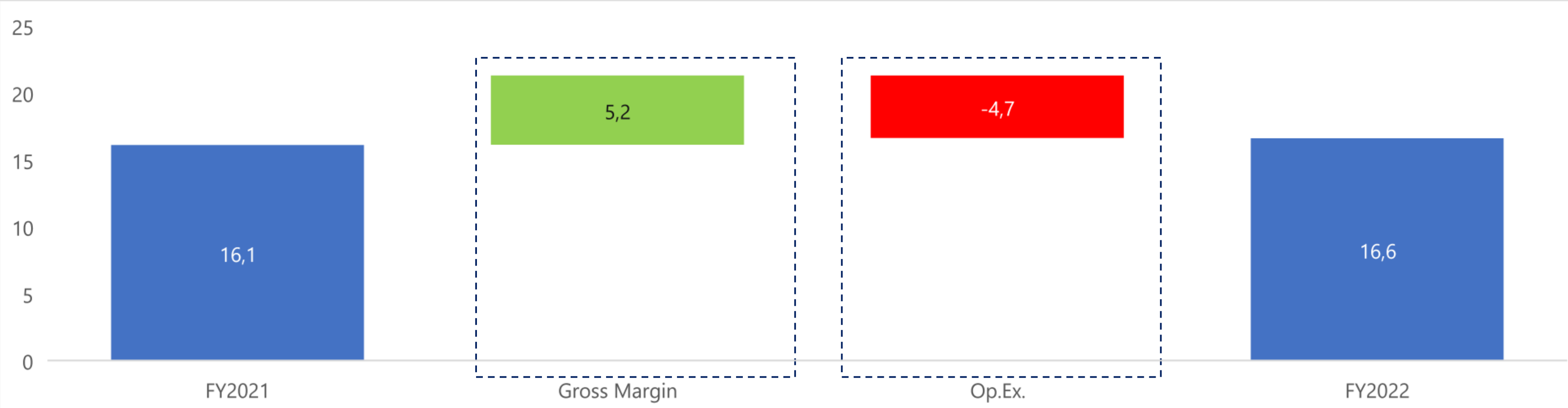


- Revenues +25% in FY 2022 - with solid and strong growth.
- Red line (approx. 80% of total Revenues) showed strong rebound thanks to:
  - Increasing demand for Cellularline products, in Italy and also in international markets
  - Worldconnect, thanks to traffic recovery in the Airport Travel Retail Channel
  - Coverlab for €1,6M, social commerce start-up acquired in July 2021 (€0,3M approx in last 6 months 2021)
- Blue line benefited from unbundling process of third-party-brands in distribution.
- Growth of international sales brings foreign revenues to a substantial balance with domestic revenues (48% and 52% respectively)

Focus on EBITDA Adj.

EBITDA Adj. bridge

(% on Revenues)

