

PRESS RELEASE

S OF 31

2022

STRONG INCREASE IN REVENUES TO €137.6 MLN, +25% OVER 2021**ADJUSTED EBITDA INCREASED TO €16.6 MLN (+3%) DESPITE HIGHER TRANSPORT COSTS AND UNFAVOURABLE EXCHANGE RATES DURING THE YEAR****PROPOSED THE DISTRIBUTION OF AN EXTRAORDINARY DIVIDEND CONSISTING OF THE ASSIGNMENT OF 1 SHARE PER 28 SHARES HELD (DIVIDEND YIELD 3.6%)¹**

- **Revenue from sales** of Euro 137.6 million (Euro 110.6 million at 31 December 2021).
- **Adjusted EBITDA**² amounting to Euro 16.6 million (Euro 16.1 million as at 31 December 2021), up despite the unfavourable exchange rate trend and the increase in transport costs, both phenomena limited to 2022.
- The **Net Result** amounted to Euro -75.2 million (Euro -3.8 million as of 31 December 2021), after non-recurring charges or charges extraneous to standard operations of Euro 78.2 million; this included the accounting effect of the write-down of Goodwill for Euro 75.4 million following the result of the impairment test.
- **Adjusted Net Profit**³ of Euro 5.7 million (Euro 7.4 million in the period ended 31 December 2021).
- **Net financial debt** of Euro 40.4 million (Euro 37.4 million as of 31 December 2021); Leverage ratio⁴ at 2.4x as of 31 December 2022, mainly due to the increase in working capital, linked to the growth in Revenues.
- **Proposed distribution of an extraordinary dividend** consisting of 1 share for every 28 shares held (dividend yield 3.6%).

Reggio Emilia, 15 March 2023 - The Board of Directors of Cellularline S.p.A. (hereinafter "**Cellularline**" or the "**Company**" or "**Group**"), a European leader in the sector of accessories for smartphones and tablets listed on the STAR Milan Euronext organised and managed by Borsa Italiana S.p.A., today examined and approved the draft Separate Financial Statements and Consolidated Financial Statements as at 31 December 2022.

Marco Cagnetta, Co-CEO of the Cellularline Group, noted, "In 2022, Cellularline's revenues returned to pre-Covid levels, and Adjusted EBITDA also increased compared to the previous year, despite a particularly challenging macroeconomic context characterised by significant exogenous impacts, including a significant increase in raw material, energy and transportation costs. Such aspects are particularly reflected in our business model, which was also affected by a significant appreciation of the US dollar against the euro. The strategic transactions concluded in early 2023, in particular the finalisation of the acquisition of the German company Peter Jäckel and the distribution agreement with MediaMarktSaturn Germany, provide further

¹ The total dividend was calculated considering 743,499 free shares assigned; Dividend Yield calculated as % between shares assigned and shares outstanding.

² Adjusted EBITDA is calculated as EBITDA adjusted for: i) non-recurring charges/(income), ii) effects of non-recurring events, iii) events relating to extraordinary transactions and iv) operating foreign exchange gains/(losses).

³ 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 iv) the theoretical tax impact of these adjustments.

⁴ Leverage ratio is the ratio of net financial indebtedness to Adjusted EBITDA.

impetus for growth, particularly in Germany, which has always been regarded as a crucial location as Europe's largest market for smartphone accessories. Cellularline's entire management team remains focused on the company's growth and internationalisation plans in order to pursue the challenging goals we have set ourselves.

Analysis of consolidated revenue

In FY 2022, the Group realised **Sales Revenues** of Euro 137.6 million, an increase of 25% compared to the previous year (Euro 110.6 million), thanks to the positive contribution of the most important product lines, as a result of both the recovery in demand in the domestic and international market - also driven by the unbundling process, namely the recent trend of electronic device manufacturers to eliminate certain accessories like battery chargers from packs.

Revenue by product line

(Euro millions)	Year ended				Change	
	2022	% of revenue	2021	% of revenue	Δ	%
Red – Italy	49.3	35.8%	46.0	41.6%	3.3	7.1%
Red – International	60.8	44.1%	43.1	39.0%	17.6	40.9%
Revenues from Sales - Red	110.1	80.0%	89.2	80.6%	20.9	23.4%
Black – Italy	4.1	2.9%	4.0	3.6%	0.1	2.2%
Black – International	3.8	2.7%	4.2	3.8%	(0.4)	-9.7%
Revenues from Sales - Black	7.8	5.7%	8.1	7.3%	(0.3)	-3.9%
Blue – Italy	18.1	13.1%	9.1	8.2%	9.0	99.2%
Blue - International	1.2	0.9%	3.8	3.4%	(2.6)	-68.0%
Revenue from sales - Blue	19.3	14.0%	12.8	11.6%	6.5	50.3%
Other – Italy	0.5	0.3%	0.5	0.4%	0.0	4.4%
Revenues from Sales - Others	0.5	0.3%	0.5	0.4%	0.0	4.4%
Total Revenue from sales	137.6	100.0%	110.6	100.0%	27.1	24.5%

