

PRESS RELEASE**CONSOLIDATED HALF-YEAR FINANCIAL REPORT AS AT 30 June 2024 APPROVED****CONSOLIDATED REVENUES UP TO € 72.6 MLN (+7.0% COMPARED TO THE FIRST HALF OF 2023)****ADJ. EBITDA UP TO € 7.0 MLN COMPARED TO € 4.6 MLN (+54% COMPARED TO THE FIRST HALF OF 2023)****NET FINANCIAL DEBT DOWN TO €27.5 MLN (€35.4 MLN AT 31 DECEMBER 2023)**

- **Revenue from sales** of EUR 72.6 million (EUR 67.8 million at 30 June 2023).
- **Adjusted EBITDA<sup>1</sup>** of EUR 7.0 million (EUR 4.6 million in the period ended 30 June 2023).
- **Profit for the year** of EUR -1.3 million (EUR -4.0 million at 30 June 2023).
- **Adjusted Net Profit<sup>2</sup>** of EUR 1.3 million (EUR -1.1 million in the period ended 30 June 2023).
- **Net Financial Indebtedness** of Euro 27.5 million (Euro 35.4 million at 31 December 2023). Leverage ratio<sup>3</sup> at 1.2x as at 30 June 2024 (compared to 1.7x as at 31 December 2023).

Reggio Emilia, 11 September 2024 - The Board of Directors of Cellularline S.p.A. (hereinafter "**Cellularline**" or the "**Company**"), a European leader in the sector of accessories for smartphones and tablets listed on the STAR Milan Euronext Market organised and managed by Borsa Italiana S.p.A., today examined and approved the Consolidated Interim Financial Report as at 30 June 2024.

**Marco Cagnetta, Director and General Manager Sales and Marketing** of the Cellularline Group, commented: *"The growth in the Group's revenues has continued for 13 consecutive quarters, demonstrating careful and strategic management of the company, which has enabled us to achieve remarkable results even in this first half of the year despite a market that is not particularly expanding. The development initiatives implemented led to the acquisition of new high-potential customers and increased penetration at selected top partners. We look to the future with confidence, resolutely aiming for sustainable growth, leveraging the constant improvement of the organisational structure and a solid financial position, also thanks to the recent renewal of our medium- to long-term financing, which includes a EUR 10 million credit facility to support our growth strategy, further strengthening our leadership in the industry".*

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

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

<sup>3</sup> Leverage ratio is the ratio of net financial indebtedness to Adjusted EBITDA.

## Analysis of consolidated revenue

In the first half of 2024, the Group's Revenue from sales totalled EUR 72.6 million, or 7.0% more than in the same period last year (EUR 67.8 million) thanks to the increase in sales both on the domestic and international markets.

## Revenue by product line

The table below shows sales by product line:

<i>(In millions of Euro)</i>	Half year ending on				Change	
	30 June 2024	% of revenues	30 June 2023	% of revenues	Δ	%
Red – Italy	21.7	30.0%	19.4	28.7%	2.3	11.8%
Red – International	36.5	50.3%	34.7	51.2%	1.8	5.1%
<b>Revenue from sales - Red</b>	<b>58.2</b>	<b>80.2%</b>	<b>54.2</b>	<b>79.9%</b>	<b>4.1</b>	<b>7.5%</b>
Black – Italy	2.1	3.0%	2.2	3.3%	(0.1)	-3.7%
Black – International	2.6	3.6%	2.1	3.1%	0.4	21.0%
<b>Revenue from sales - Black</b>	<b>4.7</b>	<b>6.5%</b>	<b>4.4</b>	<b>6.4%</b>	<b>0.4</b>	<b>8.4%</b>
Blue – Italy	8.3	11.5%	8.5	12.5%	(0.2)	-1.9%
Blue – International	1.3	1.8%	0.8	1.2%	0.5	57.6%
<b>Revenue from sales - Blue</b>	<b>9.6</b>	<b>13.3%</b>	<b>9.3</b>	<b>13.7%</b>	<b>0.3</b>	<b>3.4%</b>
<b>Total Revenues from Sales</b>	<b>72.6</b>	<b>100.0%</b>	<b>67.8</b>	<b>100.0%</b>	<b>4.8</b>	<b>7.0%</b>

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

- the **Red Line**, which represents the core business through the marketing of accessories for smartphones and tablets and the audio products of the **Group's proprietary brands** <sup>4</sup>, accounted for 80% of total period revenues, recording a rise of 7.5% (EUR 4.1 million). Growth was driven by the acquisition of new high-potential customers and increased penetration at selected top partners;
- the **Black Line**, which primarily includes Interphone branded motorcycle accessories, recorded sales of EUR 4.7 million, EUR 0.4 million (+8.4%) compared with the same period of the previous year;
- the **Blue Line**, dedicated to the sale of **third-party brand** products for distribution, recorded growth of EUR 0.3 million (+3.4%).