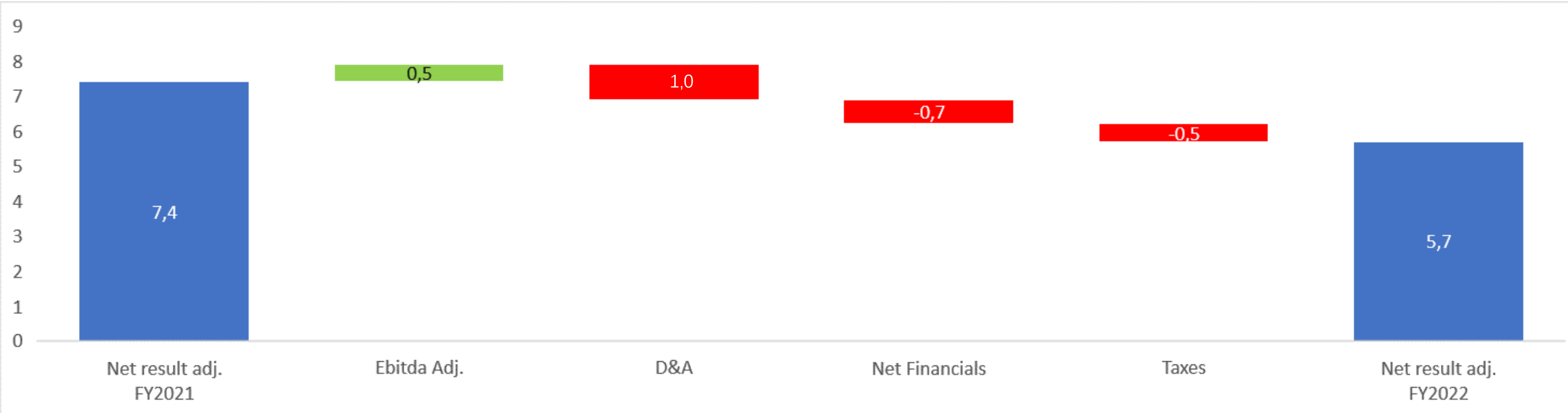


- EBITDA Adj. was €16.6M in 2022, with an increase of €0.5M Vs the previous year, despite the impact of external factors such as US$ and freight (both ended in 2023).
- Gross margin reached 53.4M, thanks to volume effect but declined 4.8% as a percentage on Revenues, as a consequence mainly of:
  - USD appreciation
  - Increase of inbound freight costs
  - Different sales mix
- Opex increased €4.7M in absolute terms in the period but declined 1,7% as a ratio to Revenues. Main benefits are obtained from reduction in the incidence of personnel costs, while the increase in advertising costs (from 1,4% to 1,7% of sales) is a consequence of the increasing component of online sales

Focus on Net Result Adj.

Net Result Adj. bridge

(€M)



➢ Net Result Adj. €5,7M slightly decreased in 2022 vs FY2021, as a consequence of different effects:

- positive contribution from EBITDA Adj.
- increase in D&A, also due to amortization of a new lease contract (IFRS16)
- Net financial items/FX (interest costs, non operating FX differences and hedging costs)
- Taxes (including tax effect of adjustments)

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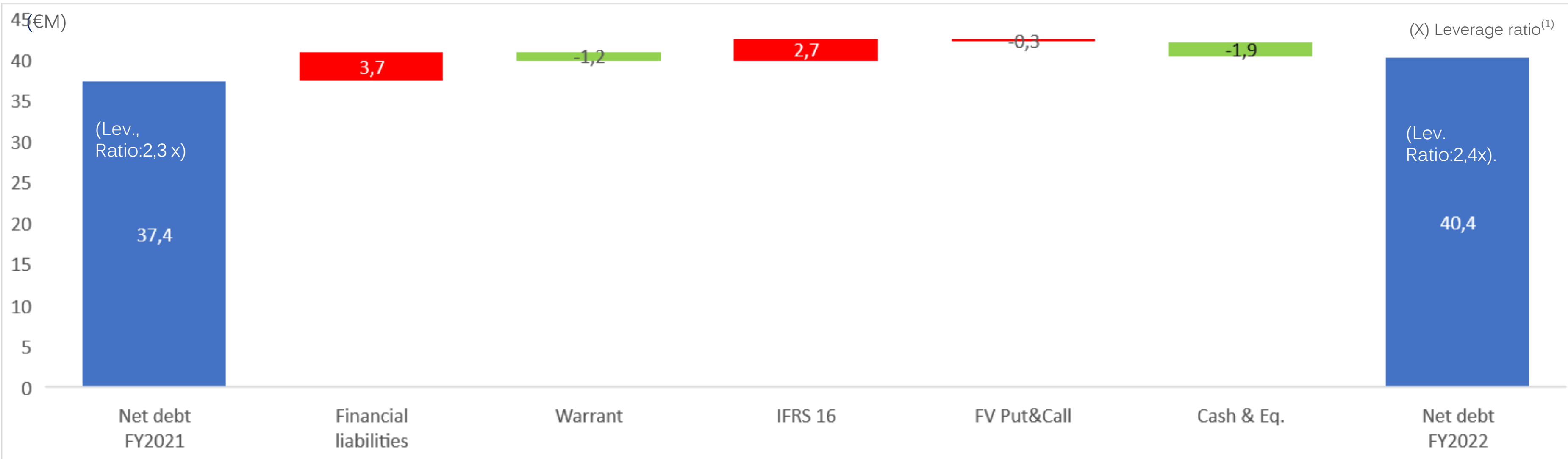
Focus on Net Debt