The table above shows revenue, broken down by product, for the years considered:

- the **Red Line**, which represents the Group's core business through the marketing of accessories for smartphones and tablets and the audio products of the **Group's proprietary brands**, recorded a marked increase over the previous year of about 23% (Euro 110.1 million in 2022 compared to Euro 89.2 million in 2021). In 2022, sales of the Red line accounted for approximately 80% of total revenues, in line with the previous year. Growth was driven by the recovery of demand in international markets (+40.9%) thanks to the contribution of both Cellularline and SKROSS branded products;
- the **Black Line**, which includes Interphone branded motorcycle accessories, recorded sales of Euro 7.8 million, compared with Euro 8.2 million in 2021 (-4%);
- the **Blue Line**, dedicated to the sale of **third-party brand** products, recorded significant growth of 50.3%, reaching Euro 19.3 million in 2022, compared to Euro 12.8 million in 2021. The positive trend is mainly attributable to strategic distribution agreements with important players in the sector.

Revenue by geographical area

The table below shows sales by geographical area:

(Euro millions)	Year ended				Change	
	2022	% of revenue	2021	% of revenue	Δ	%
Italy	71.9	52.3%	59.5	53.8%	12.4	20.8%
Spain/Portugal	12.0	8.7%	11.0	10.0%	1.0	9.2%
DACH	11.3	8.2%	8.2	7.4%	3.1	37.8%
Eastern Europe	10.9	7.9%	8.3	7.5%	2.6	31.0%
Benelux	6.6	4.8%	7.0	6.3%	(0.3)	-4.7%
France	6.5	4.7%	6.1	5.5%	0.4	6.6%
Northern Europe	5.1	3.7%	5.4	4.8%	(0.2)	-3.9%
United Kingdom	5.4	3.9%	0.6	0.5%	4.8	>100%
Middle East	2.2	1.6%	1.5	1.4%	0.7	45.4%
North America	1.0	0.7%	0.0	0.0%	1.0	100.0%
Others	4.7	3.4%	3.0	2.7%	1.7	56.6%
Total Revenue from sales	137.6	100%	110.6	100.0%	27.1	24.5%

(*) In 2021, the United Kingdom was classified within the 'Other' countries.

The analysis of sales by geographic area shows significant growth in revenues in the main markets in which the Group operates, particularly noteworthy is the performance in the DACH area (Germany, Austria and Switzerland), up 38% compared to 2021, in Eastern Europe (+31%), and in Italy (+21%). Also of note was the significant growth in the UK of 5.4 million, due to sales of SKROSS brand products. Sales in the Middle East also grew strongly (+45% year-on-year). The numbers reflect the Company's internationalisation drive: the share of sales in **foreign markets** accounts for about 48% of the Group's total sales.

Analysis of operating profit and consolidated profit for the year

The 2022 cost analysis shows that:

- the period **Cost of sales** came to Euro 84.2 million, compared with Euro 62.4 million in 2021, equating to 61.2% of revenues, as compared with 56.4% of last year. The increase in the incidence of the cost of sales on total revenues is attributable, in addition to the product mix, mainly to two exogenous phenomena that occurred in 2022: the appreciation of the US dollar against the euro and the increase in transport costs, partly offset by the decision to favour greater use of sea transport over air transport.
- Selling and Distribution Costs, General and Administrative Costs and Other non-operating income** amounted to Euro 129.7 million in the reporting period (Euro 53.4 million as of 31 December 2021) and were mainly impacted by the Euro 75.4 million impairment of Goodwill recorded under General and Administrative Costs; net of the write-down of goodwill (non-recurring accounting effect - for more information, see the paragraph on "Impairment Testing" of this press release), the item is therefore equal to Euro 54.3 million: an improved incidence on Revenues, which goes from 41.8% in 2021 to 39.4% in 2022, also thanks to management actions to keep structure costs under control.

FY 2022 **EBIT** came to Euro -76.3 million (Euro -5.2 million in FY 2021); Adjusted EBIT - calculated net of Euro 75.4 million for goodwill impairment, Euro 6.5 million for Purchase Price Allocation, Euro 2.7 million for non-recurring costs and increased by Euro 1.9 million for operating foreign exchange differences resulting from

currency contracts underwritten during the year) was Euro 10.3 million, in line with the previous year (Euro 10.7 million).