## Revenue by geographical area

The table below shows sales by geographical area:

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

(In millions of Euro)	Half year ending on				Change	
	30 June 2024	% of revenues	30 June 2023	% of revenues	Δ	%
Italy	32.2	44.3%	30.2	44.5%	2.0	6.7%
Other European markets <sup>5</sup>	36.4	50.2%	33.8	49.9%	2.6	7.7%
Other countries	4.0	5.5%	3.8	5.7%	0.1	3.8%
<b>Total Revenues from Sales</b>	<b>72.6</b>	<b>100.0%</b>	<b>67.8</b>	<b>100.0%</b>	<b>4.8</b>	<b>7.0%</b>

With regard to the analysis of sales by geographic area, it should be noted that the sales recorded in international markets accounted for 55.7% of the Group's total sales, in line with H1 2023. The domestic market showed a growth of about 6.7%, while in the other European markets the Group grew by 7.7% compared to the first six months of the previous year.

### **Analysis of operating profit and consolidated net profit**

Turning to an analysis of the Income Statement in the first half of 2024:

- **Gross Operating Margin<sup>6</sup>** increased from EUR 24.4 million in the first half of 2023 to EUR 28.3 million, mainly due to the effect of the increase in Revenues with a substantially stable Cost of Sales;
- **Costs of Sale and Distribution, General and Administrative Costs and Other Non-Operating Costs/Revenues** amounted to EUR 28.2 million in the period under review and accounted for 38.9% of revenue in the period, compared to EUR 27.0 million in the first half of the previous year (39.8% of revenue).

**Adjusted EBITDA** came to EUR 7.0 million, increasing by EUR 2.5 million compared with the same period of the previous year, with an improvement in the incidence on turnover of approximately three percentage points (9.7% H1 2024 vs 6.7% H1 2023).

**Net Financial Income and Expense** in the first half of 2024 amounted to EUR -1.6 million, compared to a result of EUR -1.8 million in the first half of 2023; the improvement of EUR 0.2 million was mainly due to the mark-to-market of outstanding exchange rate hedging derivatives.

The **Adjusted Net Profit** for the period amounted to EUR 1.3 million compared to EUR -1.1 million in the first half of 2023, thus improving by EUR 2.4 million.

### **Analysis of consolidated net financial indebtedness and operating cash flow**

**Net Financial Indebtedness** at 30 June 2024 is EUR 27.5 million (EUR 35.4 million at 31 December 2023), therefore showing improvement of EUR 7.9 million. This decrease is mainly related to the reduction in Working Capital, influenced both by the seasonality of the business, and by specific efficiency actions carried out by management. The leverage ratio as at 30 June 2024 was 1.2x, an improvement from 31 December 2023 (1.7x).

**Operating cash flow** for the period, which amounted to EUR 13.8 million (EUR 4.0 million in the first half of 2023); the difference is mainly due to the trend in Operating Working Capital explained previously.

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

<sup>6</sup> EBITDA is the difference between sales revenue and the cost of sales

Cash and cash equivalents (EUR 11.9 million) at 30 June 2024 and available unused trade and factor credit lines (EUR 16.0 million at the end of the half-year) ensure the Group's high financial strength.