Net Debt bridge



Net Debt

(€m)	FY 2021	FY 2022	Delta
Financial Liabilities	35,8	39,5	3,7
Warrant	1,2	0,0	-1,2
Oth. Fin. assets	-0,0	-0,1	-0,1
IFRS 16	1,8	4,5	2,7
Fair Value Put & Call	6,7	6,4	-0,3
Cash & Equivalents	-8,1	-9,9	-1,8
Net Debt	**37,4**	**40,4**	**3,0**

- Net Debt as of 31 December 2022 was €40.4M (€35,9M net of IFRS !& debt vs €35.6M in FY2021.
- Increase in NFP is mainly related to the higher Operating working capital required to support top line growth.
- Inventory increase also caused by the the change in the method of transport (favoring sea transport over air transport) in order to limit costs
- Credit line for Acquisition (€20.0M) plus uncommitted credit line of €10.5M give ample financial flexibility ~~for further M&A activities~~.

[1]Leverage ratio: Net Debt/ EBITDA Adj..
[2]Fair Value Put & Call refers to: Systema €0,6M; Worldconnect €4,4M and Coverlab €1,7M.

Full Year 2022 Financial results & Medium-term overview

- **In 2022 top-line grew by more than 25% compared to 2021,** despite a particularly challenging macroeconomic context, thanks to the various commercial actions taken from the management to exploit the market opportunity in smartphones accessories demand.

- **EBITDA Adj. increase in absolute terms**, but affected by transitional external factors which are no longer present in early 2023.

- **The management is optimistic about the ongoing results for 2023**, based on *i)* the sales performance recorded in 2022 and *ii)* the benefits expected from the investments made during the first months of 2023, in particular on the German market, which will allow Cellularline to operate in a more structured way in this market, the most important in Europe and *iii)* some positive sector trends and growth opportunities in specific channels such as Travel Retail and Telco

- **Medium Term Overview**

Cellularline Group strategy for the medium - long term continues to be based on 6 main pillars:

- Brand & Products,
- Italian and International Market,
- Travel Retail
- E-commerce channels
- Organization, business processes
- ESG

Based on the information available to date and in the hypothesis of a normalization of the macroeconomic situation:

- **the Company overall confirms the long-term objectives and strategic target included in the Business Plan 2022-25**.

Impairment test on Goodwill

- The Group tests Goodwill for impairment annually and whenever there is any indication of loss:
  - the recoverable amount was determined using the Discounted cash flow method
  - the Company conducted an analysis on impairment of Goodwill as the Group's net equity is higher than the value of the Stock Exchange capitalisation (a "trigger event")

- With the support of an Independent Accounting Expert (Deloitte & Touche), the Group carried out an impairment test:
  - substantially consistent in its approach to that adopted for the Annual report FY2021
  - updating all relevant parameters based on information available from external sources:
    - discount rate (WACC)
    - perpetual growth rate subsequent to the explicit forecast (g-rate)
  - adding an execution risk of the business plan into the WACC

Parameter	31/12/2021	31/12/2022	Comments
WACC	7.70%	11,8%	The WACC as at 31/12/2022 increased compared to 31/12/2021 mainly due to the increase in the risk free rate and the cost of debt, and also due to the introduction of an incremental plan execution risk factor (1,46%)
g-rate	1.39%	1.91%	The g-rate increased as a result of expected long-term inflation in the countries where the Group operates (Source: FMI)

- The effect of the significant increase in the discount rate (WACC) used for the purposes of the test, caused by the significant worsening of macroeconomic parameters generated an impairment loss on Goodwill of Euro 75,4 million

- For the purposes of business performance analysis, **the write-off has been considered as non-recurring items**

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