Adjusted EBITDA, an indicator considered by the Company to be representative of the Group's operating profitability trend, amounted to Euro 16.6 million in 2022, up from the previous year (Euro 16.1 million) despite the increase in raw material, transportation and energy costs and the appreciation of the US dollar against the euro. This indicator is obtained by adding operating depreciation and amortisation to the Adjusted EBIT, of Euro 6.4 million.

The **adjusted EBITDA margin** amounted to 12.1% in the period under review (14.6% in the previous year); this indicator, in the absence of the phenomena of US dollar revaluation and increase in transport costs, would have been significantly higher.

Net financial expenses amounted to Euro 0.7 million, down from Euro 2.1 million in 2021. The difference is mainly attributable to the change in the fair value of the outstanding warrants, which generated a revenue of Euro 1.2 million in 2022, while it had generated an expense of Euro 0.8 million in 2021.

The **Net Result** for the period - due to the above-specified net non-recurring expenses, - amounted to Euro 75.2 million compared with Euro -3.8 million in FY 2021.

Net of adjustments relating to extraordinary and non-recurring items, **Adjusted Net Profit** was Euro 5.7 million (Euro 7.5 million in the previous year).

Analysis of consolidated net financial indebtedness and operating cash flow

Net financial debt as of 31 December 2022 amounted to Euro 40.4 million (Euro 37.4 million at 31 December 2021) and includes the recognition of IFRS 16 effects related to a certain new lease and rental agreements entered into as of 1 January 2022, of which the most significant has an effect of Euro 2.6 million. The change in net financial debt as of 31 December 2022 compared to the same date of the previous year, in addition to being affected by the IFRS 16 effect arising from said contract, is influenced by the higher absorption of working capital (attributable both to the increase in inventories needed to support the high growth rate of sales volumes and to the preferred method of transport in 2022 in order to contain costs, that by sea, which compared to air transport implies a greater volume of goods in transit), as well as the payment of dividends for Euro 1.0 million during the first half of 2022. The leverage ratio at the end of 2022 was 2.4x, in line with that of 2021 (2.3x). Therefore, the covenant of the existing loan is respected.

Operating cash flow for 2022 was a positive Euro 4.8 million, compared to Euro 19 million in the previous year. The trend is mainly due to the cash absorption by Operating Working Capital of Euro 5,7 million, as described in the previous paragraph (reduction of Euro 7.7 million in 2021).

Impairment testing

For the purposes of preparing the financial statements and the annual consolidated financial statements as of 31 December 2022, the Group verified the recoverability of the value of Goodwill, also with the support of an Independent Expert Accountant, by carrying out an impairment test consistent in its methodological approach with that already adopted for the half-year financial statements as of 30 June 2022, updating all the relevant parameters - based on information available at 31 December 2022 from external sources - used to determine the discount rate (WACC) and the perpetual growth rate subsequent to the explicit forecast (g-rate), and including in the calculation of the WACC also the increase of the execution risk component, given the persistence of a complex macroeconomic environment.

At the end of the test, an impairment loss on Goodwill of Euro 75.4 million was recognised in the income statement, compared to the value recorded at 31 December 2021, which was mainly due to the effect of the significant increase in the discount rate used for the purposes of the test, which firstly reflects the significant worsening in the reference market parameters in 2022, as well as the prudential incorporation of the aforementioned execution risk, while to a residual extent it is related to the Business Plan update, which nevertheless confirms the Group's medium-long term objectives. Comprehensively, the WACC determined as at 31 December 2022 was 11.8%, compared to the WACC of 7.7% as at 31 December 2021.