### **Significant events in H1 2024**

- From the beginning of FY 2024, Cellularline S.p.A., within the scope of the authorisation to purchase treasury shares resolved by the Issuer's Shareholders' Meeting on 22 November 2023, purchased 446,035 ordinary treasury shares for a total value of EUR 1,219 thousand. At 30 June 2024, Cellularline directly holds 306,149 treasury shares, equal to 1.43% of the share capital.
- During the first few months of 2024, as per internal dealing and relevant shareholding disclosures pursuant to Art. 120 of Legislative Decree no. 58/98, it appears that:
  - the Chief Executive Officer, Christian Aleotti, purchased 500,368 ordinary shares, reaching a total shareholding of 12.34%;
  - the Chair of the Board of Directors, Antonio Luigi Tazartes, purchased a total of 920,368 ordinary shares, reaching a total shareholding of 7.19%.
- **24 April:** the Shareholders' Meeting approved all the items on the agenda and, in particular:
  - the financial statements as at 31 December 2023;
  - the allocation of the year's result, along with the distribution of a cash dividend - partly ordinary, up to the full amount of the year's profit, and partly extraordinary, from available reserves - and an additional extraordinary dividend through the assignment of treasury shares held in portfolio;
  - the Explanatory report on the remuneration policy and fees paid approved;
  - the Incentive Remuneration Plan based on financial instruments called the "Cellularline S.p.A. 2024-2026 Incentive Plan".
- **31 May:** the shareholders of Worldconnect AG exercised the put option reserved to them for the sale to Cellularline of a tranche equating to a total of 10% in the company's share capital. The exercise of the put option by the minority shareholders brings Cellularline to hold a 90% controlling interest in Worldconnect AG. The consideration for the transaction was paid partly in cash, for CHF 621,628, and partly through Cellularline treasury shares for 339,459 shares corresponding to 1.55% of share capital.

### **Significant events after 30 June 2024**

- **3 July:** the 2023 ESG report was published. Inside are best practices and outstanding performances the Group has achieved in six main areas of action - Governance, People, Community, Suppliers, Environment and Customers.
- **31 July:** the Parent Company entered into a new loan agreement for EUR 35 million to support its medium- to long-term growth plans. As part of the transaction, EUR 25 million represents a requalification of pre-existing medium- to long-term financial sources, which will allow the Parent Company to obtain an extension of the maturities of its financial debt by two years (the end of the 2028 amortisation period). The new agreement also includes a EUR 10 million line to support the growth strategy by internal and external lines and is subject to economic-financial covenants. The pre-existing medium- and long-term lines were repaid at the same time.

### **Outlook**

Based on the information available to date, it is believed that the commercial initiatives implemented will yield further benefits in the remainder of the year.

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

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**Legal statements**

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

The following are appended:

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

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**Analyst conference call**

Management will present the consolidated results as at 30 June 2024 to the financial community during a conference call to be held on 12 September 2024 at 09:30 CET.

To participate in the conference call, you will need to register at the following link "[CLICK HERE TO REGISTER FOR THE CONFERENCE CALL](#)".

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

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

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

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The half-yearly financial report at 30 June 2024 will be filed, by the terms set forth in art. 154-ter, paragraph 2, 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 1INFO authorised storage mechanism managed by Computershare S.p.A. at [www.1info.it](http://www.1info.it).

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

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**CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 June 2024**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

<i>(In thousands of Euro)</i>	Balance at 30 June 2024	Of which Related parties	Balance at 31 December 2023	Of which related parties
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets	46,763		50,594	
Goodwill	37,892		38,505	
Property, plant and equipment	7,740		7,816	
Equity investments in associates and other companies	331		331	
Right-of-use assets	3,343		3,994	
Deferred tax assets	5,981		5,805	
Financial assets	149		54	
<b>Total non-current assets</b>	<b>102,199</b>		<b>107,099</b>	
<b>Current assets</b>				
Inventories	41,289		46,931	
Trade receivables	48,615	2,277	51,459	3,761
Current tax assets	535		473	
Financial assets	123		338	
Other assets	10,941		13,066	
Cash and cash equivalents	11,934		14,041	
<b>Total current assets</b>	<b>113,437</b>		<b>126,308</b>	
<b>TOTAL ASSETS</b>	<b>215,636</b>		<b>233,407</b>	
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	21,343		21,343	
Other reserves	105,006		107,056	
Retained earnings	5,216		2,665	
Group profit (loss) for the year	(1,292)		3,595	
<b>Equity attributable to owners of the parent</b>	<b>130,273</b>		<b>134,659</b>	
Equity attributable to non-controlling interests	-		-	
<b>TOTAL EQUITY</b>	<b>130,273</b>		<b>134,659</b>	
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities	1,400		8,600	
Deferred tax liabilities	3,407		3,547	
Employee benefits	564		544	
Provisions for risks and charges	1,985		1,939	
Other financial liabilities	8,279		9,061	
<b>Total non-current liabilities</b>	<b>15,635</b>		<b>23,691</b>	
<b>Current liabilities</b>				
Financial liabilities	28,578		29,170	
Trade payables	28,303	1	32,330	
Current tax liabilities	1,791		1,686	
Provisions for risks and charges	-		-	
Other liabilities	9,760		8,939	
Other financial liabilities	1,295		2,932	
<b>Total current liabilities</b>	<b>69,727</b>		<b>75,057</b>	
<b>TOTAL LIABILITIES</b>	<b>85,361</b>		<b>98,748</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>215,636</b>		<b>233,407</b>	