Significant events in 2022

- **1 February:** obtained AEO (Authorised Economic Operator) certification from the Customs and Monopolies Agency. The recognition, conferred to subjects that meet strict standards of reliability and safety, will allow the Company to benefit from numerous facilitations in the relations with national and international customs authorities, simplifying and speeding up control procedures.
- **9 February:** appointment by co-option of Davide Danieli – Group Chief Corporate & Financial Officer, Investor Relater and manager responsible for preparing the company's financial reports as of 21 April 2021 – as Executive Director of the company.
- **30 March:** acquisition of the remaining 25% of the share capital of Pegaso S.r.l., the sole shareholder of Systema, a company operating in the market for mobile phone accessories in the Telco channel. The operation does not change Systema's contribution to the Cellularline Group's consolidated results because it has always been fully consolidated since it was included in the reporting scope in April 2019.
- **20 April:** incorporation of Cellularline USA Inc., a sales company for the development of Cellularline Group products for the USA and Canada;
- **27 April:** the Shareholders' Meeting approved all the items on the agenda and, in particular:
 - the separate and consolidated financial statements as at 31 December 2021, as proposed by the Board of Directors on 17 March 2022;
 - the distribution of a dividend partly in cash and partly through the assignment of treasury shares held in portfolio, according to the procedures described below:
 - for the cash portion: the distribution of an amount equal to Euro 0.05 gross for each ordinary share in circulation (excluding treasury shares);
 - as regards the portion in shares: the assignment of treasury shares in portfolio at a ratio of 1 share for every 32 ordinary shares of Cellularline S.p.A. (rounded down to the nearest unit), for a total maximum of 632,240 shares (corresponding to 2.9% of the share capital) that can be entirely withdrawn from the treasury shares held by the Company, with a consequent reduction in the related Reserve.
- **8 May:** the Board of Directors met to examine the non-binding letter of intent received from Esprinet S.p.A. on 6 May aimed at promoting a voluntary takeover bid, with a view to delisting, for all of Cellularline S.p.A.'s ordinary shares.
- **25 May:** dividend payment.
- **13 July:** publication of preliminary figures for the first half of 2022 for Sales Revenues and Net Financial Debt, not subject to full or limited audit.
- **8 August:** 4 SIDE S.r.l., a company whose share capital is wholly owned by Esprinet S.p.A., announces that it has filed with CONSOB the offer document, intended for publication, relating to the voluntary public tender offer for all the ordinary shares of Cellularline S.p.A.
- **11 August:** CONSOB requested to make amendments and additions to the Offer Document filed by 4 SIDE S.r.l. by ordering, pursuant to Article 102, paragraph 4 of the TUF, the suspension of the term for the approval of the Offer Document until the completion of the information framework and in

any case, for a period not exceeding 15 calendar days from the date of suspension of the aforesaid term.

- **26 August:** CONSOB ordered the resumption of the terms of the administrative procedure aimed at approving the Offer Document filed by 4 SIDE S.r.l., whose preliminary terms expired on 7 September 2022.
- **6 September:** issue of CONSOB authorisation for the publication of the Offer Document relating to the voluntary public tender offer for the entirety of Cellularline S.p.A.'s ordinary shares.
- **8 September:** publication by 4 SIDE S.r.l. of the Offer Document relating to the voluntary public tender offer for the entirety of Cellularline S.p.A.'s ordinary shares.
- **15 September:** publication of the press release reporting that Cellularline's board of directors had approved the issuer's press release, pursuant to Art. 103 of the TUF, in relation to the voluntary tender offer promoted by 4 side on all of Cellularline's shares, and considers the offered consideration of Euro 3.75 per share to be not financially fair.
- **3 October:** publication of the company presentation containing the economic and financial targets of the 2022-2025 Business Plan.
- **7 October:** notification by certain shareholders of the signing of a shareholders' agreement (the "Agreement") concerning Cellularline S.p.A. shares. The Agreement binds 15 shareholders - representatives of the founding families Aleotti and Foglio, Mr Tazartes, Mr Cagnetta, Luchi Fiduciaria S.r.l, two funds managed by Quaero Capital SA, Ms Vineti, Mr Bassi, Mr Montagnani, together holding 8,342,540 Cellularline ordinary shares, equal to 38.1% of the share capital of the Company - not to adhere to the public takeover bid or in any case to transfer Cellularline shares in the context of the public takeover bid at a price lower than Euro 5.20.
- **14 October:** conclusion of the acceptance period for the voluntary total public takeover bid for Cellularline S.p.A.'s ordinary shares promoted by 4 SIDE S.r.l. Non-fulfilment of the threshold condition and ineffectiveness of the offer.
- **17 October:** dissolution of the shareholders' agreement concerning Cellularline S.p.A. shares as a result of and following the notice of non-completion of the voluntary public tender offer promoted by 4 SIDE S.r.l.
- **20 October:** initiation of a share buyback and disposal programme, starting on 24 October 2022 on the basis of the authorisation resolution approved by the Shareholders' Meeting of 27 April 2022, which provides for a maximum number of Cellularline shares of 526,475 corresponding to approx. 2.4% of the share capital and for a maximum countervalue of Euro 2.0 million.
- **23 December:** Signing acquisition of the Peter Jäckel company.

Significant events occurred after the balance sheet date

- **9 January:** Marco Cagnetta appointed, Co-CEO of the Cellularline Group, as interim Investor Relater of the Company;
- **11 January:** acquisition, for a preliminary consideration paid at the closing, equal to Euro 3.05 million, of 60% of the company Peter Jäckel, an important German player operating for over 25 years with leading consumer electronics operators in the smartphone accessories sector, which in 2021 developed a turnover of Euro 9.4 million with a net result of Euro 1.42 million; the agreement envisages the right to exercise put-and-call options on the minority shareholding equal to 40% in total, divided into two tranches, during FYs 2024 and 2025.
- **12 January 2023:** Mauro Borgogno appointed as the new Group Chief Financial Officer and Manager in charge of drafting corporate accounting documents, pursuant to Article 154-bis of the Consolidated Law on Financial Intermediation, to replace Davide Danieli, who had tendered his resignation for personal reasons, while maintaining his position as Director in the Company's Board of Directors.

Business outlook

Based on the Revenues in 2022, as well as the positive impacts expected thanks to the numerous strategic actions taken in particular in the early months of 2023, such as the acquisition of the German company Peter Jäckel and the distribution agreement with MediaMarktSaturn Germany, which will allow the Cellularline Group to operate with a more structured and strengthened positioning in Germany management, believes it will be able to continue the growth path that has started.

Consequently, based on the information available to date and on the observation of some sector trends, the Company overall confirms the long-term strategic orientations and the soundness of the development activities implemented.

Proposed dividend distribution

The Board of Directors has resolved to propose to the Shareholders' Meeting the distribution of a dividend through the assignment of treasury shares held in the portfolio, according to the following procedures the assignment of treasury shares in the portfolio at a ratio of 1 share for every 28 ordinary shares of Cellularline S.p.A. (rounded down to the nearest unit), for a total maximum of 743,499 shares (corresponding to 3.40% of the share capital) that can be entirely withdrawn from the treasury shares held by the Company, with a consequent reduction in the related Reserve.

The proposed total dividend consists of 1 share for every 28 shares held (dividend yield 3.6%).

The proposed dividend distribution schedule is as follows: ex-dividend date 22 May 2023; record date in accordance with Art. 83-terdecies of Italian Legislative Decree no. 58 of 24 February 1998 and Article 2.6.6, paragraph 2, of the Rules of the Markets organised and managed by Borsa Italiana S.p.A.) 23 May 2023; payment date gross of statutory deductions starting 24 May 2023.

Calling of the Ordinary Shareholders' Meeting

The Board of Directors also resolved to convene the Ordinary Shareholders' Meeting, in a single call, on 28 April 2023, to discuss and resolve on the following agenda:

1. Approval of the financial statements for the year ended on 31 December 2022, complete with the Report by the Board of Directors on Operations, the Report by the Board of Auditors and the Report by the Independent Auditing Firm; presentation of the consolidated financial statements as at 31 December 2022. Related and consequent resolutions.
2. Allocation of the net result for the year: Related and consequent resolutions.
3. Proposal to distribute an extraordinary dividend through the allocation of treasury shares held in portfolio. Related and consequent resolutions.
4. Report on the Policy on Remuneration and Compensation Paid: approval of the Policy on Remuneration and Compensation Paid in accordance with Art. 123-ter, paragraph 3-ter of Italian Legislative Decree no. 58/1998.
5. Report on the Policy on Remuneration and Compensation Paid: resolutions on "section two" of the report, in accordance with Art. 123-ter, paragraph 6-ter of Italian Legislative Decree no. 58/1998.
6. Appointment of the Board of Directors.
 - a. Determination of the number of members of the Board of Directors;

- b. Determination of the term of office of the Board of Directors;
 - c. Appointment of the members of the Board of Directors;
 - d. *Appointment of the Chairman of the Board of Directors;*
 - e. *Determination of the remuneration of the members of the Board of Directors;*
7. *Appointment of the Board of Auditors.*
- a. *Appointment of the members of the Board of Auditors;*
 - b. *Determination of the remuneration of the members of the Board of Auditors.*

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 2022, 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.

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 annexes include the financial statements examined and approved today by the Board.

- **Annex A:** the IFRS-compliant Consolidated Financial Statements at 31 December 2022 compared with the same at 31 December 2021;
- **Annex B:** the IFRS-compliant Annual Financial Statements at 31 December 2022 compared with the same at 31 December 2021;
- **Annex C:** the Cellularline Group's consolidated income statement for the year ended 31 December 2022, reclassified on the basis of presentation that management deems to best reflect the Group's operating profitability.

It should be noted that the audit of the draft financial statements is still in progress and that the auditors' report will therefore be made available by the legal deadlines.

The draft Annual Financial Statements and Consolidated Financial Statements at 31 December 2022 will be filed within the deadline pursuant to Article 154-ter, paragraph 2, of the Consolidated Finance Act at the Company's registered office and on the Company's website, www.cellularlinegroup.com and on the authorised storage mechanism "1INFO" managed by Computershare S.p.A. at www.1info.it.

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.

Analyst conference call

Management will present the consolidated results as at 31 December 2022 to the financial community during a conference call to be held on 16 March 2023 at 09:30 CET.

To participate in the conference call, dial: +39 02 36213011

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.