**ANNEX A**

**CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 June 2024**  
**INCOME STATEMENT**

**CONSOLIDATED INCOME STATEMENT**

<i>(thousands of Euro)</i>	H1 2024	Of which related parties	H1 2023	Of which related parties
Revenue from sales	72,587	2,100	67,820	2,012
Cost of sales	(44,245)		(43,467)	
<b>Gross operating margin</b>	<b>28,342</b>		<b>24,353</b>	
Sales and distribution costs	(15,252)		(14,130)	
General and administrative costs	(13,709)	(6)	(13,588)	(6)
Other non-operating expense/(revenue)	727		691	
<b>Operating profit/(loss)</b>	<b>107</b>		<b>(2,674)</b>	
Financial income	216		60	
Financial expense	(1,793)		(1,823)	
Foreign exchange gains/(losses)	111		106	
Gains on equity investments	-		-	
<b>Profit/(loss) before taxes</b>	<b>(1,359)</b>		<b>(4,331)</b>	
Current and deferred taxes	67		295	
<b>Profit for the year before non-controlling interests</b>	<b>(1,292)</b>		<b>(4,036)</b>	
Profit (loss) for the year attributable to non-controlling interests	-		-	
<b>Group profit for the year</b>	<b>(1,292)</b>		<b>(4,036)</b>	
<b>Basic earnings per share (Euro per share)</b>	<b>(0.06)</b>		<b>(0.19)</b>	
<b>Diluted earnings per share (Euro per share)</b>	<b>(0.06)</b>		<b>(0.19)</b>	

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

<i>(thousands of Euro)</i>	H1 2024	H1 2023
<b>Group profit for the year</b>	<b>(1,292)</b>	<b>(4,036)</b>
<i>Other components of comprehensive income that will not be reclassified to profit or loss</i>		
Actuarial gains (losses) on defined benefit plans	-	(16)
Actuarial gains (losses) on provisions for risks	-	(19)
Gains/(losses) on translation of foreign operations	(784)	84
Income taxes	-	8
<b>Other components of comprehensive expense for the year</b>	<b>(784)</b>	<b>58</b>
<b>Total comprehensive income for the year</b>	<b>(2,077)</b>	<b>(3,978)</b>



**ANNEX A**

**CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 June 2024**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

<i>(thousands of Euro)</i>	<b>H1 2024</b>	<b>H1 2023</b>
Profit/ (loss) for the year	(1,292)	(4,036)
Amortisation, depreciation and impairment of goodwill	6,505	6,463
Net accruals and impairment losses included in working capital	937	198
(Income)/expenses from equity investments and exchange (gains)/losses	-	-
Accrued financial (income)/expense	1,466	1,718
Current and deferred taxes	(67)	(295)
Other non-monetary changes (*)	(320)	135
<b>Flow generated (absorbed) by operating activities net of NWC</b>	<b>7,229</b>	<b>4,184</b>
(Increase)/decrease in inventories	5,366	(6,537)
(Increase)/decrease in trade receivables	2,615	6,024
Increase/(decrease) in trade payables	(4,027)	3,258
Increase/(decrease) in other assets and liabilities	2,578	(2,965)
Payment of employee benefits and change in provisions	-	6
<b>Cash flow generated (absorbed) by operating activities</b>	<b>13,762</b>	<b>3,970</b>
Interest paid and other net charges paid	(1,246)	(1,668)
Income taxes paid	(207)	(1,075)
<b>Net cash flows generated by operating activities</b>	<b>12,308</b>	<b>1,227</b>
Acquisition of subsidiary, net of cash acquired	-	(2,552)
Purchase of property, plant and equipment and intangible assets	(2,334)	(2,233)
<b>Cash flows generated (absorbed) by investing activities</b>	<b>(2,334)</b>	<b>(4,785)</b>
(Dividends distributed)	(1,824)	-
Other financial assets and liabilities	(1,158)	(585)
Other changes in equity	(1,218)	(342)
Disbursed bank loans and loans and borrowings from other financial backers <sup>7</sup> (*)	-	10,000
Repaid bank loans and loans and borrowings from other financial backers (*)	(7,881)	(3,109)
Payment of transaction costs relating to financial liabilities	-	45
<b>Net cash flows generated by (used in) financing activities</b>	<b>(12,082)</b>	<b>6,008</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>(2,108)</b>	<b>2,451</b>
<b>Opening cash and cash equivalents</b>	<b>14,041</b>	<b>9,916</b>
<b>Closing cash and cash equivalents</b>	<b>11,934</b>	<b>12,366</b>