*Cellularline S.p.A., founded in Reggio Emilia in 1990, is, together with its brands **Cellularline, PLOOS, AQL, MusicSound, Interphone, Nova, Skross, Coverlab and Allogio**, 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 250 employees. Cellularline brand products are sold in over 60 countries.*

Cellularline S.p.A. - Investor Relations

E-mail: ir@cellularlinegroup.com

Close to Media - Press Office

Nicola Guglielmi +39 366 6190711

nicola.guglielmi@closetomedia.it

Enrico Bandini +39 335 8484706

enrico.bandini@closetomedia.it

ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>(In thousands of Euro)</i>	2022	Of which related parties	2021	Of which related parties
ASSETS				
Intangible assets	54,826		61,355	
Goodwill	34,272		108,773	
Property, plant and equipment	7,726		7,487	
Equity investments in associates and other companies	71		58	
Right-of-use assets	4,388		1,774	
Deferred tax assets	5,122		4,748	
Financial assets	-		-	
Total non-current assets	106,405		184,195	
Inventories	41,400		30,518	
Trade receivables	53,291	3,707	52,117	4,702
Current tax assets	970		1,214	
Financial assets	75		60	
Other assets	3,371		4,948	
Cash and cash equivalents	9,916		8,138	
Total current assets	109,023		96,995	
TOTAL ASSETS	215,428		281,190	
Share capital	21,343		21,343	
Other reserves	168,737		159,174	
Retained earnings	15,554		28,688	
Profit for the year attributable to owners of the parent	(75,166)		(3,846)	
Equity attributable to owners of the parent	130,468		205,359	
Minorities' equity	-		-	
Total Equity	130,468		205,359	
LIABILITIES				
Financial liabilities	15,709		25,642	
Deferred tax liabilities	2,762		2,349	
Employee benefits	524		772	
Provisions for risks and charges	1,356		1,616	
Other financial liabilities	9,457		7,494	
Total non-current liabilities	29,808		37,873	
Financial liabilities	23,788		10,129	
Trade payables	23,580		19,825	
Current tax liabilities	772		1,230	
Provisions for risks and charges	-		-	
Other liabilities	5,591		4,489	
Other financial liabilities	1,421		2,285	
Total current liabilities	55,152		37,958	
TOTAL LIABILITIES	84,960		75,831	
TOTAL EQUITY AND LIABILITIES	215,428		281,190	

ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022

CONSOLIDATED INCOME STATEMENT

<i>(thousands of Euro)</i>	2022	Of which related parties	2021	Of which related parties
Revenue from sales	137,644	5,120	110,575	4,238
Cost of sales	(84,218)		(62,363)	
Gross operating profit	53,426		48,212	
Sales and distribution costs	(30,235)		(26,334)	
General and administrative costs	(101,272)	(12)	(30,407)	(11)
Other non-operating costs/(revenue)	1,787		3,372	
Operating profit/(loss)	(76,295)		(5,157)	
Financial income	1,632		2	
Financial expenses	(2,287)		(2,126)	
Foreign exchange gains/(losses)	2,095		603	
Gains/(losses) on equity investments	38		122	
Profit/(loss) before taxes	(74,816)		(6,556)	
Current and deferred taxes	(349)		2,710	
Profit for the year before non-controlling interests	(75,166)		(3,846)	
Profit for the year attributable to non-controlling interests	-		-	
Profit for the year attributable to owners of the parent	(75,166)		(3,846)	
Basic earnings per share (Euro per share)	(3.65)		(0.190)	
Diluted earnings per share (Euro per share)	(3.65)		(0.190)	

STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euro)</i>	Notes	31 2022	31 2021
Profit for the year attributable to owners of the parent		(75,166)	(3,846)
<i>Other components of comprehensive income that will not be reclassified to profit or loss</i>			
Actuarial gains (losses) on defined benefit plans		196	2
Actuarial gains (losses) on provisions for risks		359	18
Gains/(losses) on translation of foreign operations		806	691
Income taxes		(155)	(6)
Total other components of comprehensive expense for the year		1,206	705
Total comprehensive income for the year		(73,960)	(3,141)

ANNEX A

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 December 2022

CONSOLIDATED CASH FLOW STATEMENT

<i>(thousands of Euro)</i>	31 December 2021	
Profit for the year	(75,166)	(3,846)
Amortisation, depreciation and impairment losses	88,070	18,988
Net impairment losses and accruals	397	124
(Gains)/losses on equity investments	(38)	(122)
Accrued financial (income)/expense	549	2,124
Current and deferred taxes	349	(2,710)
Other non-monetary changes	80	59
	14,241	14,617
(Increase)/decrease in inventories	(11,654)	2,563
(Increase)/decrease in trade receivables	(1,170)	527
Increase/(decrease) in trade payables	3,755	4,340
Increase/(decrease) in other assets and liabilities	3,474	487
Payment of employee benefits and change in provisions	(136)	(186)
Cash flow generated (absorbed) by operating activities	8,510	22,349
Interest paid	(2,287)	(925)
Income taxes paid	(1,334)	(2,352)
Net cash flow generated (absorbed) by operating activities	4,889	19,072
Acquisition of subsidiary, net of cash acquired	(786)	(2,365)
Purchase of property, plant and equipment and intangible assets	(4,609)	(4,997)
Net cash flows generated (absorbed) by investing activities	(5,395)	(7,362)
(Dividends distributed)	(1,012)	-
Other financial assets and liabilities	(1,827)	(3,447)
Other changes in equity	400	-
Decrease in bank loans and borrowings and loans and borrowings from other financial backers	3,811	(9,597)
Payment of transaction costs relating to financial liabilities	106	151
Net cash flows generated by (used in) financing activities	1,478	(12,893)
Increase/(decrease) in cash and cash equivalents	972	(1,183)
Effect of exchange rate fluctuations	806	692
Total cash flow	1,778	(491)
Opening cash and cash equivalents	8,138	8,629
Closing cash and cash equivalents	9,916	8,138

ANNEX B

FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 December 2022

STATEMENT OF FINANCIAL POSITION

<i>(thousands of Euro)</i>	2022	Of which related parties	2021	Of which related parties
ASSETS				
Non-current assets				
Intangible assets	45,102		50,907	
Goodwill	18,432		93,857	
Property, plant and equipment	5,411		5,102	
Equity investments in subsidiaries and associates	20,578		19,317	
Right-of-use assets	3,626		1,109	
Deferred tax assets	4,788		4,327	
Financial assets	6,391	6,391	6,103	6,103
Total non-current assets	104,328		180,772	
Current assets				
Inventories	35,008		26,451	
Trade receivables	48,961	12,794	51,018	16,166
Current tax assets	939		1,209	
Financial assets	34		37	
Other assets	2,581		3,581	
Cash and cash equivalents	4,818		3,827	
Total current assets	92,341		86,123	
TOTAL ASSETS	196,669		266,845	
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity				
Share capital	21,343		21,343	
Other reserves	166,260		157,767	
Retained earnings	15,821		29,877	
Profit for the year	(75,893)		(4,862)	
TOTAL SHAREHOLDERS' EQUITY	127,531		204,125	
LIABILITIES				
Non-current liabilities				
Financial liabilities	14,821		24,714	
Deferred tax liabilities	1,673		1,152	
Employee benefits	209		323	
Provisions for risks and charges	1,249		1,495	
Other financial liabilities	2,796		713	
Total non-current liabilities	20,748		28,397	
Current liabilities				
Financial liabilities	23,697		10,088	
Trade payables	18,881	254	17,965	182
Current tax liabilities	612		1,231	
Provisions for risks and charges	-		-	
Other liabilities	4,040	39	3,372	38
Other financial liabilities	1,160		1,667	
Total current liabilities	48,390		34,323	
TOTAL LIABILITIES	69,138		62,720	
TOTAL EQUITY AND LIABILITIES	196,669		266,845	

ANNEX B

FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 December 2022

INCOME STATEMENT

<i>(thousands of Euro)</i>	2022	Of which related parties	2021	Of which related parties
Revenue from sales	113,022	16,322	97,947	17,298
Cost of sales	(72,062)	(1,257)	(57,054)	(1,206)
Gross operating profit	40,960		40,893	
Sales and distribution costs	(23,341)	44	(21,580)	
General and administrative costs	(96,566)	(12)	(26,652)	(11)
Other non-operating (expense)/revenue	1,826	(11)	950	27
Operating profit/(loss)	(77,121)		(6,389)	
Financial income	1,369	102	96	94
Financial expenses	(2,164)		(2,080)	
Foreign exchange gains/(losses)	2,288		662	
Gains/(losses) on equity investments	-		-	
Profit/(loss) before taxes	(75,628)		(7,711)	
Current and deferred taxes	(265)		2,849	
Profit for the year	(75,893)		(4,862)	

STATEMENT OF COMPREHENSIVE INCOME

<i>(thousands of Euro)</i>	31 2022	2021
Profit for the year	(75,893)	(4,862)
<i>Other components of comprehensive income that will not be reclassified to profit or loss</i>		
Actuarial gains (losses) on defined benefit plans	54	(7)
Actuarial gains (losses) on provisions for risks	335	17
Gains/(losses) on translation of foreign operations	-	-
Income taxes	(108)	(3)
Other components of comprehensive expense for the year	280	7
Total comprehensive income for the year	(75,613)	(4,855)