(\*) In order to provide better comparability, these items for H1 2023 have been reclassified.

<sup>7</sup> Stipulation of new loans/new draws.

**ANNEX B**

**RECLASSIFIED CONSOLIDATED INCOME STATEMENT**

<i>(thousands of Euro)</i>	<b>H1 2024</b>	<b>Of which related parties</b>	<b>% of revenues</b>	<b>H1 2023</b>	<b>Of which related parties</b>	<b>% of revenues</b>
Revenue from sales	72,587	2,100	100%	67,820	2,012	100%
Cost of sales	(44,245)		-61.0%	(43,467)		-64.1%
<b>Gross operating margin</b>	<b>28,342</b>		<b>39.0%</b>	<b>24,353</b>		<b>35.9%</b>
Sales and distribution costs	(15,252)		-21.0%	(14,130)		-20.8%
General and administrative costs	(13,709)	(6)	-18.9%	(13,588)	(6)	-20.0%
Other non-operating (expense)/revenue	727		1.0%	691		1.0%
<b>Operating profit/(loss)</b>	<b>107</b>		<b>0.1%</b>	<b>(2,674)</b>		<b>-3.9%</b>
* of which PPA depreciation	3,337		4.6%	3,325		4.9%
* of which non-recurring expense/(revenue)	179		0.2%	699		1.0%
* of which foreign exchange gains/(losses)	225		0.3%	72		0.1%
<b>Adjusted operating profit/loss (Adjusted EBIT)</b>	<b>3,848</b>		<b>5.3%</b>	<b>1,422</b>		<b>2.1%</b>
* of which depreciation and amortisation (excluding PPA amortisation)	3,168		4.4%	3,133		4.6%
<b>Adjusted EBITDA</b>	<b>7,016</b>		<b>9.7%</b>	<b>4,555</b>		<b>6.7%</b>
Financial income	216		0.3%	60		0.1%
Financial expense	(1,793)		-2.5%	(1,823)		-2.7%
Foreign exchange gains/(losses)	111		0.2%	106		0.2%
<b>Profit/(loss) before taxes</b>	<b>(1,359)</b>		<b>-1.9%</b>	<b>(4,331)</b>		<b>-6.4%</b>
* of which PPA amortisation	3,337		4.6%	3,325		4.9%
* of which non-recurring expense/(revenue)	179		0.2%	699		1.0%
<b>Adjusted profit/loss before taxes</b>	<b>2,157</b>		<b>3.0%</b>	<b>(307)</b>		<b>-0.5%</b>
Current and deferred taxes	67		0.1%	295		0.4%
<b>Group profit (loss) for the period</b>	<b>(1,292)</b>		<b>-1.8%</b>	<b>(4,036)</b>		<b>-6.0%</b>
* of which PPA amortisation	3,337		4.6%	3,325		4.9%
* of which non-recurring expense/(revenue)	179		0.2%	699		1.0%
* of which tax effect on the above items	(965)		-1.3%	(1,107)		-1.6%
<b>Adjusted Group profit (loss) for the period</b>	<b>1,259</b>		<b>1.7%</b>	<b>(1,120)</b>		<b>-1.7%</b>