ANNEX B

FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31 December 2022

STATEMENT OF CASH FLOWS

<i>(thousands of Euro)</i>	31 December 2021	
Profit for the year	(75,893)	(4,862)
Amortisation, depreciation and impairment losses	86,081	17,182
Net impairment losses and accruals	412	47
(Gains)/losses on equity investments	-	-
Accrued financial (income)/expense	689	1,984
Current and deferred taxes	265	(2,849)
Other non-monetary changes	134	52
	11,688	11,554
(Increase)/decrease in inventories	(9,317)	1,429
(Increase)/decrease in trade receivables	2,119	2,220
Increase/(decrease) in trade payables	916	
Increase/(decrease) in other assets and liabilities	2,425	1,289
Payment of employee benefits and change in provisions	(74)	(93)
Cash flow generated (absorbed) by operating activities	7,757	20,420
Interest paid and other net charges paid	(2,164)	(925)
Income taxes paid	(1,331)	(2,334)
Net cash flow generated (absorbed) by operating activities	4,262	17,161
Acquisition of subsidiary, net of cash acquired	(1,261)	(295)
Purchase of property, plant and equipment and intangible assets	(3,875)	(4,093)
Cash flows generated (absorbed) by investing activities	(5,136)	(4,388)
(Dividends distributed)	(1,012)	-
Other financial assets and liabilities (*)	(1,224)	(5,232)
Other changes in equity	280	-
Decrease in bank loans and borrowings and loans and borrowings from other financial backers	3,715	(10,000)
Payment of transaction costs relating to financial liabilities	106	151
Net cash flows generated by (used in) financing activities	1,865	(15,081)
Increase/(decrease) in cash and cash equivalents	991	(2,308)
Effect of exchange rate fluctuations (*)	-	-
Total cash flow	991	(2,308)
Opening cash and cash equivalents	3,827	6,135
Closing cash and cash equivalents	4,818	3,827

ANNEX C

CONSOLIDATED INCOME STATEMENT

RECLASSIFIED

<i>(thousands of Euro)</i>	31	Of which	% of	31	Of which	% of
	2022	related	revenue	2021	related	revenue
		parties			parties	
Revenue from sales	137,644	5,120	100%	110,575	4,238	100.0%
Cost of sales	(84,218)		-61%	(62,363)		-56.4%
Gross operating profit	53,426		38.8%	48,212		43.6%
Sales and distribution costs	(30,235)		-22.0%	(26,334)		-23.8%
General and administrative costs	(101,272)	(12)	-73.6%	(30,407)	(11)	-27.5%
Other non-operating (costs)/revenue	1,787		1.3%	3,372		3.0%
Operating profit/(loss)	(76,294)		-55.4%	(5,157)		-4.7%
* of which PPA depreciation	6,463		4.7%	6,432		5.8%
* of which impairment losses on the customer relationship	-		0.0%	7,174		6.5%
* of which impairment of goodwill	75,425		54.8%	-		0.0%
* of which non-recurring expense/(revenue)	2,731		2.0%	1,902		1.7%
* of which operating foreign exchange gains/(losses)	1,928		1.4%	387		0.3%
Adjusted operating profit/loss (Adjusted EBIT)	10,253		7.4%	10,738		9.7%
* of which depreciation and amortisation (excluding PPA depreciation and amortisation)	6,384		4.6%	5,382		
Adjusted EBITDA	16,636		12.1%	16,120		14.6%
Financial income	1,632		1.2%	2		0.0%
Financial expenses	(2,287)		-1.7%	(2,126)		-1.9%
Foreign exchange gains/(losses)	2,095		1.5%	603		0.5%
Gains/(losses) on equity investments	38		0.0%	122		0.1%
Profit/(loss) before taxes	(74,816)		-54.4%	(6,556)		-5.9%
* of which PPA depreciation	6,463		4.7%	6,432		5.8%
* of which impairment losses on the customer relationship	-		0.0%	7,174		6.5%
* of which impairment test on goodwill	75,425		54.8%	-		0.0%
* of which non-recurring expense/(revenue)	2,731		2.0%	1,902		1.7%
* of which fair value impact on the warrant and put & call	(1,514)		-0.9%	573		0.5%
Adjusted pre-tax result	8,289		6.2%	9,525		8.6%
Current and deferred taxes	(349)		-0.3%	2,710		2.5%
Profit (loss) for the period attributable to the Group	(75,166)		-54.6%	(3,846)		-3.5%
* of which PPA depreciation	6,463		4.7%	6,432		5.8%
* of which impairment losses on the customer relationship	-		0.0%	7,174		6.5%
* of which impairment test on goodwill	75,425		54.8%	-		0.0%
* of which non-recurring expense/(revenue)	2,731		2.0%	1,902		1.7%
* of which impact of fair value warrants and put & call	(1,514)		-0.9%	573		0.5%
* of which tax effect on the above items	(2,237)		-1.6%	(4,786)		-4.3%
Adjusted Group profit (loss) for the period	5,702		4.4%	7,449		6.7%